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400-plus jobs moving to Fairfield with help of \$2M deal

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FAIRFIELD — The deal that will bring 400-plus jobs to the city in exchange for a 10-year, \$2 million property investment reimbursement incentive started with an unexpected call.

While Fairfield Economic Development Manager Greg Kathman didn't think it was a joke when he received a call from a site selection company calling on behalf of Veritiv Corporation, he said, "You don't get too many phone calls like that too often."

"This is a really nice project. You don't get too many projects of this size very often. Not only is it a lot of jobs, but it's a lot of good, high-paying jobs, and it's a large investor building that's underutilized," said Kathman.

And when the company moves into the city this fall, possibly in late September, the South Gilmore corridor just north of Interstate 275 will have three of the city's top 10 employers.

"It's good to keep a major corporate presence like Veritiv in the Greater Cincinnati region," said Kathman. "When their headquarters were located in the suburban Atlanta area a couple years ago, there was concern the entire Cincinnati operation was at risk. But it's good to have that settled and presence retained in the region."

And he said this "reinforces our positive reputation" that Fairfield is a business-friendly community.

Veritiv started about six months ago looking for a new facility to relocate its more than 400 employees based out of its Miami Township offices in Clermont County. They worked with a site selection committee, which contacted the city of Fairfield among others.

Veritiv will lease 72,000 square feet of space in the Gilmore Pointe Office Park, which Kathman said is less than 130,000 square feet and is 90 percent vacant. According to a Fairfield-Veritiv property investment reimbursement agreement, the company will have a minimum of a collective \$30 million payroll for its employees in Clermont County, which includes jobs in the information technology, customer service, credit and finance fields. That's around a projected \$500,000 in annual payroll taxes injected into the city's coffers.

Kathman said the deal, which has a number of protections for the city, was offered because of the "competitive environment," and Veritiv was considering a number of sites within and outside the region.

"It's a little different form, but it's not all different than a traditional tax incentive," he said. "I think this project makes good financial sense for both the city and the company, both in the short term and long term."

Instead of abating future taxes, the company pays the upfront costs, and if they meet specific requirements — such as the completion of the remodeling, relocating of the 400 jobs to the city and meeting certain payroll thresholds — Fairfield could be making annual payments from the city's general fund as early as 2018.

"There's a lot of security built in from the city's perspective, to make sure the compliance happens as we all expect it to," Kathman said.

Kathman said having an Atlanta-headquartered company land in Fairfield is a big get for the city. The company will be the city's ninth-largest employer and is projected to be on the Fortune 500 list later this year.

Fairfield Chamber of Commerce President and CEO Kert Radel said Monday night's announced deal "is going to be a tremendous economic boom for the city of Fairfield."

"It's also going to send out a signal to other companies that this is going to be a great opportunity to come and have your business operate out of Fairfield," he said.

Radel and Kathman said there is a lot of available land for further development in the South Gilmore area, and Radel said "there's no downside to this at all."

Veritiv Corporation was founded in July 2014 following the merger of International Paper's xpedx division, which was headquartered in Clermont County, and Unisource Worldwide, which was headquartered in Atlanta. Veritiv, which has 8,900 team members across 180 distribution centers in North America, had more than \$9.3 billion net sales in 2014, said company spokesman Ed Patterson.

The Greater Cincinnati area is "a place to find good talent" for the jobs that support Veritiv's support North American operations, Patterson said.

"The office will offer us what we believe is a sleek updated working environment," he said. "What we wanted to do and the offices and the space we needed, for growth, it was a right fit. And this facility in Fairfield was the right fit for us."

The company's lease for its Clermont County offices ends this July.

Veritiv is a full-service strategic distribution company that offers business-to-business solutions including packaging, print and paper, publishing, logistics and facility solutions as well as cleaning supplies. The company has distribution centers around North America, including in Canada and Mexico.

While more than 400 employees work out of the Miami Twp. offices, there are 520 employees that work in the Greater Cincinnati, which includes a distribution center in North Kentucky, according to the company. In Ohio, the company employs more than 600.

Many of the customers for Veritiv are on the Fortune 500 list, and its new landlord, Cincinnati Financial, used to be on that list.

Cincinnati Financial took on the mission two years ago to make a push to attract more jobs to Fairfield, which including remodeling part of the Gilmore Pointe Office Park, said Michael Sewell, Cincinnati Financial's chief financial officer.

"We are very supportive of the city of Fairfield, Butler County and the region since we moved to the city of Fairfield back in the mid '80s," said Sewell. "We think it's very important to attract and retain jobs in Fairfield, to grow Fairfield, but more importantly Butler County in addition to the general larger region."

Growth in Fairfield is being planned for, Patterson said, but it's just not known when the company will be ready to add more jobs. That's one of the reasons he said the Gilmore Pointe Office park was attractive. While Veritiv will bring just more than 400 jobs to Fairfield, the space will allow dozens of more jobs to be added, he said.

"As we look at these similar operational support functions, if and when the time comes, we wanted to make sure we were in a location here that allowed for that particular growth," said Patterson, adding that the projected move-in date by the end of September. The move will be done in waves, Patterson said.

Patterson said the company wanted to look at all the options in Greater Cincinnati, and worked with REDI Cincinnati to find an ideal location, which was the Fairfield site near Interstate 275.

"Our role is to keep these great companies in the region," said Erin Rolfe, a spokeswoman for REDI Cincinnati. "We do three things: we attract companies to the region, and they're here we try to help them stay and try to keep them here."

TOP EMPLOYERS

Below are Fairfield's top 10 employers. When Veritiv officially relocates to its new Ohio corporate offices later this year, the business will be ninth on this list.

1. Cincinnati Financial Corp., est. employees: 2,900
2. Mercy Hospital Fairfield, est. employees: 1,200
3. Fairfield City School District, est. employees: 1,100
4. Ohio Casualty Group, est. employees: 975
5. Medco Health Solutions, est. employees: 800
6. Koch Foods, est. employees: 600
7. Tri-County Extended Care, est. employees: 500
8. Pacific Industries, est. employees: 450
9. M Bohlke Veneer Co., est. employees: 400
10. city of Fairfield, est. employees: 375

Source: city of Fairfield

COMPANY BIO

Headquarters: Atlanta, Ga.

Founded: Veritiv Corporation was founded in July 2014 following the merger of International Paper's xpedx division and Unisource Worldwide.

Employees: There are around 520 employees in Greater Cincinnati, which includes a distribution center in Northern Kentucky; 600 employees in Ohio; and approximately 8 team members across 180 distribution centers in North America

Company description: Veritiv is a business-to-business distribution solutions company which serves customers in nearly every industry by providing packaging, print, facility publishing and print management solutions.

2014 net sales: \$9.3 billion, which 70 percent came from the company's print and packaging segments.

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