

**FACT SHEET  
MAY 2019  
ROOT, INC.**

**I. STATEMENT OF PURPOSE – JOB CREATION**

The Department of Development recommends a dual-rate Jobs Growth Incentive for a term of up to six (6) consecutive years in consideration of an investment of approximately \$3,000,000, the retention of 79 employees and the creation of 863 new full-time permanent positions.

**II. PROJECT HISTORY**

The primary line of business for Root, Inc. (“Root”), headquartered in Columbus, Ohio, is providing property and casualty insurance, in particular personal passenger auto insurance. Root relies on telematics and a customer's smartphone to deliver rates for good drivers based on their current driving data. Root was formed by a veteran of the insurance industry that saw a need to provide good drivers an insurance product that rewards them with low insurance premiums based on their driving ability. The company’s auto insurance products are sold, administered, and monitored through a smartphone app. Root does not employ agents to sell or administer its products.

Root, Inc. is proposing to invest approximately \$3,000,000 in leasehold improvements to expand operations at multiple locations in the City of Columbus. In recognition of this, the project site shall be defined as all locations and operations located within the City of Columbus to expand and support headquarters and administrative operations. Additionally, Root, Inc. will retain 79 employees with an estimated associated annual payroll of approximately \$8,407,464 and create 863 new full-time permanent positions with a cumulative estimated annual payroll of approximately \$60,840,596 to support its growth.

Root, Inc. is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist with this expansion project.

**III. PROJECT INVESTMENT**

<b>INVESTMENT TYPE</b>	<b>PROPOSED VALUE</b>
Leasehold Improvements	\$3,000,000
<b>TOTAL INVESTMENT</b>	<b>\$3,000,000</b>

**IV. DECISION & TIMING**

The project is expected to begin as soon as approved with an anticipated completion date of July 2019, pending Columbus City Council approval of the recommended tax incentive.

**V. EMPLOYMENT**

The project is expected to retain 79 employees with an estimated associated annual payroll of approximately \$8,407,464 and create 863 new full-time permanent positions with a cumulative

estimated annual payroll of approximately \$60,840,596.

<b>Position Title</b>	<b># of New Jobs</b>	<b>Hourly Rate</b>	<b>Annual Salary</b>	<b>Total Estimated Payroll for New Jobs</b>
Executive	1	\$88.94	\$185,000	\$185,000
Data Science	13	\$57.69	\$120,000	\$1,560,000
Actuary	24	\$40.87	\$85,000	\$2,040,000
Engineering	390	\$37.45	\$77,899	\$30,380,596
Product	85	\$52.88	\$110,000	\$9,350,000
Administration	7	\$36.06	\$75,000	\$525,000
Marketing	30	\$36.06	\$75,000	\$2,250,000
Design	33	\$43.27	\$90,000	\$2,970,000
HR	8	\$33.65	\$70,000	\$560,000
Finance	12	\$45.67	\$95,000	\$1,140,000
Customer Service	260	\$18.27	\$38,000	\$9,880,000
<b>Total</b>	<b>863</b>			<b>\$60,840,596</b>

Total cumulative new payroll over the term of the Jobs Growth Incentive to Columbus will be approximately \$60,840,596.

Benefits provided to new employees begin immediately upon hiring and includes the following:

- Paid Holidays
- Medical/Dental Insurance
- Disability Pay
- Training & Education Benefits
- Vacation Pay
- 401K Retirement Plan
- Annual Bonus
- Paid Vacation/Personal Days

The proposed project will involve multiple locations in the City of Columbus including 80 E. Rich Street, Columbus, Ohio 43215, which are accessible by public transportation.

**REQUESTED PUBLIC PARTICIPATION**

The Department of Development recommends a dual-rate Jobs Growth Incentive in an amount equal to (i) thirty-five percent (35%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) forty percent (40%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term up to six (6) consecutive years.

Should Root, Inc. not be able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be thirty-five percent (35%).

**VI. NEW TAX IMPACT**

<b>NEW REVENUE SUMMARY</b>		
<b>Revenue</b>	<b>Average Annual</b>	<b>6-year Summary</b>
A. New City Income Tax Revenue	\$1,521,015	\$9,126,090
<b>Incentive</b>	<b>Average Annual</b>	<b>6-year Summary</b>
B. Proposed Incentive is equal to:  (i) twenty-five percent (35%) of the City of Columbus income tax withheld on the Columbus payroll of new employees for a term up to five (5) consecutive years; and  (ii) thirty percent (40%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term up to five (5) consecutive years.	\$532,355 (at 35%) to \$608,406 (at 40%)	\$3,194,132 (at 35%) to \$3,650,436 (at 40%)
<b>Total</b>	<b>Average Annual</b>	<b>6-year Summary</b>
C. Net Value to City (i.e., A. - B.)	\$988,660 (at 35%) to \$912,609 (at 40%)	\$5,931,959 (at 35%) to \$5,475,654 (at 40%)

**VII. TAX BENEFIT**

The recommended dual-rate Jobs Growth Incentive could yield cash payments totaling between approximately \$3,194,132 (at 35%) – \$3,650,436 (at 40%) for Root, Inc. over the incentive term of six (6) consecutive years.

**VIII. AREA IMPACT/GREEN INITIATIVES**

Root, Inc. reduces waste and energy use through recycling, lighting, and electronic records systems.