

**FACT SHEET
COVERMYMEDS LLC
JULY 2018**

I. STATEMENT OF PURPOSE – ENTERPRISE ZONE & JOB CREATION

The Department of Development recommends an Enterprise Zone property tax abatement of one-hundred percent (100%) for a period of fifteen (15) consecutive years on real property improvements made by a real estate development partner (the property owner) and CoverMyMeds LLC (the future office tenant) for the purpose of constructing a new headquarters office campus and creating new employment.

II. PROJECT HISTORY

CoverMyMeds LLC (“CoverMyMeds”), an operating company under McKesson Corporation, is a leader in electronic prior authorization (ePA) solutions, and one of the fastest growing health care technology companies in the U.S. CoverMyMeds’ software suite automates the medication prior authorization process for more than 500 electronic health records (EHR) systems, 49,000 pharmacies, 700,000 providers and most health plans and Pharmacy Benefit Managers (PBMs). By ensuring appropriate access to medications, the company helps its customers avoid billions of dollars each year in administrative waste and avoidable medical spending caused by prescription abandonment.

CoverMyMeds, in collaboration with a real estate development partner, intends to initially construct one (1) new approximately 200,000-square-foot Class A office building and ancillary amenities and may, at a later date, construct another one (1) approximately 200,000-square-foot Class A office building (total of approximately 400,000 square feet), one or more associated parking structures (hereinafter collectively referred to as the “Project”) to serve as a new headquarters campus for CoverMyMeds. This new headquarters campus will be developed in two phases with the first phase (“Phase 1”) including the construction of the first office building, the ancillary campus amenities, and surface parking. At a later date, a potential second phase (“Phase 2”) of the Project is projected to include the construction of the second office building and an estimated 1,150-space structured parking garage.

Subject to market conditions, Phase 1 is expected to be completed by the conclusion of calendar year 2021 with an anticipated investment of approximately \$100,000,000 and a potential Phase 2 may be completed by the conclusion of calendar year 2024, with an additional anticipated investment of approximately \$125,000,000. An additional \$15,000,000 is expected to be invested by CoverMyMeds to furnish the new campus. This new campus will be located along McKinley Ave. west of North Hartford Ave. on what is currently multiple parcels (collectively hereinafter the “Project Site”), which are located within the boundaries of the Columbus City School District and the West Franklinton neighborhood.

In total, this new headquarters campus Project is expected to support the retention and relocation of approximately 592 existing full-time permanent employment positions with an associated annual payroll of approximately \$43,162,000 from their current offices located at 2 Miranova Place, Columbus, Ohio 43215 and 41 South High Street, Columbus, Ohio 43215 to the Project Site. Additionally, CoverMyMeds expects to create approximately 1,032 net new full-time permanent employment positions with an associated annual payroll of approximately \$75,000,000 at the Project Site within the next five (5) years (by December 31, 2022).

CoverMyMeds is requesting an Enterprise Zone property tax abatement of one-hundred percent (100%) for a period of fifteen (15) consecutive years on real property improvements to assist in the development of this project.

III. PROJECT INVESTMENT

INVESTMENT TYPE	PROPOSED VALUE
ADDITIONS/NEW CONSTRUCTION	\$225,000,000
<i>Phase 1 Building</i>	<i>\$100,000,000</i>
<i>Phase 2 Building</i>	<i>\$85,000,000</i>
<i>Parking Garage</i>	<i>\$40,000,000</i>
FURNITURE & FIXTURES	\$15,000,000
TOTAL INVESTMENT	\$240,000,000

IV. DECISION & TIMING

Phase 1 is expected to be completed by the conclusion of calendar year 2021 and a potential Phase 2 may be completed by the conclusion of calendar year 2024. Both phases are contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

As a result of this project, CoverMyMeds LLC will retain and relocate 592 existing full-time permanent employment positions with an associated annual payroll of approximately \$43,162,000 from their current offices located at 2 Miranova Place, Columbus, Ohio 43215 and 41 South High Street, Columbus, Ohio 43215 to the Project Site. Additionally, CoverMyMeds expects to create approximately 1,032 net new full-time permanent employment positions with an associated annual payroll of approximately \$75,000,000 at the Project Site within the next five (5) years (by December 31, 2022).

Position Title	Number of New Jobs	Average Hourly Rate	Average Annual Salary	Total Estimated Payroll for New Positions
Client Services	333	\$20.19	\$42,000	\$13,986,000
Development & Infrastructure	248	\$46.63	\$97,000	\$24,056,000
Corporate Functions	451	\$40.86	\$85,000	\$38,335,000
TOTALS	1,032			≈ \$76,377,000

Only new full-time permanent positions compensated at an hourly wage rate of at least \$15.00 will be eligible for City incentive support.

The proposed Project Site has access to public transportation options provided by the Central Ohio Transit Authority (COTA).

CoverMyMeds LLC offers their full-time employees the following benefits:

- Paid holidays
- Paid vacation/personal days
- Vacation pay
- 401(k) retirement plan
- Annual bonus
- Medical/dental insurance
- Disability pay

Benefits generally begin within 30 days of the date of hire.

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends an Enterprise Zone property tax abatement of one-hundred percent (100%) for a period of fifteen (15) consecutive years on real property improvements made by a real estate development partner (the property owner) and CoverMyMeds LLC (the future office tenant) for the purpose of constructing a new headquarters office campus and creating new employment.

VII. NEW TAX IMPACT: ANNUAL & MULTI-YEAR SUMMARY

Property Owner Impact	Average Annual	15-year Summary	30-year Summary
A. Existing Total Property Tax Liability at Project Site	\$45,908	\$688,620	\$1,377,240
B. Possible Net New Property Tax Liability at Project Site if Unabated	\$5,182,761	\$77,741,415	\$155,482,830
C. Proposed Property Tax Abatement Value <i>One-hundred Percent (100%)/ Fifteen (15) Consecutive Years</i>	\$5,182,761 <i>(est. annual new property taxes saved over the abatement term)</i>	\$77,741,415 <i>(est. total new property taxes saved over the abatement term)</i>	\$77,741,415 <i>(est. total property taxes owed over twice the abatement term)</i>
D. Net Property Owner Liability D = (A + B) - C	\$45,908	\$688,620	\$79,118,655

School District Impact	Average Annual	15-year Summary	30-year Summary
E. Existing School District Revenue from Property Tax Liability at Project Site	\$32,821	\$492,315	\$984,630
F. Possible Net New School District Revenue from Property Tax Liability at Project Site if Unabated	\$3,705,278	\$55,579,170	\$111,158,340
G. Proposed Property Tax Abatement Impact on Net New School District Revenue from Property Tax Liability <i>One-hundred Percent (100%)/ Fifteen (15) Consecutive Years</i>	\$3,705,278 <i>(est. annual new property taxes foregone by the school district)</i>	\$55,579,170 <i>(est. total new property taxes foregone by school district)</i>	\$55,579,170 <i>(est. total new property taxes owed to the school district over twice the abatement term)</i>
H. Net School District Revenue H = (E + F) – G	\$32,821	\$492,315	\$56,563,800

City Impact	Average Annual	15-year Summary	30-year Summary
I. Existing City Revenue from Property Tax Liability at Project Site	\$1,752	\$26,280	\$52,560
J. Possible Net New City Revenue from Property Tax Liability at Project Site if Unabated	\$197,820	\$2,967,300	\$5,934,600
K. Proposed Property Tax Abatement Impact on Net New City Revenue from Property Tax Liability	\$197,820	\$2,967,300	\$2,967,300
<i>One-hundred Percent (100%)/ Fifteen (15) Consecutive Years</i>	<i>(est. annual new property taxes foregone by the city)</i>	<i>(est. total new property taxes foregone by the city)</i>	<i>(est. total new property taxes owed to the city over twice the abatement term)</i>
L. New City Income Tax Revenue	\$1,875,000	\$28,125,000	\$56,250,000
M. Net City Revenue (Sans School District Revenue Sharing) M = ((I + J) – K) + L	\$1,876,752	\$28,151,280	\$59,269,860

VIII. TAX BENEFIT

The recommended Enterprise Zone property tax abatement could yield a tax savings of approximately \$77,741,415 over the incentive term of fifteen (15) consecutive years, should CoverMyMeds LLC and their real estate development partner invest a combined total of approximately \$225,000,000 toward building and parking garage construction.

NOTE: The Columbus City School District is not projected to receive additional property tax revenue over the term of the abatement as a result of the project. However, as per a separately negotiated and approved Compensation Agreement, the Columbus City School District will receive the following:

During the first ten (10) consecutive Exemption Years (years 1 – 10) in which the Project receives a tax exemption pursuant to the Enterprise Zone Agreement executed by the City, the Annual Payment Amount is to equal:

- (a) fifty percent (50%) of the eligible annual municipal income tax revenues received by the City from its levy on the wages, salaries, commissions and other compensation of New Employees located at the Project Site as a result of the aforementioned Enterprise Zone Agreement in annual municipal income tax revenues received by the City for years in which the total New Employee annual payroll exceeds one million dollars (\$1,000,000).

During the last five (5) consecutive Exemption Years (years 11 – 15) in which the Project receives a tax exemption pursuant to the Enterprise Zone Agreement executed by the City, the Annual Payment Amount is to equal the lesser of:

- (a) eighty percent (80%) of the previous year's Annual Payment Amount; or
- (b) fifty percent (50%) of the eligible annual municipal income tax revenues received by the City from its levy on the wages, salaries, commissions and other compensation of New Employees located at the Project Site as a result of the aforementioned Enterprise Zone Agreement in annual municipal income tax revenues received by the City for years in which the total New Employee annual payroll exceeds one million dollars (\$1,000,000).

The sum of all Annual Payment Amounts during the full fifteen (15) consecutive Exemption Years shall not exceed \$20,000,000.

IX. AREA IMPACT/GREEN INITIATIVES

“Green initiatives” are currently under consideration, but the campus will likely use best practices in the design, construction and operation of the project.