

**FACT SHEET  
COVERMYMEDS LLC  
JULY 2018**

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

The Department of Development recommends a dual-rate Jobs Growth Incentive for a term of up to eight (8) consecutive years in consideration of a total investment of approximately \$240,000,000, the retention and relocation of approximately 592 existing full-time permanent employment positions, and the creation of approximately 1,032 net new full-time permanent employment positions by December 31, 2022.

**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 a dual-rate Jobs Growth Incentive from the City of Columbus to assist in the relocation and expansion of operations in Columbus.

### 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
<b>TOTAL INVESTMENT</b>	<b>\$240,000,000</b>

### 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
<b>TOTALS</b>	<b>1,032</b>			<b>≈ \$76,377,000</b>

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 a dual-rate Jobs Growth Incentive in an amount equal to (i) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty-five percent (35%) 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 of up to eight (8) consecutive years.

If CoverMyMeds is not 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 percent (30%).

## VII. NEW TAX IMPACT AND ANNUAL SUMMARY

NEW REVENUE SUMMARY		
Revenue	Average Annual	8-year Summary
A. New City Income Tax Revenue	\$1,875,000	\$15,000,000
Incentive	Average Annual	8-year Summary
B. Proposed Incentive is equal to:		
(i) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees for a term of up to eight (8) consecutive years; and	\$562,500 (at 30%) to	\$4,500,000 (at 30%) to
(ii) thirty-five percent (35%) 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 of up to eight (8) consecutive years.	\$656,250 (at 35%)	\$5,250,000 (at 35%)
Total	Average Annual	8-year Summary

C. Net Value to City (i.e., A. - B.)	\$1,312,500 (at 30%)	\$10,500,000 (at 30%)
	to \$1,218,750 (at 35%)	to \$9,750,000 (at 35%)

## **VIII. TAX BENEFIT**

The recommended dual-rate Jobs Growth Incentive could yield cash payments totaling between approximately \$4,500,000 (at 30%) – \$5,250,000 (at 35%) for CoverMyMeds LLC over the incentive term of up to eight (8) consecutive years.

## **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.