



Legislation Text

File #: 2884-2013, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive with OhioHealth Group, Ltd.

OhioHealth Group, Ltd. provides managed care products and services in the United States. It offers health care services through a network of doctors and hospitals. The company also provides infrastructure facilities to integrate physicians and hospitals. In addition, the company offers credentialing and repricing services. OhioHealth Group, Ltd. provides its services to self-funded employers and union groups, brokers, benefit consultants, third party administrators, and insured carriers. The company was founded in 1985 and is headquartered in Columbus, Ohio. Ownership of OhioHealth Group, Ltd. is shared equally between OhioHealth Corporation and The Medical Group of Ohio.

OhioHealth Group, Ltd. is proposing to relocate operations from 445 Hutchinson Ave., Columbus, Ohio 43235 and lease, renovate, and equip approximately 15,477 square feet of existing office space located at 155 E. Broad Street, Columbus, Ohio 43215. The company will invest approximately \$100,000 towards machinery and equipment acquisition, retain and relocate 41 full-time positions, and create approximately 65 new full-time permanent positions with an associated annual payroll of approximately \$4,426,000.

OhioHealth Group, Ltd. would qualify for the Columbus Downtown Office Incentive in an amount equal to fifty percent (50%) of the payroll taxes paid on the new positions or approximately \$276,635.00 over a term of up to five (5) years. The Development Department recommends granting the Columbus Downtown Office Incentive Program to OhioHealth Group, Ltd.

FISCAL IMPACT: No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Program Agreement with OhioHealth Group, Ltd. as provided in Columbus City Council Resolution 0088X-2007, adopted June 4, 2007.

WHEREAS, the City desires to increase employment opportunities and encourage establishment of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

WHEREAS, Resolution 0088X-2007, adopted June 4, 2007, authorized the Department of Development to establish the Columbus Downtown Office Incentive Program as amended; and

WHEREAS, the Department of Development has received a completed application for the Columbus Downtown Office Incentive Program from OhioHealth Group, Ltd.; and

WHEREAS, OhioHealth Group, Ltd. is proposing to relocate operations from 445 Hutchinson Ave., Columbus, Ohio 43235 and expand its operations by entering into an 8 ½-year lease agreement for 15,477 square feet of existing office space located at 155 E. Broad Street, Columbus, Ohio 43215; and

WHEREAS, OhioHealth Group, Ltd. plans to invest approximately \$100,000 towards machinery and equipment acquisition, retain and relocate 41 full-time positions with an associated annual payroll of approximately \$3,599,560, and create approximately 65 new full-time permanent positions with an associated annual payroll of approximately \$4,426,000, generating new City of Columbus income tax revenue of approximately \$110,650 annually; and **NOW THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That the Director of the Department of Development is hereby authorized to enter into a Columbus Downtown Office Incentive Program Agreement, pursuant to Columbus City Council Resolution 0088X-2007, with OhioHealth Group, Ltd. for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term of five (5) years on the estimated job creation of 65 new full-time permanent positions located at 155 E. Broad Street, Columbus, Ohio 43215.

Section 2. Each year of the term of the agreement with OhioHealth Group, Ltd. that a payment is due, the City's obligation to pay the incentive is expressly contingent upon the passing of an ordinance appropriating and authorizing the expenditure of monies sufficient to make such payment and the certification of the City Auditor pursuant to Section 159 of the Columbus City Charter.

Section 3. That the City of Columbus Downtown Office Incentive Program Agreement is signed by OhioHealth Group, Ltd. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

Section 4. That the Director of the Department of Development is hereby authorized to amend the Columbus Downtown Office Incentive Program Agreement with OhioHealth Group, Ltd. for non-substantive modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these non-substantive modifications being specifically limited to reductions in length of term, methods of calculating the incentive, or adding or deleting business entities associated with the employment commitments related to this incentive. All other requested amendments must be approved by City Council.

Section 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.