



Legislation Text

File #: 1632-2014, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive with CoverMyMeds LLC.

Founded in 2008 by Matt Scantland and Sam Rajan, CoverMyMeds assists physicians, pharmacists and other medical professionals with completing Prior Authorization (PAs) and other insurance coverage determination forms for any drug, and almost all drug plans. Utilization of the company's software applications permits providers to quickly process the necessary forms electronically, thus reducing excess paperwork and accelerating patient access to vital medications. CoverMyMeds provides a 100% free service to pharmacies and physicians bringing the paper-based workflow into a 21st century electronic process. CoverMyMeds has created a PA model that improves efficiency and results in lower prescription abandonment.

CoverMyMeds LLC is proposing to relocate and expand its corporate headquarters by investing approximately \$1.52 million in leasehold improvements, which includes construction of new signage, stand-alone computers, furniture and fixtures. The company will enter into a long-term lease agreement on a vacant office space consisting of approximately 64,059 square feet at Two Miranova, Floors 10th - 12th, retain and relocate 69 full-time jobs from E. Chestnut Street and create 111 new full-time permanent positions with an estimated annual payroll of approximately \$9.16 million in the Downtown Business District. CoverMyMeds LLC would qualify for the Columbus Downtown Office Incentive in an amount equal to fifty percent (50%) of the payroll taxes paid on the new employees or approximately \$572,937.50 over a term of five (5) years. The Development Department recommends granting the Columbus Downtown Office Incentive program to CoverMyMeds LLC.

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 Agreement with CoverMyMeds LLC 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 CoverMyMeds LLC; and

WHEREAS, CoverMyMeds LLC is proposing to relocate and expand its corporate headquarters in the Downtown Business District by entering into a long-term lease agreement on a vacant office space at Two Miranova Place, Floors 10th - 12th consisting of approximately 64,059 square feet; and

WHEREAS, CoverMyMeds LLC plans to invest approximately \$1.52 million in leasehold improvements, which

includes construction of new signage, stand-alone computers, furniture and fixtures, retain 69 full-time jobs and create 111 new full-time permanent positions with an estimated annual payroll of approximately \$9.16 million to expand and relocate its corporate headquarters, generating approximately \$229,175 annually in new City of Columbus income tax revenue; **NOW, THEREFORE,**

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

SECTION 1. That Columbus City Council hereby authorizes the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Agreement with CoverMyMeds LLC, pursuant to Columbus City Council Resolution 0088X-2007, for an annual cash payment equal to fifty percent (50%) of the amount of City withholding tax withheld on new employees for a term up to five (5) years on the estimated job creation of 111 new full-time permanent positions to be located at Two Miranova Place, Floors 10th - 12th Columbus, Ohio 43215.

SECTION 2. Each year of the term of the agreement with CoverMyMeds LLC 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 Agreement is signed by CoverMyMeds LLC within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

SECTION 4. The City Council hereby extends authority to the Director of the Department of Development to amend the CoverMyMeds LLC City of Columbus Downtown Office Incentive Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these 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.