



# City of Columbus

Office of City Clerk  
90 West Broad Street  
Columbus OH 43215-9015  
columbuscitycouncil.org

## Legislation Text

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**File #:** 0394-2014, **Version:** 1

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**BACKGROUND:** The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive Agreement with Medical Mutual of Ohio.

Founded in 1934, Medical Mutual of Ohio is the oldest, largest health insurance company in Ohio, headquartered in the City of Cleveland. The company provides a range of group and personal health insurance plans for more than 1.6 million customers throughout the United States. In addition, the company offers third-party administrative services for self-insured group customers. Medical Mutual of Ohio serves policyholders, members, brokers and group benefit managers. The company products include SuperMed Classic, SuperMed Plus, SuperMed Select, SuperMed HMO, and also provides prescription drug programs. The firm develops a network of health care providers. The Medical Mutual of Ohio's subsidiaries include Medical Mutual Services and Antares Management Solutions.

Medical Mutual of Ohio is proposing to expand its Columbus operation by investing approximately \$500,000 in leasehold improvements, which includes furniture and fixtures. The company will enter into a long-term lease agreement on a vacant office space consisting of approximately 13,452 square feet, retain 11 full-time jobs and relocate 38 full-time permanent positions (which will be new to Columbus) with annual payroll of approximately \$2.2 million from Liberty Township into the Downtown Business District. Medical Mutual of Ohio would qualify for the Columbus Downtown Office Incentive in an amount equal to fifty percent (50%) of the payroll taxes paid on the relocated positions or approximately \$82,878.00 over a term up to three (3) years. The Development Department recommends granting the Columbus Downtown Office Incentive program to Medical Mutual of Ohio.

**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 Medical Mutual of Ohio 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 Medical Mutual of Ohio; and

**WHEREAS,** Medical Mutual of Ohio is proposing to expand its Columbus operation by entering into a long-term lease agreement on a vacant office space consisting of approximately 13,452 square feet; and

**WHEREAS,** Medical Mutual of Ohio plans to invest approximately \$500,000 in leasehold improvements, which includes furniture and fixtures, retain 11 full-time jobs and relocate 38 full-time permanent positions (which will be new to Columbus) from Liberty Township to downtown Columbus; more specifically, 10 W. Broad Street 14<sup>th</sup> Floor,

Columbus, Ohio 43215, with an estimated annual payroll of \$2.2 million, generating approximately \$55,252.50 annually in new City of Columbus income tax revenue; 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 Agreement with Medical Mutual of Ohio, 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 three (3) years on the estimated job creation of 38 new full-time permanent positions located at 10 W. Broad Street, Columbus, Ohio 43215.

**Section 2.** Each year of the term of the agreement with Medical Mutual of Ohio 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 Medical Mutual of Ohio 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 Medical Mutual of Ohio City of Columbus Downtown Office Incentive Agreement 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.