



City of Columbus

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

Legislation Text

File #: 1821-2015, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive with CrossChx, Inc.

Founded in the spring of 2012, CrossChx, Inc. develops and deploys real-time biometric solutions to prevent medical identity fraud, improve health outcomes, and enable nationwide health information exchange. By scanning the patient's fingerprint, CrossChx instantly verifies a patient's identity and links the patient to the appropriate medical benefits to make it easier for healthcare professionals to ensure the right person receives the right care.

In April of 2013 CrossChx, Inc. became the first investment of Columbus-based venture capital firm Drive Capital, now the largest venture capital firm between New York and San Francisco. This investment was followed by a \$15 million Series B infusion by Menlo Park California-based Khosla Ventures and founding investor Drive Capital in April of 2015. With new funding to grow, the CrossChx solution is expected to continue to mature with a focus on expanding into new health systems and developing and deploying a mobile-based platform. Today, CrossChx has been deployed in more than 105 hospitals across eight states and has resolved more than 16.3 million identities.

CrossChx, Inc. is proposing to relocate operations from 100 E. Broad Street, Columbus, Ohio 43215 and lease, renovate, and equip approximately 30,000 square feet of existing office space located in the former Karlsberger Cos. Building, 99 East Main Street, Columbus, Ohio 43215. The company will invest approximately \$1,800,000 related to leasehold improvements, the acquisition of machinery, equipment, furniture, fixtures, and stand-alone computers, retain and relocate 32 full-time permanent positions, and create 68 new full-time permanent positions with an associated annual payroll of approximately \$4,864,500.

CrossChx, Inc. is requesting a Columbus Downtown Office Incentive from the City of Columbus to assist in the expansion of its operations.

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 CrossChx, Inc. 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 from CrossChx, Inc.; and

WHEREAS, CrossChx, Inc. is proposing to relocate operations from 100 E. Broad Street, Columbus, Ohio 43215 and

lease, renovate, and equip approximately 30,000 square feet of existing office space located in the former Karlsberger Cos. Building, 99 East Main Street, Columbus, Ohio 43215; and

WHEREAS, CrossChx, Inc. plans to invest approximately \$1,800,000 related to leasehold improvements, the acquisition of machinery, equipment, furniture, fixtures, and stand-alone computers, retain and relocate 32 full-time permanent positions with an associated annual payroll of approximately \$2,481,500, and create 68 new full-time permanent positions with an associated annual payroll of approximately \$4,864,500; **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, pursuant to Columbus City Council Resolution 0088X-2007, with CrossChx, Inc. 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 up to five (5) years on the estimated job creation of 68 new full-time permanent positions located at 99 East Main Street, Columbus, Ohio 43215.

SECTION 2. Each year of the term of the agreement with CrossChx, Inc. 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 CrossChx, Inc. 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 Agreement with CrossChx, Inc. 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.