



Legislation Text

File #: 0546-2019, **Version:** 1

BACKGROUND: The Columbus Department of Development is proposing to enter into a Columbus Downtown Office Incentive with Radiology Partners Management, LLC.

Radiology Partners Management, LLC is the largest physician-led and physician-owned radiology practice in the U.S., with approximately 1,200 radiologists providing services to more than 850 hospitals, clinics and imaging centers across 18 states, with the infrastructure and capital to scale further. The company offers diagnostic and interventional radiology services, with on-site and remote reads by local radiologists. Radiology Partners Management, LLC is the fastest-growing radiology practice in the U.S., with an exceptional client relationship track record that spans 40 years. Headquartered in El Segundo, California, Radiology Partners Management, LLC is a leading on-site radiology practice with commitment to clinical excellence and service.

Radiology Partners Management, LLC is proposing to invest a total project cost of approximately \$150,000, which includes \$100,000 in leasehold improvements and \$50,000 in furniture and fixtures to expand its existing operation and to establish a second corporate headquarters ("**HQ2**") at 471 E. Broad Street, Columbus, Ohio 43215, parcel number 010-025394 (the "**Project Site**"), inside the Motorist Mutual Insurance building. The company originally established the Columbus location as a smaller IT support and help desk for all operations. With this expansion, the new HQ2 will house various leadership functions (including a new CIO), expand its IT and help desk functions, and its nationwide clinician support services. Radiology Partners Management, LLC will enter into a lease agreement for additional office space consisting of approximately 11,000 square feet, retain 51 full-time jobs with an annual payroll of approximately \$4,093,073 and create 60 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$4,200,000 at the proposed Project Site to support its strategic growth initiative.

Radiology Partners Management, LLC is requesting a Downtown Office Incentive from the City of Columbus to assist in the expansion of its operation and for establishing a second corporate headquarters.

This legislation is presented as 30 day legislation.

FISCAL IMPACT

No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Downtown Office Incentive Agreement with Radiology Partners Management, LLC for a term of up to five (5) consecutive years in consideration of the company's proposed capital investment of \$150,000.00, the retention of 51 full-time jobs and the creation of 60 net new full-time permanent positions with an estimated annual payroll of approximately \$4.2 million.

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 Number 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 Radiology Partners Management, LLC; and

WHEREAS, Radiology Partners Management, LLC is proposing to invest a total project cost of approximately \$150,000, which includes \$100,000 in leasehold improvements and \$50,000 in furniture and fixtures to expand its existing operation and to establish a second corporate headquarters (“**HQ2**”) at 471 E. Broad Street, Columbus, Ohio 43215, parcel number 010-025394 (the “**Project Site**”); and

WHEREAS, with this expansion, Radiology Partners Management, LLC will enter into a lease agreement for additional office space consisting of approximately 11,000 square feet at the Project Site. The proposed new HQ2 will house various leadership functions (including a new CIO), expand its IT and help desk functions, and its nationwide clinician support services; and

WHEREAS, Radiology Partners Management, LLC will retain 51 full-time jobs with an annual payroll of approximately \$4.09 million and create 60 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$4.2 million at the proposed Project Site to support its strategic growth initiative; and

WHEREAS, Radiology Partners Management, LLC has indicated that a Downtown Office Incentive is crucial to its decision to expand its existing operation and for establishing a HQ2 within the City of Columbus; and

WHEREAS, the City of Columbus desires to facilitate the future growth of Radiology Partners Management, LLC at the Project Site by providing a Downtown Office Incentive; and

NOW, THEREFORE:

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

Section 1. Columbus City Council authorizes the Director of the Department of Development to enter into a Columbus Downtown Office Incentive Agreement 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) consecutive years on the estimated job creation of 60 net new full-time permanent positions with a projected estimated annual payroll of approximately \$4.2 million to be located at 471 E. Broad Street, Columbus, Ohio 43215.

Section 2. Each year of the term of the agreement with Radiology Partners Management, 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 Radiology Partners Management, 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 Radiology Partners Management, LLC’s 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.