

June 12, 2023

To: Members of the Budget and Finance Committee

From: Sheryl M.M. Long, City Manager *sm*

202301666

Subject: Emergency Ordinance – Job Creation and Retention Tax Credit Agreement with Medpace, Inc.

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the execution of a Job Creation and Retention Tax Credit Agreement with Medpace, Inc., pursuant to which the company agrees to create 1,500 new jobs and retain 2,099 existing jobs at Medpace, Inc.’s campus located at the southeast corner of Madison Road and Red Bank Expressway in Madisonville neighborhood of Cincinnati, and the City of Cincinnati agrees to provide an income tax credit equal to 55 percent of City income tax revenue from (i) 1,500 new jobs and 1,255 retained jobs for a period of fourteen years, and (ii) 844 retained jobs for a period of four years.

COMPANY INFORMATION

Medpace, Inc. (the “Company”) is a Cincinnati-based pharmaceutical testing and medical research company located in the neighborhood of Madisonville. Since the relocation of the Company in 2008, the Company has invested a significant amount in the development of its corporate headquarters.

BACKGROUND/CURRENT CONDITIONS

Pursuant to the Job Creation Tax Credit (“JCTC”) Agreement dated October 3, 2008, and amended in 2015 and 2017, and its most recent 2022 End of Year Report, the Company received a City Income Tax Credit for creating 844 new jobs with an associated annual payroll of \$46,420,000 (the “Phase I Jobs”) and for subsequently creating 1,255 new jobs with an associated annual payroll of \$164,635,101 (the “Phase II Jobs”) at the southeast corner of Madison Road and Red Bank Expressway.

The Company seeks to grow its Cincinnati operations further through job growth and real estate development. The Company had an opportunity to locate the new 1,500 jobs and its associated annual payroll of \$90,000,000 to its operations in Denver, CO and Irving, TX.

PROJECT DESCRIPTION

The Company will retain the Phase I and Phase II jobs, a total of 2099 full-time equivalent employees (“FTEs”) with an associated annual payroll of approximately \$211,055,101. Additionally, the Company will create at least 1,500 FTEs with an

associated annual payroll of approximately \$90,000,000 within the City of Cincinnati (the "Phase III Jobs"). The Company has committed to having all 3599 jobs meet the Minimum Qualifying Wage.

As part of the significant expansion, the Company will also invest approximately \$150,000,000 for the construction of 308,000 square feet of office space (the "Phase III Project Site").

PROPOSED INCENTIVE

DCED is recommending:

- 55% City income tax credit applicable to the Company's retention of the Phase I Jobs for a period of 4 years,
- 55% City income tax credit applicable to the Company's retention of the Phase II Jobs for a period of 14 years, and
- 55% City income tax credit applicable to new jobs created by the Company at the Phase III Project Site for a period of 14 years.

This credit will be contingent upon the Company retaining all 3599 jobs in the city through December 31, 2044.

The reason for providing these incentives is that the project provides an advantageous return on investment for the City while continuing to grow investments that began in 2008. The incentive will also require the Company to maintain operations within the city for at least an additional 22 years.

Total City Earnings Tax Generated over Term:	\$119,217,824.00
Estimated Total Term Job Tax Credit Value to Company:	\$33,324,650.00
Incentive Leverage Per Dollar of City Investment:	\$2.58

JobsOhio also plans to provide assistance, which will be made public after a final agreement is executed.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

Attachment: A. Property location

Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Attachment A: Property Location

