

**Caremark, LLC
Catalyst Fund
Application (TTC)
to
Governor's Office Of Economic
Development**



Governor's Office of Economic Development

**Las Vegas 702-486-2700
Reno 775-687-9900
Toll Free 800-336-1600**

Applicant Information

BUSINESS SUBMITTING: **Caremark, LLC**

Authorized Representative:

Name: Paul Isabella

Title: Senior Manager

Organization: Caremark, LLC

Street Address: One CVS Drive, Woonsocket, RI 2895

Mailing Address: One CVS Drive, Woonsocket, RI 2895

Phone Number: 401-770-7329

Email Address: paul.isabella@cvshealth.com

To the best of my knowledge and belief, the information contained in this Catalyst Fund Application is true and correct, as evidenced by my signature below.

Signature



(Company Representative)

Date

4/26/18

BUSINESS SUMMARY

Describe the proposed new business or expansion in a brief summary including the applicant's business structure:

Caremark, LLC is evaluating locations as part of an effort to expand the company's base of operations. Clark County has been identified as a potential project site. The project includes the creation of a prescription management service center. The new facility will support operations for CVS/Caremark and CVS/Specialty, providing pharmacy care services and disease management support for CVS/Caremark members. Caremark, LLC, operates as a subsidiary of the American retail and health care company CVS Health (CVS), and is headquartered in Woonsocket, Rhode Island. CVS is a Fortune 10 company and is presently the largest pharmacy chain in the United States in terms of number of locations and total prescription revenues. It has approximately 9,800 retail locations, 1,100 walk-in health care clinics, and a pharmacy benefits manager with more than 94 million plan members.

Attach a copy of a company presentation

Total real property investment - \$3,000,000

Total personal property investment - \$5,000,000

Projected start date – Q2 2019 Completion date - TBD

Attach a schedule of jobs created with skills identified

Number of primary jobs that will be new to Nevada - 102 Average wage of new jobs – \$25.73

Cost of employee healthcare benefits (annual premiums paid by employer) - \$6,000

Percentage paid by employer – 65%

Healthcare Summary (check all that apply):

Medical Dental Vision Disability Life Insurance Dependent Coverage

Attach a schedule of employee benefits used in recruiting

Overtime, PTO/Sick/Vacation, Merit Increases, Tuition Assistance, Retirement Plan/ Profit Sharing 401(k), Bonus, ESPP, Life Insurance

PROJECT CHARACTERISTICS (Check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up |
| <input checked="" type="checkbox"/> Expand/Renovate Existing Facility | <input type="checkbox"/> Relocation from Out-of-State |
| <input checked="" type="checkbox"/> Purchase Machinery & Equipment | <input type="checkbox"/> Relocation within Nevada |

INDUSTRY CLUSTER

- | | | |
|---|---|--|
| <input type="checkbox"/> Aerospace and Defense | <input checked="" type="checkbox"/> Health & Medical Services | <input type="checkbox"/> Mining & Materials |
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Logistics & Operations | <input type="checkbox"/> Renewable Energy |
| <input type="checkbox"/> Business IT Ecosystems | <input type="checkbox"/> Manufacturing/HQ | <input type="checkbox"/> Tourism, Gaming & Entertainment |
| <input type="checkbox"/> Other | | |

A Statement of project relevance to supply chains, sectors and clusters targeted by the State Plan for Economic Development:

Healthcare is a key industry for Nevada and its State Plan for Economic Development. The project includes the creation of a prescription management service center. The new facility will support operations for CVS/Caremark and CVS/Specialty, providing pharmacy care services and disease management support for CVS/Caremark members. The project would expand Nevada's pharmaceutical sector by providing high paying employment opportunities and creating entry level Pharmacy Technician positions.

GRANT SUMMARY

Amount Requested:

Award Per Period: Period 1 - \$350,000

Disbursement Terms:

Period 1 award: \$3,500 per new job created up to 100 new primary jobs at an average wage of at least \$25 per hour. The period would start from the approval of the award and end no later than July 31, 2019.

Maximum Payment per Year:
Period 1: \$350,000

*The maximum aggregate amount paid under this program shall not exceed \$350,000

The Proposed plans, projects, or programs to which the grant will apply:

The grant will be used to offset costs associated with training, hiring and onboarding of the new employees for the new facility. If the project is located in Las Vegas, further expansion in Nevada will be prioritized as the Company continues to grow its specialty pharmacy services.

The expected benefits of the grant expressed as jobs, investments, and wage levels:

Caremark, LLC plans to hire 102 full-time employees in the next year paying a wage over \$25.73 per hour, along with above average health insurance and other employee benefits.

A statement on the significance of this grant to the company's described plans:

Cost is a significant factor in the company's location decision. While the company will consider many factors during the site selection process, the potential value of tax incentives, by jurisdiction, will be a critical factor to help offset the costs of the project. CVS is seeking the most operationally-efficient and cost-effective location to accommodate its business needs as the company plans for this large capital and hiring commitment.

A statement on the estimated return-on-investment to the state in job creation, wage levels and capital investment for the term of the proposed grant:

The Company anticipates filling the new jobs from local labor pools, and pulling from local universities, which will promote salary growth in the State. The project will result in the creation of direct and indirect jobs, and will also serve as a boost to the local economy for the foreseeable future.

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)**

Total Jobs Supported** 746
 Total Payroll Supported \$266,201,259
 Total Output Estimate \$641,577,304

** Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses. These impacts only reflect first year jobs required under the company's abatement application.

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

Local Taxes

Property	\$1,642,797	\$10,307,317	\$11,950,114
Sales	\$121,875	\$4,844,760	\$4,966,635
Lodging	\$0	\$324,918	\$324,918

State Taxes

Property	\$89,851	\$600,158	\$690,009
Sales	\$139,000	\$1,650,448	\$1,789,448
Modified Business	\$2,168,098	\$1,045,984	\$3,214,082
Lodging	\$0	\$109,660	\$109,660
Total	\$4,161,621	\$18,883,245	\$23,044,866

** Does not include impacts related to the Catalyst Fund grant.

A statement of the fiscal character of the company:

See attached financial statements

- Schedule of jobs to be created during Catalyst Fund grant period (Exhibit "A")**
- Schedule of proposed employee health insurance benefits (Exhibit "B")**
- 3-year financial statements for the business, audited preferred (Exhibit "C")**