Some good news on a good neighbor

This week, I wrote about the $10.25 million sale of an office building next to the Greendale Mall to Reliant Medical Group, a nonprofit based in Worcester. The news represented good news on two fronts. For one, a major employer doubled down on its commitment to the city, keeping its medical services - and all the employees those services require - in the city. And two, it settled the question of what would happen to an office building owned by Simon Property Group, the publicly traded owner of malls and shopping centers based in Indianapolis that is clearly looking to divest from Worcester.

Simon Property Group purchased the office building, along with the Greendale Mall, in 1999. It lost the mall to a bankruptcy auction last year. The mall was purchased for $11.8 million by C-III Asset Management of Irving, Texas, and is now managed by a Peabody company. The new owner has not solved the problems of the old one, though: the mall is still a ghost town on most days. (Simon still owns a .75 acre parking lot next to the mall, at 12 Neponset St.)

The fact that the 120,000-square-foot office building, only partially filled by current tenant Babcock Power, would be owned by a local organization is rightly viewed by the city administration and many citizens as a good thing. The sale is a clear sign that Reliant, along with its services and its jobs, is here to stay for the long term.

But some people - commenters on the web versions of the T&G stories, callers to local radio shows, and others - view all property purchases made by nonprofits in the city with concern. The issue comes up at City Council on a yearly basis. The basic argument is that each sale to a nonprofit represents another taxing property off the tax rolls. Nonprofits are taking over the city, they say. And they don’t pay taxes, they say.

This is a myopic view that fails to consider economic factors besides local real estate taxes.

Last year, Simon Property Group paid $367,076 in real estate taxes to the city for the office building at 5 Neponset St. Once Reliant Medical Group takes possession of the property, it’s true that tax revenue will disappear.

But in 2015, Reliant Medical Group reported assets of $31.2 million to the state’s public charities division. It has a network of 500 providers, hundreds of employees, and serves 320,000 patients annually. Now, not all of those patients and providers are in Worcester, but Reliant is based in Worcester and has medical offices in five Worcester buildings, as well as administrative offices in downtown Worcester.

In short, Reliant is a major employer and medical services provider, founded in Worcester, serving Worcester folks, with Worcester in its bones.

Consider the alternative to its decision to buy the Babcock Power building. Reliant instead reorganizes its leases. Those leases prove to be more expensive. As a result, Reliant would take a financial hit. Potentially, Reliant would have to cut services and lay off employees in order to afford those leases. I won’t speculate from where those cuts might have come.

As an aside, all the properties that Reliant leases in are privately owned and pay local real estate taxes. Two of the properties are owned by St. Vincent Hospital, a for-profit hospital (how unusual!) that pays local real estate taxes. The other four properties - at 135 Gold Star Blvd., 425 North Lake Ave., 191 May St. and 100 Front St. - are all privately owned office buildings whose owners pay local real estate taxes.

Reliant is making a move to buy, rather than lease, in order to improve its bottom line. As a nonprofit, it has a responsibility to reinvest its profits into its services.

Is that an organization that you want to drive out of town over $367,076 in annual real estate taxes? Even as a nonprofit, Reliant has to pay state and federal taxes on the salaries it pays its employees; and up to this point, its lease payments have supported real estate tax payments in five separate, tax-paying properties in the city.

The vast majority of nonprofits in Worcester - in medicine and health care, in higher education and other fields - are good neighbors whose buildings and real estate provide value to the city beyond what they pay in real estate taxes. Nonprofits provide good, high-paying jobs, and the spinoff benefits to the local economy are established and well-known.

In this case, one of the potential economic benefits will be all those Reliant employees working so close to the Greendale Mall. Maybe those employees will buy shoes at DSW, or get a gym membership at World Gym, or buy tablets at Best Buy. Perhaps, perhaps, when Reliant starts filling the office building with employees later this year, there will be more than two people in the mall’s food court at lunchtime.

Harrington Recovery Services, which offers comprehensive treatment for mental health and substance use disorders, including addiction therapy, intensive day programs, and inpatient care.

Meal planning talk kicks off free diabetes education series

UMass Memorial Health Care and Holden Rehabilitation & Skilled Nursing Center are presenting a Diabetes Education Series from 6 to 7:30 p.m. in the community room at Holden Rehab and Skilled Nursing, 32 Mayo Drive, Holden.

Health care professionals from the UMMHC Diabetes Center of Excellence will offer advice on a different diabetes related topic at each meeting.

“Meal Planning in Diabetes” with registered dietitian Sharon Chan on March 2 will kick off the series.

“Ten Questions to ask at your Diabetes Appointment” with Dr. Samir Malkani will be held April 6 and

“Medications for Diabetes – Understanding How They Work” with Dr. Morgan Comee will be held May 4.

Dinner is served at 6 p.m., followed immediately by the speaker. Questions are encouraged. Reservations are requested. RSVP to 508-829-1213.