

# City of Gahanna

200 South Hamilton  
Road  
Gahanna, Ohio 43230

## Signature

Ordinance: ORD-0061-2023

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File Number: ORD-0061-2023

### **AN ORDINANCE TO AUTHORIZE THE MAYOR TO ENTER INTO AN OFFICE & INDUSTRIAL INCENTIVE AGREEMENT WITH ORTHOPEDIC ONE, INC. FOR A PERIOD OF FIVE YEARS; WAIVING SECOND READING**

**WHEREAS**, the City of Gahanna encourages the creation of new job opportunities within the community; and

**WHEREAS**, Orthopedic ONE, Inc., one of the largest physician-owned practices in Central Ohio, desires constructing a new medical office building within the previously approved Crescent Park Community Reinvestment Area (CRA) #4 that is anticipated to bring approximately 215 associates to the City in year one, with a year one projected annual payroll of \$28 million; and

**WHEREAS**, on October 6, 2022, Council approved ORD-0062-2022, which authorized a development agreement with CP Crescent, LLC, the provides for a 10-year, 80 percent abatement of real property taxes; and

**WHEREAS**, within the existing CRA, the City would be obligated to share income and property taxes with the school district for the abatement period of the first ten years; and

**WHEREAS**, ORD-0212-2002 enabled the City of Gahanna to offer an "Office & Industrial (O&I) Incentive"; and

**WHEREAS**, after the expiration of the 10-year abatement, the O&I incentive would be fulfilled with Orthopedic ONE, Inc. in years 11 through 15; and

**WHEREAS**, the City's Incentive Advisory Committee and Department of Economic Development have investigated the application for O&I Incentive and have recommended the same to City Council on the basis that Orthopedic ONE, Inc. is qualified by financial responsibility and business experience to create new employment opportunities and improve the economic climate of Gahanna; and

**WHEREAS**, the City of Gahanna, having the appropriate authority for the stated type of project, desires providing Orthopedic ONE, Inc. with incentives for the development of the project; and

**WHEREAS**, due to the pending deadlines for Orthopedic ONE, Inc. to secure land and move forward in the development process, the Administration requests a waiver of second reading.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GAHANNA, COUNTY OF FRANKLIN, STATE OF OHIO:**

**Section 1.** That the Mayor is hereby authorized to enter into an Office & Industrial Incentive Agreement with Orthopedic ONE, Inc., main office located at 170 Taylor Station Road, Columbus, OH 43213, in accordance with the terms as specified in EXHIBIT A attached hereto and made a part herein.

**Section 2.** That the second reading is hereby waived.

**Section 3.** That this Ordinance shall be in full force and effect upon passage by this Council and 30 days after date of signature of approval by the Mayor.

At a regular meeting of the City Council on August 7, 2023, a motion was made by Bowers,  
seconded by Schnetzer, that this Ordinance be Adopted. The vote was as follows:

Ms. Angelou, yes; Ms. Bowers, yes; Ms. McGregor, yes; Ms. Padova, yes;  
Mr. Renner, yes; Mr. Schnetzer, yes; Mr. Weaver, absent.

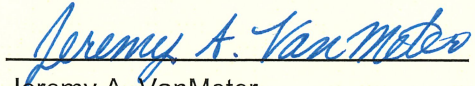
President

  
Stephen A. Renner

Date

08/07/2023

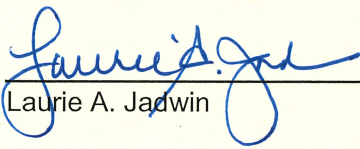
Attest by

  
Jeremy A. VanMeter  
Clerk of Council

Date

8/8/2023

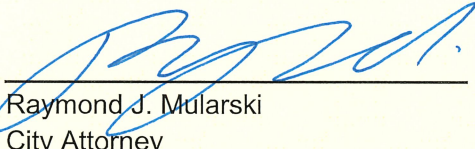
Approved by the Mayor

  
Laurie A. Jadwin

Date

8.7.2023

Approved as to Form

  
Raymond J. Mularski  
City Attorney

Date

8-7-23

**OFFICE & INDUSTRIAL INCENTIVE AGREEMENT**

This agreement made and entered into by and between the City of Gahanna, Ohio, a municipal government, with its main offices located at 200 S. Hamilton Road, Gahanna, Ohio, hereinafter referred to as the City of Gahanna and Orthopedic ONE, Inc with its offices located at 170 Taylor Station Rd., Columbus, OH, 43213, hereinafter referred to as **ORTHO ONE**, WITNESSETH;

WHEREAS, Gahanna has encouraged the creation of new jobs opportunities in the community; and

WHEREAS, **ORTHO ONE** is desirous of relocating their medical practice to Gahanna, Ohio; and

WHEREAS, the Gahanna City Council, by Ordinance ORD-0212-2002, enabled Gahanna to offer an "Office & Industrial Incentive"; and

WHEREAS, Gahanna having the appropriate authority for the stated type of project is desirous of providing **ORTHO ONE** with incentives for the development of the project; and

WHEREAS, the Director of Economic Development has investigated the Application of **ORTHO ONE** and the Incentive Advisory Board has recommended the same to the Gahanna City Council on the basis that **ORTHO ONE** is qualified by financial responsibility and business experience to create new employment opportunities and improve the economic climate of Gahanna; and

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows:

1. **ORTHO ONE** will create 214 new jobs in year one with an average annual salary of \$133,000, which will result in approximately \$28,500,000 of annual payroll in year one.
2. The City shall grant **ORTHO ONE** a refundable credit of 50% of the company's net municipal income tax liability for term of 5 years and based upon the City's 1.5% municipal non-obligated income tax rate. The incentive will be in effect for years 11-15 of the operation of the new facility in Gahanna.
3. **ORTHO ONE** agrees to remain in Gahanna for an additional five (5) years following the term of the Office & Industrial Incentive and failure to do so may result in **ORTHO ONE** repaying any funds received.
4. **ORTHO ONE** must provide the City with verification of wages paid and taxes withheld annually for jobs during all years of operation in Gahanna.
5. **ORTHO ONE** agrees to fully investigate the potential use of the Gahanna Community Improvement Corporation's fiber optic network known as GahannaNet.
6. If **ORTHO ONE** materially fails to fulfill its obligation under this agreement, Gahanna may terminate or modify the provisions granted under this agreement.
7. This agreement is not transferable or assignable without the express, written approval of

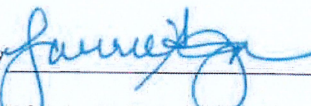
Gahanna.

8. This agreement may be revised and/or amended throughout its term through the mutual agreement of the parties hereto. Such revisions and/or amendments are and will be subject to applicable Federal, State of Ohio and local laws or ordinances, and any applicable regulations and/or rules of Federal, State of Ohio and local department or agencies possessing authority to implement and/or administer such applicable Federal, State of Ohio and local laws or ordinances.

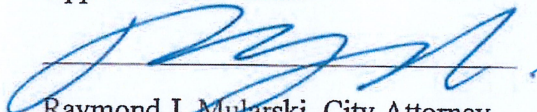
#### **Program Compliance**

1. **ORTHO ONE** shall pay all federal, state and local taxes and shall file all tax reports and returns as required by law. If **ORTHO ONE** fails to pay such taxes or file such returns and reports, all incentives granted under this agreement are rescinded beginning with the year for which such taxes are charged or such reports or returns are required to be filed and thereafter.
2. If for any reason the Office & Industrial Incentive Program expires or is rescinded by the City of Gahanna, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless **ORTHO ONE** materially fails to fulfill its obligations under this agreement and Gahanna terminates or modifies the incentives granted under this agreement.
3. If **ORTHO ONE** materially fails to fulfill its obligations under this agreement, or if Gahanna determines that the certification as to the delinquent taxes required by this agreement is fraudulent, Gahanna may terminate or modify the incentives granted under this agreement and may require the repayment of the amount of taxes that would have been payable without this agreement.
4. **ORTHO ONE** hereby certifies that at the time this agreement is executed, **ORTHO ONE** does not owe any delinquent real or tangible personal property taxes to any taxing authority of the State of Ohio, and does not owe delinquent taxes for which **ORTHO ONE** is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, **ORTHO ONE** is currently paying the delinquent taxes pursuant to an undertaking enforceable by the State of Ohio or an agent or instrumentality thereof, has filed a petition in bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has been filed against **ORTHO ONE**. For the purposes of the certification, delinquent taxes are taxes that remain unpaid on the latest day prescribed for payment without penalty under the chapter of the Revised Code governing payment of those taxes.
5. **ORTHO ONE** affirmatively covenants that it has made no false statements to the State or City of Gahanna in the process of obtaining approval for an Office & Industrial Incentive. If any representative of **ORTHO ONE** has knowingly made a false statement to the State or City of Gahanna to obtain an Office & Industrial Incentive, **ORTHO ONE** shall be required immediately to return all benefits received under the Office & Industrial Incentive pursuant to ORC Section 9.66 (C)(2) and shall be ineligible for any future economic development assistance from the City of Gahanna. Any person who provides a false statement to secure economic development assistance may be guilty of falsification, a misdemeanor of the first degree, pursuant to ORC Section 2921.13 (D)(1), which is punishable by a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.

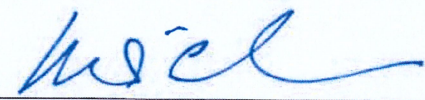
IN WITNESS WHEREOF, the City of Gahanna, Ohio, by Laurie A. Jadwin, its Mayor, and pursuant to Ordinance ~~0046-2022~~ <sup>0061-2023</sup>, has caused this instrument to be executed this 6<sup>th</sup> day of September, 2023.

By   
Laurie A. Jadwin, Mayor

Approved as to form:

  
Raymond J. Mularski, City Attorney

IN WITNESS WHEREOF, the Orthopedics ONE, Inc., by Mark D'Aloisio, its CEO, and pursuant to a Ordinance ~~0046-2022~~ <sup>0061-2023</sup>, has caused this instrument to be executed this 14 day of September, 2023.

By  (signature)  
Mark D'Aloisio, CEO (Name & Title)