

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, OH 43230, hereinafter referred to as the City, and **Reliant Capital Solutions, LLC** with its main offices located at 750 Cross Pointe Road, Suite G, Gahanna, OH 43230, hereinafter referred to as Reliant. Gahanna and Reliant are collectively referred to herein as the “Parties.”

WITNESSETH:

WHEREAS, the City has encouraged the creation of new job opportunities in the community; and

WHEREAS, Reliant is desirous of expanding & relocating their business operations, currently located at 750 Cross Pointe Road, and leasing office space at a new site located at 670 Cross Pointe Road, Gahanna, Ohio, hereinafter referred to as Project Location; and

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

WHEREAS, the City, having the appropriate authority for the stated type of project, is desirous of providing Reliant with incentives for the development of the project; and

WHEREAS, the Director of Planning & Development has investigated the Application of Reliant, which is attached as Exhibit A, and the Incentive Advisory Board has recommended the same to Gahanna City Council on the basis that Reliant is qualified by financial responsibility and business experience to create new employment opportunities and improve the economic climate of Gahanna.

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:

SECTION 1: EMPLOYMENT AND PAYROLL

1. Reliant intends to lease 20,000 square feet of office space at 670 Cross Pointe Road, Gahanna, Ohio, hereinafter referred to as Project Location for a term of 10 years.
2. As of August 13, 2016, Reliant has ninety three (93) existing jobs in Gahanna, with an average annual salary of \$47,115, hereinafter referred to as Retained Jobs. This equals an estimated total annual payroll of approximately \$4,381,786, hereinafter referred to Retained Payroll. Reliant intends to retain and relocate to its new location, the Retained Jobs and the Retained Payroll. The City will not provide financial incentives for the Retained Jobs nor the Retained Payroll.
3. Reliant intends, within the first three (3) years, to create one hundred (100) new full-time jobs with an average annual salary of \$41,950, at the Project Location, hereinafter referred to as New Jobs. The total projected annual payroll to be created at the Project Location is \$4,195,000. The New Jobs will be considered as those employees and their corresponding annual salary that Reliant hires as a result of this expansion project.

4. The combination of Retained Jobs and Net New Jobs will result in approximately eight million six hundred thousand dollars (\$8,576,786) of annual payroll for the City by the year 2020.
5. The City shall grant Reliant a refundable credit equal to 25% of the company's municipal income tax withholdings generated by the New Jobs, based upon the City's 1.5% municipal income tax rate, for a term of five (5) years.
6. Reliant agrees to remain in Gahanna for ten (10) years from the beginning date of the incentive period. If Reliant does not complete the entire ten (10) year term, any incentive funds must be paid to the City on a pro rata basis of the remaining term.
7. Reliant must annually provide the City of Gahanna with information including, but not limited to, Tax Identification number(s) to verify wages paid and taxes withheld through the Regional Income Tax Agency (RITA) for the Retained Jobs and New Jobs created during the period outlined under this agreement. The Payroll Verification Form, as may be amended from time to time, is attached as Exhibit B.
8. Reliant shall perform all due diligence required to evaluate connecting to GahannaNet, the City's fiber optic network, to be provided and serviced by WOW Business at the Project Location.
9. If Reliant materially fails to fulfill its obligation under this agreement, the City may terminate or modify the provisions granted under this agreement.
10. This agreement is not transferable or assignable without the express, written approval of the City.
11. 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 and local laws or ordinances, and any applicable regulations and/or rules of federal, state and local department or agencies possessing authority to implement and/or administer such applicable federal, state and local laws or ordinances.

SECTION 2. PROGRAM COMPLIANCE

1. Reliant shall pay all federal, state and local taxes and shall file all tax reports and returns as required by law. If Reliant 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, entitlements granted under this agreement shall continue for the number of years specified under this agreement, unless Reliant materially fails to fulfill its obligations under this agreement and the City terminates or modifies the incentives granted under this agreement.
3. If Reliant materially fails to fulfill its obligations under this agreement, or if the City determines that the certification as to the delinquent taxes required by this agreement is fraudulent, the City 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. Reliant hereby certifies that at the time this agreement is executed, Reliant 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 Reliant is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747 or 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, Reliant 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 Reliant. 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. Reliant affirmatively covenants that it has made no false statements to the State of Ohio or City of Gahanna in the process of obtaining approval for an Office & Industrial Incentive. If any representative of Reliant has knowingly made a false statement to the State of Ohio or City of Gahanna to obtain an Office & Industrial Incentive, Reliant shall be required to immediately return all benefits received under the Office & Industrial Incentive Program pursuant to Ohio Revised Code Section 9.66(C)(2) and shall be ineligible for any future economic development assistance from the City. 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 Ohio Revised Code 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 Thomas R. Kneeland, its Mayor, and pursuant to Ordinance No. _____-2016, has caused this instrument to be executed this _____ day of _____, 2016 and Reliant Capital Solutions, LLC, by its duly authorized signor, has caused this instrument to be executed on this _____ day of _____, 2016.

City of Gahanna, Ohio

Reliant Capital Solutions, LLC

 Thomas R. Kneeland, Mayor

Name: _____

Title: _____

Approved as to form:

 Shane W. Ewald, City Attorney

EXHIBIT A

Office & Industrial Incentive Application



Office & Industrial Incentive Program Application

Company Information	
Company Name: Reliant Capital Solutions, LLC	Company Contact Name and Title: David Shull, CFO
Company Address: 750 Cross Pointe Road, Ste G Gahanna, OH 43230	Contact Phone Number and Email: 614-452-6102
Business Description / Industry Type: Collections	
Project Information	
Project Site / Address: 670 Cross Pointe Road Gahanna, OH 43230	Square Footage: 20,000 sq ft
Current Number of Employees at Site: <div style="text-align: center; font-size: 1.5em; font-weight: bold;">93</div>	If Leasing Space, Proposed Term: 10years
Proposed Number of New Employees at Site: Full-Time: <u>100</u> Part-Time: _____	Average Wage Rate of New Employees: \$41,950.00 Average Benefits of New Employees: \$8,882.00
Estimated Annual Payroll at Project Site: \$ 8,576,786	
Project Description including total investment amount	
<p>The project is a result of both organic growth and the addition of a US Department of Education (ED) contract that runs through September 2024. The additional workload will require Reliant at least double its staffing in the first full 24 months of the ED contract. Reliant opened a Buffalo, NY office in 2015 to also facilitate growth. The expansion project in Gahanna is competing not only with the Buffalo location but also with a pre-existing building located in Reynoldsburg to house the additional 100 (or more) employees Reliant plans to hire. The Buffalo space is located in a nearly empty building where Reliant has the right of first refusal on the additional suites. This location has the capacity to house 50 employees in it's current configuration, and if Reliant chooses to expand to the open suites, a total of roughly 200 employees could be housed at that location. Reliant has to date invested roughly \$1.5million into the ED project through the Buffalo expansion, expansion in the current 750 Cross Pointe location, investment in computer infrastructure and the hiring of key staff people to work the contract. Moving forward into the next few years, Reliant expects the cost for payroll, rents, utilities, and various other operating expenses to on just the ED project to be approximately \$6.5million/year or more as the contract progresses. That is on top of the continuation of current operating expenses of about \$7.5million/year if we project the non-ED part of the business not growing at all. We fully expect this side of the business to also experience significant growth.</p>	


Please include the following items upon submitting an application:

- History and description of the business
- Resumes of owners and/or key managers
- Three years historical financial statements
- Three years projected financial statement
- Incentive offers from other communities being considered for this project
- Supporting documentation (*cost analysis*) for all locations being considered.
- Application Fee: **\$150.00** made out to:

City of Gahanna,
200 S. Hamilton Rd.
Gahanna, OH 43230

Application Acknowledgement

As an authorized agent of the applicant company, I hereby submit this application for consideration. I understand that any information on this application found to be false or misleading could result in the termination of this program.

 CFO

Signature/Title

8/11/16

Date

EXHIBIT B

Payroll Verification Form

2015 Office & Industrial Incentive Annual Report



Instructions: Please complete and return this form to the Department of Planning & Development by **Friday, April 29, 2016**. Fill out all fields and **provide payroll documentation** to support your incentive request. Thank you in advance for your cooperation. Return all documents via mail to 200 S. Hamilton Road, Gahanna, OH 43230, fax (614) 342-4118 or email emanuel.torres@gahanna.gov.

Business Contact Information

Name of Business		Industry	
Business Address			
Contact Person		Title	
Address			
Email		Phone #	

Performance Verification Information

Business Federal Employer ID:			
TOTAL Number of Employees on Site: (as of 12/31/2015)	<i>Full Time:</i> _____	<i>Part Time:</i> _____	
TOTAL Annual Payroll: \$ (as of 12/31/2015)	Total City Income Tax: \$ (as of 12/31/2015)		
Number of Employees under Incentive: (as of 12/31/2015)	<i>Full Time:</i> _____	<i>Part Time:</i> _____	
Payroll Amount under Incentive: (as of 12/31/2015)	\$ _____		
Eligible Incentive Amount: (as of 12/31/2015)	\$ _____		

Is your facility: Owned or Leased ? - If leased, when does the lease expire? : _____ <input type="checkbox"/> <input type="checkbox"/> MM / YYYY			
Employment trend: <input type="checkbox"/> Growing Is your company? <input type="checkbox"/> Staying the same <input type="checkbox"/> Shrinking	Does your facility meet your current and near term needs (12-24 months)? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If your company has locations elsewhere, is your company expanding or consolidating operations? _____	Rate your experience in Gahanna? (Circle one) Great Poor 1 2 3 4		
Where outside the United States do you sell your product or service? _____	What percent of your sales are? : In the US: _____ % Outside the US: _____ %		
Would you like to speak with someone about expanding your sales to other foreign markets? Yes <input type="checkbox"/> No <input type="checkbox"/>			
Challenges on local or state level, short and long term needs, action items: _____			

Are you a member of the Gahanna Area Chamber of Commerce? Yes No
 Are you interested in learning more about lowered cost broadband services through Gahanna's fiber network? Yes No

Contact Signature: _____

Date: _____