



City of Gahanna

Meeting Minutes

Committee of the Whole

200 South Hamilton Road
Gahanna, Ohio 43230

Trenton I. Weaver, Chair
Karen J. Angelou
Merisa K. Bowers
Nancy R. McGregor
Kaylee Padova
Stephen A. Renner
Michael Schnetzer

Jeremy A. VanMeter, Clerk of Council

Monday, July 31, 2023

7:00 PM

City Hall, Council Chambers

A. CALL TO ORDER:

President of Council Stephen A. Renner, Chair, called the meeting to order at 7:00 p.m. The agenda was published on July 28, 2023. Vice President Weaver was absent from the meeting. All other members were present. There were no additions or corrections to the agenda.

B. ITEMS FROM THE DEPARTMENT OF ECONOMIC DEVELOPMENT:

[ORD-0061-2023](#) AN ORDINANCE TO AUTHORIZE THE MAYOR TO ENTER INTO AN OFFICE & INDUSTRIAL INCENTIVE AGREEMENT WITH ORTHOPEDIC ONE, INC. FOR A FIVE PERIOD OF YEARS; WAIVING SECOND READING

Shannon Hamons, Director of Economic Development, introduced the individuals present for the proposed incentive discussion: Ryan Scribner from the Montrose Group, Mark D'Aloisio, the CEO of Orthopedic One Incorporated, and Dr. Jonathan Feibel, a physician partner and board member of Orthopedic One. Mr. Hamons explained that the proposed incentive came from the recommendation of the O&I advisory committee, which included council members Schnetzer and Bowers, Finance Director Joann Bury, the mayor, and himself. He presented the item that would authorize the mayor to enter into an office and industrial incentive with Orthopedic One, Inc.

Mark D'Aloisio, the CEO of Orthopedic One, then addressed the council members. He expressed his gratitude for being invited to the meeting and provided an overview of Orthopedic One. He mentioned that the practice is the region's largest physician-owned orthopedic medical practice with approximately 700 employees, including around 70 physicians. Besides physician services, the practice offers physical therapy, hand therapy, advanced imaging, and sports medicine outreach to the local community. Mr. D'Aloisio explained that Orthopedic One is considering relocating its current practice, along with all ancillary services, to the Crescent at Central Park location in Gahanna. He cited Gahanna's growth, favorable demographics, and the development within Crescent Park as attractive reasons for

relocation. The practice's patient-first mission and being close to home also play a role in their decision. Mr. D'Aloisio acknowledged the changing economic environment, including rising construction, moving, and staffing costs, as well as high commercial real estate availability. He emphasized their goal of making the best financial decisions for the benefit of patients and staff. Mr. D'Aloisio concluded by expressing their interest in being in Gahanna and being open to answering any questions from the council members.

Director Hamons reminded the council that they previously approved a development agreement for the parcel and others within the Crescent. He specified that the parcel is located in CRA number four, which is a pre-1994 community reinvestment area, entitling Orthopedic One to a 10-year, 80 percent real property tax abatement for their project. He informed the council that the Administration had been in discussions with Orthopedic One for several months regarding the project. The company requested the O&I incentive for relocating 215 jobs to Gahanna with an average wage of over \$130,000. The employee count is expected to increase to 250 within ten years. He added that if it was not for the O&I incentive, the company was likely to remain in its current leased space. In addition to the incentive advisory committee's recommendation, consultant Ryan Scribner of the Montrose Group also strongly endorsed the incentive request. Director Hamons discussed the financial aspects of the incentive, including the school compensation agreement, under which the city would share 50 percent of income tax and property tax with the district during the first ten years of the abatement. The proposed O&I incentive covers years 11 through 15, during which the company would receive a credit of 50 percent of the non-dedicated 1.5 percent income tax, amounting to approximately \$1.8 million. In contrast, the city would generate around \$6.2 million in new income taxes during the same time frame. He presented the 30-year projection, estimating that Orthopedic One would have paid nearly \$43 million in income taxes, with the city netting about \$35.5 million. Director Hamons emphasized the substantial return on investment (ROI), reaching a remarkable 516 percent over the 30-year period. However, he clarified that the abatement and O&I incentive were only estimates, and the company would receive the incentive based on their actual performance. He requested a waiver for the second reading when the issue comes before the Council on August 7th.

Councilmember Angelou expressed her excitement about the opportunity and conveyed her strong support for Orthopedic One's relocation to Gahanna, emphasizing that it is a wonderful opportunity for the city.

Councilmember Schnetzer expressed his appreciation for the information provided and the proposed medical office campus in the Crescent. However, he raised a cautious concern about the projections and assumptions made in the proposal, as projections are only as reliable as the assumptions behind them. He questioned whether the estimated headcount increase from approximately 214 to 250 employees over the specified timeline and the projected payroll growth of roughly four percent per year were reasonable.

Director Hamons conveyed that they had taken the information provided by

Orthopedic One and based the projections on the company's growth plans. He stated that the projections seemed very sound, and if anything, they might be somewhat conservative. However, he acknowledged that Orthopedic One would be better suited to provide more precise insights into the reasonableness of the estimates.

Mr. D'Aloisio said he appreciated the question and noted that the relocation to the Crescent at Central Park would allow the company to expand their physical therapy space, which, in turn, would lead to the addition of new positions over time. He mentioned that the projections also accounted for known or pending physician retirements and physician recruiting plans. He expressed confidence in the plan and acknowledged that while the projections may be slightly conservative, they were committed to delivering on their plans.

Councilmember Padova sought clarification on whether Orthopedic One would be leasing or owning the building. Director Hamons clarified that Orthopedic One would construct and own the building instead of leasing it. Councilmember Padova then raised a question regarding the language in section three of the O&I agreement, which mentioned that failure to stay in Gahanna for an additional five years after the term of the O&I incentive "may" result in repayment of funds received. She sought clarity on the word "may" and its implications. Director Hamons explained that the Tax Incentive Review Council (TIRC) would be the body responsible for reviewing and making recommendations regarding the incentive. If Orthopedic One were to fall short of meeting the conditions outlined in the agreement, the TIRC would assess the situation and provide a recommendation on whether repayment should be required or not. Mayor Jadwin asked if Director Hamons could review the different levels of oversight involved in the process, including the Economic Development Department at the city level, the O&I incentive advisory committee, and the TIRC. Director Hamons confirmed that all three entities-the administration, the O&I committee, and the TIRC-would have the ability to review and potentially make changes based on Orthopedic One's performance. He emphasized that if the company exceeds expectations, both parties benefit financially, making their success mutually beneficial. Councilmember Padova inquired about the provision in the agreement that allows for revisions and amendments throughout the term. Director Hamons confirmed that any revisions or amendments would indeed need to go through all three parties involved-the administration, the O&I committee, and the TIRC.

Councilmember Bowers expressed her appreciation for the development and had some questions regarding the physician-owned practice aspect of Orthopedic One. She wanted to know if the company intended to remain a physician-owned practice in the future or if there was a possibility of it becoming something else. Mr. D'Aloisio responded that they are committed to remaining a physician-owned private practice and have no intention of becoming a part of any health system or private equity. Dr. Jonathan Feibel, one of the physician partners, echoed this sentiment and emphasized their dedication to maintaining their independent and patient-centric culture. They saw the incentives as a way to support their goal of remaining independent,

given the challenges they face in the healthcare market.

Councilmember Bowers inquired about the health insurance and benefits provided to employees by Orthopedic One. Mr. D'Aloisio highlighted their commitment to being competitive in the marketplace to attract and retain high-quality employees. They offer health benefits, retirement plans, and profit-sharing based on years of service, which are not common in today's market. The company's self-funded health plan allows them to maintain stable premiums for employees on the lower end of the earning spectrum.

Councilmember Bowers then asked about the need for a waiver on this item. Director Hamons explained that the waiver would allow Orthopedic One to move forward with the project without having to wait for the second meeting. This way, they could expedite the process and explore getting the best prices for construction materials, which were escalating rapidly in the current market.

Mayor Jadwin explained that Orthopedic One has a deadline approaching, and if they wait for the second reading, it will put them at risk of missing that deadline. Mr. D'Aloisio explained they have made significant investments and need to close on the land and begin construction before their existing lease expires. Waiting for the second reading would mean locking into their current location for at least a decade, which is not their preferred option.

Councilmember McGregor expressed her positive experiences as a patient at Orthopedic One and conveyed her support for the practice.

President Renner thanked Orthopedic One for choosing Gahanna and for their collaboration with the city during the process.

Director Hamons expressed excitement about the project and how it aligns with the vision of the community. He appreciated the council's attention to this proposal and assured them that there are more exciting projects to come.

Councilmember McGregor inquired about whether this item would be placed on the regular agenda or the consent agenda. President Renner acknowledged the oversight. He asked members for their preference for either the consent agenda or the regular agenda. Councilmember Bowers suggested putting it on the regular agenda, in case Councilmember Weaver might have additional questions or concerns.

Recommendation: Introduction/First Reading/Adoption with Waiver on Regular Agenda on 8/7/2023.

C. ITEMS FROM THE COUNCIL OFFICE:

[MT-0016-2023](#)

A MOTION TO WAIVE FEES, PURSUANT TO SECTION 135.11 OF THE CODIFIED ORDINANCES OF THE CITY OF GAHANNA, FOR GAHANNA RESIDENTS IN NEED (GRIN) RELATED TO THEIR RELOCATION AND RENOVATION

Councilmember Padova raised the issue of waiving fees for Gahanna Residents In Need (GRIN) as they are moving to a bigger space. Brenda Johnston, the executive director of GRIN, had requested reimbursement for fees, similar to what was done when they moved in 2017. They had faced delays in their construction due to relying on donated materials and volunteer labor, resulting in extra rent costs for the extended timeline.

President Renner expressed his support for waiving the fees, seeking agreement from other council members.

Councilmember McGregor questioned whether fees for outside City employee inspectors could be waived, and if that only applied to inspections performed by Gahanna's own building inspector.

President Renner acknowledged the question and asked if anyone had an answer to it, expressing uncertainty about the specific details of the fee waiver process.

Mayor Jadwin clarified that the City sometimes utilizes an outside inspector service to handle inspections when there are numerous projects. Councilmember McGregor's understanding that only inspections performed by Gahanna's own building inspector could be waived was confirmed.

Councilmember Padova clarified that the list of companies on the agenda item attachment had pulled the permits on behalf of GRIN and were now seeking reimbursement from the City of Gahanna for the fees they paid for the permits. She explained that these companies were not responsible for the inspections themselves, but rather for obtaining the permits.

Councilmember McGregor added that in her recollection, the City had waived fees for inspections performed by City inspectors or hired consultants but had not reimbursed fees paid by outside companies like those listed.

Kevin Schultz, Senior Director of Operations, offered to provide clarity on the matter, explaining that the permit fees typically include some inspection fees within them, which means that certain inspections may not be separately charged. He promised to check with Mr. Blackford and provide further information on how these fees were broken down. President Renner thanked Schultz and requested that the information be shared to help understand the cost breakdown.

Councilmember Bowers expressed her need for more clarity regarding the attachment and the costs, seeking further information.

Councilmember Padova confirmed that the amounts listed in the attachment were the costs GRIN incurred from Jess Howard, GM Plumbing, Custom Air, and Wesney Construction for pulling the permits.

President Renner reiterated that the focus was to understand the breakdown

of the numbers. Schultz confirmed that he would provide the information within the week.

Councilmember Bowers inquired whether the matter was time sensitive. Councilmember Padova clarified that it did not need to be time-sensitive, as she had informed GRIN that the discussion would take place during the meeting. She initially thought there would be a first and second reading, but President Renner clarified that it was not necessary, allowing for the matter to be revisited in the next Committee of the Whole.

Councilmember McGregor pointed out that the motion stated "to waive fees," but GRIN was actually seeking reimbursement for the fees, which raised a discrepancy.

President Renner acknowledged the questions raised and assured that there was sufficient time to address them, suggesting that the issue be brought back to the Committee of the Whole for further discussion.

Miranda Vollmer, Director of Administrative Services, clarified that the legislation would need to specify "reimburse" since the city would have to issue a check for auditing purposes instead of waiving fees. Mayor Jadwin added that clarification was needed on whether the fees had been paid already. Director Vollmer agreed to work with Director Schultz to gather the necessary information and provide clarification to the council.

Recommendation: Hold in Committee of the Whole for further discussion on 8/14/2023.

[RES-0027-2023](#)

A RESOLUTION DESIGNATING AUGUST 2023 AS SAFE DRIVING AND SHARE THE ROAD AWARENESS MONTH IN THE CITY OF GAHANNA

Councilmember Bowers expressed her gratitude to Mr. VanMeter for the collaborative effort in preparing the resolution, which involved outreach and input by Tricia Kovacs of the Bicycle and Trail Advisory Committee (BTAC), Chief Spence, and her own review of language. The resolution is to designate August 2023 as Safe Driving and Share the Road Awareness Month in the City of Gahanna. She mentioned that the resolution reflects the ongoing discussions about safe infrastructure, pedestrian safety, and bicycle-friendly measures. She informed the council that BTAC plans to attend next week for the presentation of the resolution.

President Renner invited comments or questions from the council.

Councilmember Angelou noticed a discrepancy in the resolution where it stated "whereas in 2022," and she wondered if it should be updated to 2023. Councilmember Bowers clarified that the statistics mentioned in the resolution were from 2022 since the data for 2023 had not been completed yet, and it was intentional to include the most recent available data.

Recommendation: Introduction/Adoption on Consent Agenda on 8/7/2023.

[ORD-0057-2023](#) AN ORDINANCE TO AMEND ORD-0052-2023 AND ORD-0053-2023 AUTHORIZING THE CITY ATTORNEY TO FILE APPROPRIATIONS FOR PROPERTIES CONNECTED WITH THE TAYLOR STATION AND CLAYCRAFT ROUNDABOUT PROJECT TO CORRECT THE EFFECTIVE DATES; WAIVING SECOND READING, AND DECLARING AN EMERGENCY

Clerk VanMeter explained that the ordinance's purpose was to request the City Council to correct ordinances 52 and 53. He clarified that the effective date sections of both of those ordinances previously stated "upon approval of the mayor," but there was no emergency declaration made. The correction was needed to accurately reflect that both ordinances take effect 30 days after the date of signature or approval.

Councilmember McGregor inquired if the correction would extend the deadline for the ordinances. Clerk VanMeter clarified that the change would not extend the timeline; it was only to ensure accurate recording of the effective date.

City Attorney Mularski interjected, stating that this particular ordinance was being asked as an emergency, which meant it would fall within the same timeline as the others, addressing Councilmember McGregor's concern.

Recommendation: Introduction/First Reading/Adoption with Waiver and Emergency on Consent Agenda on 8/7/2023.

D. ITEMS FROM THE DEPARTMENT OF PUBLIC SERVICE:

[MT-0015-2023](#) A MOTION AUTHORIZING THE DIRECTOR OF PUBLIC SERVICE PERMISSION TO BID CONTRACT FOR ANNUAL STREETLIGHT MAINTENANCE

Director of Public Service Shawn Anverse addressed the Council, seeking a motion to authorize bidding for a contract for street light maintenance. The city oversees almost 1,900 streetlights throughout the area, and regular maintenance is necessary to ensure they remain in good working condition. Maintenance tasks include replacing bulbs, lenses, ballasts, fuses, and other components. Additionally, the contractor would be responsible for upgrading fixtures to LEDs and replacing damaged poles. The current street light maintenance contract is set to expire on 31st December 2023, and there are no options for further extensions. As a result, the Department of Public Service requested a motion to allow the director to proceed with the bidding process for the street light maintenance contract.

Recommendation: Adoption Consent Agenda on 8/7/2023.

E. ITEMS FROM THE DEPARTMENT OF FINANCE:

[ORD-0058-2023](#) AN ORDINANCE AUTHORIZING SUPPLEMENTAL APPROPRIATIONS AND THE TRANSFER OF FUNDS; WAIVING SECOND READING - General Fund Transfer and Developer Escrow Contract Services

Director of Finance Joann Bury introduced a supplemental appropriation item to address the developers' escrow account. She explained that in 2017, an audit was conducted on the escrow account, revealing that the balance was higher than expected. Upon further investigation, they found that some expenses related to projects, such as inspections and contract monitoring, were paid from the general fund instead of the developers' escrow account. As a result, they needed to move funds back to the escrow account to cover those expenses and make both funds whole again.

Councilmember Bowers inquired about why they were addressing a matter from 2017. Director Bury clarified that the escrow funds are held for projects' completion, inspections, and monitoring to ensure they meet the city's standards. The audit in 2017 revealed the excess balance, leading them to take corrective measures by moving funds back to the escrow account. The current supplemental appropriation addresses this issue, as well as provides additional funds for ongoing projects in the city.

Councilmember Bowers inquired about the audits conducted in 2017 and the current year. Director Bury confirmed that the audit took place in 2017 to examine the developers' escrow account. They conducted another audit in the current year to investigate the reason for falling short on balances.

Councilmember Bowers further asked if the audits identified the reason behind the discrepancy. Director Bury explained that the developers' escrow account used to collect fees for sidewalks and driveways related to construction projects. However, the city no longer collects these fees. There were old balances in the account, and when they were released to pay for their intended purposes, it caused a shortage in the account balance. This occurred because the funds were already transferred to the general fund. The current supplemental appropriation aims to rectify this by transferring funds back to the developers' escrow account to cover the disbursements made in the past.

Councilmember Bowers sought clarification on whether going forward the City would be using the developer escrow fund. Director Bury said the fund would still be used. The city is no longer using driveway and sidewalk escrow. These are old and have all been paid out.

Councilmember Bowers expressed concern about future errors with the developer escrow fund and asked about the safeguards in place to prevent such occurrences. Director Bury assured that safeguards had been implemented to prevent similar issues. When developers make payments, the funds are processed through the engineer's office or the planning department. As soon as these fees reach the developers' escrow account, a Purchase Order (PO) is immediately opened to encumber the funds for the specific project. This ensures a one-to-one correspondence between the funds received and the funds encumbered, which was established back in 2017 when the safeguards were initially put in place. These measures help ensure that incoming funds are accurately allocated within the appropriate fund and for the specific project amount.

Recommendation: Introduction/First Reading/Adoption with Waiver on Regular Agenda on 8/7/2023.

F. ITEMS FROM THE DEPARTMENT OF PARKS & RECREATION:

[ORD-0059-2023](#) AN ORDINANCE ADOPTING THE CITY OF GAHANNA PARKS & RECREATION COMPREHENSIVE MASTER PLAN

Stephania Ferrell, Director of Parks & Recreation, provided a historical overview of the Parks Master Plan. In 2006, the City Council approved the first comprehensive Parks Master Plan, which was later updated in 2015 with a focus on operations. In 2022, the City Council approved funds to contract with Pros Consultants for creating an updated Comprehensive Parks Master Plan. The data used by Pros Consultants to develop the plan was gathered from resident feedback through surveys, interviews, focus groups, and public meetings. Additionally, information was compiled from state and national trends and benchmark studies from other Parks and Recreation agencies. The primary purpose of the plan is to devise strategies and recommendations for programming, staffing, maintenance, operations, and capital improvements over the next decade. The plan is intended to be a working document, serving as an action plan with milestones and goals to track its progress. Once adopted, these milestones and goals will be presented to the Parks Board multiple times throughout each year. The Capital Improvement Plan, closely related to the Parks Master Plan, will be reviewed quarterly by the Capital Improvement Advisory Committee. In March, the draft of the 2023 Parks Master Plan and its executive summary were introduced to the City Council. To ensure ample time for review of the extensive documents provided by the Parks and Recreation Master Plan, the timelines of the Parks Master Plan and the Capital Improvement Plan were tied together. Leon Younger, the President of Pros Consultants, will be attending the upcoming Committee of the Whole meeting on August 14th to address any outstanding questions. In conclusion, the administration respectfully requested an ordinance to officially adopt the 2023 Comprehensive Parks and Recreation Master Plan.

Recommendation: Introduction/First Reading Regular Agenda on 8/7/2023 (with Public Hearing); Further Discussion in Committee of the Whole Scheduled for 8/14/2023; Second Reading/Adoption on Regular Agenda on 8/21/2023 (with Public Hearing).

G. ADJOURNMENT:

With no further business before the Committee of the Whole, the Chair adjourned the meeting at 7:46 p.m.

Jeremy A. VanMeter
Clerk of Council

*APPROVED by the Committee of the Whole, this
day of 2023.*

Stephen A. Renner