

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 **JPMorgan Chase Bank, National Association and its affiliates**, with its main offices located at 237 Park Avenue, 12th Floor, New York, NY 10017 hereinafter referred to as **JPMorgan Chase**, WITNESSETH;

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

WHEREAS, **JPMorgan Chase** is desirous of locating their operation at Tech Center Drive in Gahanna, Ohio hereinafter referred to as the Project Location; 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 **JPMorgan Chase** with incentives for the development of the project; and

WHEREAS, the Director of Planning & Development has investigated the Application of **JPMorgan Chase** and the Incentive Advisory Board has recommended the same to the Gahanna City Council on the basis that **JPMorgan Chase** 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. **JPMorgan Chase** intends to create five hundred (500) jobs with an average annual salary of \$40,000, which will result in approximately twenty million (\$20,000,000) of annual payroll at the Project Location.
2. The City shall grant **JPMorgan Chase** a refundable credit worth 50% of the company's net municipal income tax liability, based upon the City's 1.5% municipal income tax rate, for all new employees of **JPMorgan Chase** for a term of up to five (5) years.
3. **JPMorgan Chase** agrees to remain at the Project Location in Gahanna for one additional year after the last refundable credit is claimed by JPMorgan Chase and provided under this Incentive Agreement, and failure to do so may result in **JPMorgan Chase** repaying any funds received.
4. **JPMorgan Chase** must provide the City with verification of wages paid and taxes withheld annually for jobs during the period outlined under this agreement.
5. **JPMorgan Chase** agrees to fully investigate the potential use of the Gahanna Community Improvement Corporation's fiber optic network known as GahannaNet.
6. If **JPMorgan Chase** materially fails to fulfill its obligation under this agreement, Gahanna may terminate or modify the provisions granted under this agreement.

EXHIBIT A

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. **JPMorgan Chase** shall pay all federal, state and local taxes and shall file all tax reports and returns as required by law. If **JPMorgan Chase** 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 **JPMorgan Chase** materially fails to fulfill its obligations under this agreement and Gahanna terminates or modifies the incentives granted under this agreement.
3. If **JPMorgan Chase** 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. **JPMorgan Chase** hereby certifies that at the time this agreement is executed, **JPMorgan Chase** does not knowingly 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 **JPMorgan Chase** is liable under Chapter 5733., 5735., 5739., 5741., 5743., 5747., 5753. of the Ohio Revised Code, or, if such delinquent taxes are owed, **JPMorgan Chase** 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 **JPMorgan Chase**. 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. **JPMorgan Chase** affirmatively covenants that it has made no knowingly false statements to the State or City of Gahanna in the process of obtaining approval for an Office & Industrial Incentive. If any representative of **JPMorgan Chase** has knowingly made a false statement to the State or City of Gahanna to obtain an Office & Industrial Incentive, **JPMorgan Chase** 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 Rebecca W. Stinchcomb, its Mayor, and pursuant to Ordinance _____, has caused this instrument to be executed this ____ day of _____, 2012 and **JPMorgan Chase** by William Lee, has caused this instrument to be executed on this ____ day of _____, 2012.

JPMorgan Chase, N.A.

Mayor

By _____

William Lee

By _____

Rebecca W. Stinchcomb

Approved as to form:

Shane Ewald, City Attorney

EXHIBIT I

Project Scope

JPMorgan Chase Bank

On _____, 2011, Gahanna City Council approved an ordinance to grant an Office & Industrial Incentive of up to five (5) years and for 50% to JPMorgan Chase Bank (Chase) for the creation of at least \$20,000,000 in new payroll as a result of the company's location in the City of Gahanna. As part of the incentive agreement, the City of Gahanna will require the company to remain in Gahanna for one year past the last year of the Office & Industrial Incentive.

JPMorgan Chase Bank is headquartered in New York, NY and is one of the oldest financial institutions in the United States. They are a global financial services firm with assets of \$2 trillion. Chase operates in more than 60 countries worldwide and employs more than 200,000 people. Chase's business serves consumers, small businesses, and corporate, institutional and governmental clients. They are a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. Chase has a significant presence in Central Ohio employing approximately 17,000 people.

The company will lease space in two facilities at 800 Tech Center Drive (68,000 square feet) and 825 Tech Center Drive (54,000 square feet) in Gahanna, Ohio. Chase will initially create 500 full-time jobs with potential for additional growth. The company will create skilled, professional jobs at an average annual salary of \$40,000 plus \$5.00 per hour in benefits. Chase will invest several million in leasehold improvements, equipment and furniture and fixtures. These new positions will support the company's mortgage business.

The Office & Industrial Incentive is an important factor in Chase's decision to locate their operations in Gahanna. The company has exceeded capacity at its existing Central Ohio locations. This project is a part of a planned expansion that began in 2009.

Project Summary for JPMorgan Chase

Project Site:	JPMorgan Chase is proposing to lease 100,000 s.f. at 800 and 825 Tech Center Drive. The property located at 800 Tech Center Drive has been vacant since NetJets canceled their lease in 2009. The property located at 825 Tech Center has multiple tenants operating within the facility and JPMorgan Chase will lease the remaining available space.
Company Description:	JPMorgan Chase is a global financial services firm operating within more than 60 different countries with over 200,000 employees worldwide. JPMorgan Chase provides services in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity.
Project Description:	These office facilities would allow JPMorgan Chase to locate their mortgage business to the City of Gahanna. This project is an expansion of their current mortgage business operations located throughout the Midwest.
Investment:	JPMorgan Chase will invest \$7.5 million in computers, furniture, fixtures and tenant improvements.
Jobs:	500 FTE will be added in year 1 with add'l job growth potential of up to 1000 within 2 years. Average wage of \$40,000/yr. JPMorgan Chase is leasing sufficient space to accommodate 1000 employees in order to meet their employment growth projections.

Summary of Fiscal Impact Model

Office & Industrial Incentive 50% of withholding

	Jobs	Payroll*	Withholding	Incentive	City Benefit
Yr1	500	\$ 20,000,000	\$ 300,000	\$ 150,000	\$ 150,000
Yr2	500	\$ 20,000,000	\$ 300,000		\$ 300,000

Total Incentive Payments paid to JPMorgan Chase \$150,000

Total Withholding Tax paid to the City after incentive \$450,000

Staff Recommendation

Staff recommends a Office & Industrial Incentive of 50%, for up to 5 years to JPMorgan Chase for the creation of between 500 and 1000 new FTE jobs in Gahanna. This project will have a significant job impact to the City and occupy a vacant facility. This project will lead to JPMorgan Chase becoming one of Gahanna's largest employers. The City of Gahanna was in competition with other central Ohio communities for this project.