

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 **Central Ohio Urology Group, Inc.** with its main offices located at _____ hereinafter referred to as **COUG**, WITNESSETH;

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

WHEREAS, **COUG** is desirous of locating a new medical facility in 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 **COUG** with incentives for the development of the project; and

WHEREAS, the Director of Planning & Development has investigated the Application of **COUG** and the Incentive Advisory Board has recommended the same to the Gahanna City Council on the basis that **COUG** 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. **COUG** intends to create ninety (90) new jobs, EXCLUSIVE OF JOBS CURRENTLY IN THE CITY OF GAHANNA AS OF JANUARY 1, 2011, with an average annual salary of \$90,000, which will result in approximately eight million, two hundred thousand dollars (\$8,200,000) of annual payroll.
2. The City shall grant **COUG** a refundable credit worth 25% 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 **COUG** for a term of up to four (4) years.
3. **COUG** agrees to remain in Gahanna for twice the term of the Office & Industrial Incentive, eight (8) years, and failure to do so may result in **COUG** repaying any funds received.
4. **COUG** must provide the City with verification of wages paid and taxes withheld annually for jobs during the period outlined under this agreement.
5. **COUG** agrees to fully investigate the potential use of the Gahanna Community Improvement Corporation's fiber optic network known as GahannaNet.
6. If **COUG** 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. **COUG** shall pay all federal, state and local taxes and shall file all tax reports and returns as required by law. If **COUG** 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 **COUG** materially fails to fulfill its obligations under this agreement and Gahanna terminates or modifies the incentives granted under this agreement.
3. If **COUG** 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. **COUG** hereby certifies that at the time this agreement is executed, **COUG** 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 **COUG** is liable under Chapters 5733, 5735, 5739, 5741, 5743, 5747, 5753 of the Ohio Revised Code, or, if such delinquent taxes are owed, **COUG** 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 **COUG**. 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. **COUG** 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 **COUG** has knowingly made a false statement to the State or City of Gahanna to obtain an Office & Industrial Incentive, **COUG** 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 a pending Resolution, has caused this instrument to be executed this ____ day of

_____, 2011 and **Central Ohio Urology Group, Inc.** by _____, has caused this instrument to be executed on this ____ day of _____, 2011.

Central Ohio Urology Group, Inc.

Mayor

By _____

By _____
Rebecca W. Stinchcomb

Approved as to form:

Thomas L. Weber, City Attorney

EXHIBIT I

Project Scope

Central Ohio Urology Group, Inc.

On _____, 2011, Gahanna City Council approved an ordinance to grant an Office & Industrial Incentive of four (4) years, 25% to Central Ohio Urology Group, Inc. (COUG) for the creation of at least \$8,200,000 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 twice the term of the incentive (eight years).

Central Ohio Urology Group was established in 2006 by the merger of five medical practices into four clinical divisions. Since 2006, COUG has continued to expand its practice, services and locations and is a leader in central Ohio for high quality evaluation and treatment of urological conditions. The group currently consists of 26 urologists and three radiation oncologists. Of their 15 locations two locations have CAT scanners, two locations are surgical centers, one houses the COUG pathology lab and one of their sites, located on Morrison Road in Gahanna has a dedicated radiation therapy center for the treatment of prostate cancer. Services offered by COUG include but are not limited to prostate and urological cancers, female and pediatric urological conditions, vasectomies, kidney stones, and erectile dysfunction.

COUG will lease the newly constructed two-story, 40,000 square foot facility at 701 Tech Center Drive from a related real estate group. This new free-standing facility will house clinical and surgical space, imaging and lab services and administrative offices. The facility will allow COUG to consolidate two offices from E. Broad Street and Cassady Avenue and allow for future growth. The company will bring 90 new to Gahanna jobs to the site at an average annual salary of \$90,000 plus annual benefits. The total project investment for the site preparation and new construction is estimated at \$8.5 million. Additionally, the company will invest in new equipment, furniture and fixtures.

The development support and incentives offered by the City of Gahanna including funds for infrastructure through Tax Increment Financing and the Office & Industrial Incentive were major factors in COUG's decision to locate in Gahanna. The company has exceeded capacity at its existing Central Ohio locations and will consolidate and expand their operations through the development of this new site. The company projects continued growth, process development, and use of technology to better diagnose and treat patients.

Project Summary for Central Ohio Urology Group, Inc.

Project Site:	COUG is proposing to construct a two-story, 40,000 s.f. medical facility at the intersection of Tech Center and I-270. This site is a part of the acreage opened up for development by the extension of Tech Center Drive. The facility will house clinical, surgery, imaging, lab services and administrative offices.
Company Description:	Established in 2006 by the merger of 5 practices, COUG is a specialty medical group of physicians focused on the evaluation and treatment of urological conditions. The practice currently includes 26 urologists and 3 radiation oncologists. COUG has 15 locations throughout central Ohio.
Project Description:	This project will consolidate and expand COUG's operations. Offices from E. Broad and off Cassady will be relocated to this new facility. A new facility, built to COUG's needs will be constructed and leased by the company from a related real estate group on, at least, a 5 year term with renewals.
Investment:	Working in partnership with the developer of Tech Center Commons, the total investment for this project is approximately \$8.5 million.
Jobs:	79 FT, 11 PT will be located at the facility. Average wage of \$90,000/yr plus benefits . Estimated annual payroll \$8.2 million .

Summary of Fiscal Impact Model

Office & Industrial Incentive 25% of withholding

	Jobs	Payroll*	Withholding	Incentive	City Benefit
Yr1	90	\$ 8,200,000	\$ 123,000	\$ 30,750	\$ 92,250
Yr2	90	\$ 8,200,000	\$ 123,000	\$ 30,750	\$ 92,250
Yr3	90	\$ 8,200,000	\$ 123,000	\$ 30,750	\$ 92,250
Yr4	90	\$ 8,200,000	\$ 123,000	\$ 30,750	\$ 92,250
Yr5	90	\$ 8,200,000	\$ 123,000	-	\$ 123,000

Total Incentive Payments paid to COUG over term \$123,000

Total Withholding Tax paid to the City over term \$369,000

Staff Recommendation

Staff recommends a Office & Industrial Incentive of 25%, 4 years to COUG for the creation of 90 new jobs in Gahanna. This project will have significant development impact to the City and stimulate additional investment along Tech Center Drive. The City of Gahanna was in competition with other central Ohio communities for this project.