



# City of Columbus

Office of City Clerk  
90 West Broad Street  
Columbus OH 43215-9015  
columbuscitycouncil.org

## Legislation Text

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**File #:** 0511-2017, **Version:** 1

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**BACKGROUND:** The need exists to enter into a Job Creation Tax Credit Agreement with InXite Health Systems Inc. The Ohio Tax Credit Legislation (Section 718.15 of the Ohio Revised Code) authorizing such agreements became effective January 14, 1993 and requires the City to enter a Council-approved agreement between the City and a participating company.

InXite Health Systems Inc. is a healthcare IT company committed to improving the health of the nation by operationalizing and optimizing value-based care. The company connects the dots in a fragmented system, providing patients and everyone who cares for them, the tools and services they all need to better collaborate and improve health outcomes. InXite Health Systems Inc. was formed in 2013 by James Paat, President and CEO. The company's management experience spans 25 years implementing large and complex information sharing initiatives across several verticals including financing services, global 100 supply chains & e-business and national security.

InXite Health Systems Inc. is currently located in the Dublin Entrepreneurial Center. The company is searching for additional office space to expand its operation and to establish a corporate headquarters presence. InXite Health Systems Inc. proposes to enter into a lease agreement on a vacant commercial office space consisting of approximately 14,500 square feet at One East Campus View Blvd. Columbus, Ohio 43235. The company is proposing to invest approximately \$131,733 in leasehold improvements, including \$1.39 million in machinery and equipment, and \$220,745 in furniture and fixtures. A total of 163 new full-time permanent positions with an estimated annual payroll of approximately \$7.99 million will be created and 8 full-time jobs with an estimated annual payroll of approximately \$392,480 will be retained and relocated, which will be new jobs and income tax revenue to the City.

InXite Health Systems Inc. is requesting a Job Creation Tax Credit from the City of Columbus to assist in the development of this project. This legislation is presented as 30-day legislation.

**FISCAL IMPACT:** No funding is required for this legislation.

To authorize the Director of the Department of Development to enter into a Job Creation Tax Credit Agreement of sixty-five percent (65%) for a period of six (6) consecutive years with InXite Health Systems Inc. in consideration of the company's proposed investment of \$1.74 million and the creation of 163 new full-time permanent positions.

**WHEREAS,** pursuant to Section 122.17 of the Ohio Revised Code, the State of Ohio is authorized to establish the Tax Credit Authority and to execute agreements with taxpayers of the State of Ohio for the purpose of granting these tax payers job creation tax credits against their corporate franchise tax or income tax, which tax credits are provided to create new jobs in the State Of Ohio; and

**WHEREAS,** pursuant to Section 718.15 of the Ohio Revised Code (the "City Act") a municipal corporation is authorized to grant local income tax credits to taxpayers who have received tax credits from the State; and

**WHEREAS,** contingent on the City granting a Job Creation Tax Credit, InXite Health Systems Inc. will expand its operation and establish a new corporate headquarters in the City by investing approximately \$131,733 in leasehold improvements, \$1.39 million in machinery and equipment, and \$220,745 in furniture and fixtures, on a vacant commercial office space consisting of approximately 14,500 square feet at One East Campus View Blvd, Suite 320 Columbus, Ohio 43235; and

**WHEREAS**, InXite Health Systems Inc. will create 163 new full-time permanent positions with an estimated annual payroll of approximately \$7.99 million, and retain and relocate 8 full-time jobs with an annual payroll of approximately \$392,480, to increase employment opportunities and strengthen the economy of the city; and

**WHEREAS**, receiving these tax credits from the State and the City is a critical factor in InXite Health Systems Inc.'s decision to go forward with the project in Columbus; and

**WHEREAS**, the City desires to increase employment opportunities and encourage the creation of new jobs in the City in order to improve the overall economic climate of the City and its citizens; and

**WHEREAS**, InXite Health Systems Inc. has indicated that a Job Creation Tax Credit is crucial to its decision to locate the aforementioned expansion in Columbus; and

**WHEREAS**, the City of Columbus desires to facilitate InXite Health Systems Inc.'s growth at the project site; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF COLUMBUS:

**Section 1.** That the City hereby finds and determines that the project will (1) create jobs in the State and City; (2) the project is economically sound and will benefit the people of the State and City by increasing opportunities for employment and strengthening the economy of the State and City; and (3) receiving the aforementioned tax credits is a critical factor in the decision for InXite Health Systems Inc. to go forward with the project.

**Section 2.** That the Director of the Department of Development is hereby authorized and directed to enter into and execute a Job Creation Tax Credit of sixty-five percent (65%) of the amount of personal income tax withheld on new employees for a term up to six (6) consecutive years with InXite Health Systems Inc.

**Section 3.** That the City of Columbus Job Creation Tax Credit Agreement is signed by InXite Health Systems Inc. within 90 days of passage of this ordinance, or this ordinance and the credit herein shall be null and void.

**Section 4.** That this Council hereby extends authority to the Director of the Department of Development to amend the InXite Health Systems Inc. City of Columbus Job Creation Tax Credit Agreement for certain modifications to the agreement requested in writing by the company and or the City and deemed appropriate by the Director of Development with these modifications being specifically limited to reductions in length of term, methods of calculating the incentive, or adding or deleting business entities associated with the employment commitments related to this incentive. All other requested amendments must be approved by City Council.

**Section 5.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.