



Department of Economic Development
Project Gaul Presentation

October 11, 2021

Background

- Existing company in Gahanna
 - 200+ current jobs
- Exploring Investment to increase production/distribution & create new R&D Facility
 - De facto North American headquarters
 - minimum of 20 new jobs
 - net new payroll of \$2.35M
- Proposed investment: \$20M+ includes
 - new facility
 - open space improvements across the street to support greenspace needs.



	2022	2023	2024	2025	2026	2027	Total Value to City During Abatement Period
Jobs	204	224	229	234	239	244	
Net New Jobs	0	20	5	5	5	5	
Payroll	12,300,000	14,650,000	15,237,500	15,825,000	16,412,500	17,000,000	
Net New Payroll	0	2,350,000	2,937,500	3,525,000	4,112,500	4,700,000	
2.5% tax on payroll	307,500.00	366,250.00	380,937.50	395,625.00	410,312.50	425,000.00	6,535,625.00
2.5% tax on net new payroll	-	58,750.00	73,437.50	88,125.00	102,812.50	117,500.00	1,615,625.00

Incentive Offer

- CRA tax abatement on Improved Tax Values
- Offer of up to \$250K of existing Tax Increment Financing (TIF) District, supports expansion of the public right of way (Tech Center Drive)
 - Staff is exploring additional public funds to support Tech Center Drive expansion.

*This is a competitive project and the company is still exploring opportunities in other markets.

Reminder: As a development tool, tax abatements only abate the improved values of land and have no direct or indirect impact on other property values.

Also, any incentive must pass the “but for” test – but for the incentive (TIF, CRA Tax Abatement, etc ...), this project would not occur.

TIF Estimate		250,000
Current Land Value	\$	830,000
Requested Sale Price	\$	830,000
Requested Price Reduction	\$	-
Estimated Improved Value	\$	5,500,000
Real Estate Appreciation		1%
Years		15
Future Growth		1.160968955
Future Value	\$	6,385,329.25
Millage Rate		91.032149
Estimated Annual Tax	\$	203,444.59
Value of Abatement		3,051,669

Project Investments	
Building	20,000,000
F, M&E	2,500,000
Tech Center Drive	500,000
Private Park Space	100,000
Total Payroll	6,535,625.00
Net New Payroll	1,615,625.00

Other Taxes	
Construction Income Tax	173,250.00
Construction Sales Tax	750,000.00

Other Considerations	
School Compensation	909,534.79

Post Abatement TIF Value	1,171,840.81
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Total Investment to City	31,810,716
Total with Net New only	26,890,716
Total City Investment	4,211,204

CapEx Model
Assessment Model

Next Steps

- Company will evaluate the City's Incentive Offer
- Final and best offer from JobsOhio in coming week
- IF Company accepts state and local offer & Council approves of Emergency/Waiver, relative documents will be signed by Mayor and Staff
 - This includes the CRA Agreement (Housing Officer/Development Office), Developer's Agreement (Mayor), and Purchase Agreement (Council to CIC then CIC to Developer).
 - CIC has a clawback IF project does not move forward
- Timing: Emergency and waiver of second reading is critical to align with State timing.
 - Based on speed of project/operational needs, Staff anticipates groundbreaking in 2021 and operational sometime in late 2022

