



## **Report for Council – January 28, 2019**

### **Planning & Development Department Agenda Items:**

#### **Property Tax Abatement for 610 Taylor Station Road**

##### Project Background

The Department of Planning & Development has been working with a company, Premier Holding Group, to encourage them to relocate their offices and construct a new 6,300 square foot office building within the Crossroads Commerce Center. Premier Holding Group is a group of businesses within the professional services & health care industries. The location of this proposed office building is on a one acre site at 610 Taylor Station Road, which was recently split off from 600 Taylor Station Road.

##### Project Details

This project will relocate approximately 165 full-time equivalent jobs and facilitate the creation of 12 new full-time equivalent jobs over the next three years. The relocated annual payroll from this project will be \$2,784,375. The annual payroll from the new employees will be \$449,484. Therefore, the total annual payroll for this project is \$3,233,859. The estimated capital investment for the project is \$901,674 inclusive of land, building, furniture and fixtures. The project will consist of the construction of a new 6,300 square foot office building of which 50% will be occupied by Premier Holding. The remainder of the office space will be immediately available for lease which will add to the jobs indirectly created by the project.

##### Financial Incentive Summary

In order to make this project successful, the Department is recommending the following incentive package:

- Property Tax Abatement
  - It is recommended that the City provide a 15 year 75% property tax abatement for the new 6,300 square foot office building.
  
- GahannaNet Fiber Connectivity
  - The businesses located at the site will have financial and operational benefits from having access to the City's GahannaNet Program. As part of the incentive proposal, the property owner will construct the fiber lateral required to connect the building to the City's fiber optic network.

### Return on Investment Analysis

There is only one revenue stream generated from this project: Withholding Tax Payments. It is currently not within a Tax Increment Financing District.

Based upon the \$3,233,859 in estimated payroll, gross withholding tax payments equal \$48,507. Incorporating the school compensation requirements, the project will generate approximately \$24,253 in withholding tax payments to the City per year. The total amount of withholding tax payments received by the City during the incentivized period equals \$363,809. The CRA Agreement that outlines these terms and conditions is attached for your consideration. *The Planning & Development Department respectfully requests that Gahanna City Council authorize the Housing Officer to execute the CRA Agreement for the project.*

The Applicant will be present at the Council meeting to discuss their project and answer any questions regarding their request.

### **Planning & Development Department Updates:**

**None at this time.**

### **Upcoming Meetings & Events:**

*Gahanna Community Improvement Corporation: The 22<sup>nd</sup> Annual Groundhog Day Economic Forecast Breakfast will be held on Friday, February 1, 7:30am – 9:30am, at the Creekside Conference & Event Center, 101 Mill Street – Suite 300. To register, please contact Sharon Patterson at [sharon.patterson@gahanna.gov](mailto:sharon.patterson@gahanna.gov) or go to <https://www.eventbrite.com/e/22nd-annual-groundhog-day-economic-forecast-breakfast-registration-53295485231>.*