



City of Gahanna

Meeting Minutes

Development & Parks

Office of the Clerk of Council
200 South Hamilton Road
Gahanna, Ohio 43230

*Brian D. Larick, Chair, Stephen A. Renner,
Karen J. Angelou*

Kimberly McWilliams, CMC, Clerk of Council

Monday, March 23, 2015

Council Committee Rooms

Immediately Following Finance

ITEM - From the Director of Planning and Development

[2015-0069](#)

Development Department Supporting Documents

Attachments:

[Council Report 03.23.15](#)

[Junkermann Memo to Council 03.20.15](#)

[Amended Junkermann Agreement](#)

[Original Junkermann Agreement](#)

[Junkermann Aerial Map](#)

1. Junkerman Property - Amended Development Agreement

Director of Planning & Development Anthony Jones gave a summary of two agreements pertaining to the Junkerman tract; an amendment to development agreement for Central Park that was passed 2007 and the more recent agreement passed in 2011; not proposing any changes; an opportunity to provide background, further information and details about the Junkerman project because we anticipate a request to come before Council to develop that site; Junkerman is a 29 acre parcel that the City purchased back in 2006; in order for us to receive a \$3 million grant to remediate the Bedford landfill, City put this property together with other properties surrounding the landfill, now known as Central Park, to have enough real estate to create jobs necessary to qualify for the grant; gave property a free and clear title under first agreement outlined to the Central Ohio Community Improvement Corporation (COCIC); this entity was created to clean up the Bedford 1 landfill; since that time, COCIC realized they did not have the real estate capacity to develop Central Park being a non-profit board with no staff; they subsequently sold all of their property to the Value Recovery Group (VRG); VRG took over the burden of determining conditions for developing Junkerman tract; in 2011 City modified agreement to give them 5 years from 2011 to do some work on property; work to be done by VRG is outlined in the

amended development agreement dated 8/15/2011; they have to do certain things with property by end of 2016 or they have to give us money or property back; important because Council has to approve anything that they do on this site; Council has ultimate authority of approving what they want to do or not and impacting them financially; will go over details of their commitment and our security for development of tract; Central Park is a complicated project; 8 development agreements associated with it; agreement they are currently being governed by states that they have the ability to sell property for \$1.275 million on market to a buyer; if they do sell, they have to give us that money; believe current market would not support that amount; is the amount the City paid for property in 2006; if they cannot sell at that price, they can get an acceptable development plan; this plan should generate \$1.275 million in taxes for the City; goal is for City to get money back from sale or tax generation; if those 2 things aren't feasible, the City has given them the ability to sell to an end user that we agree to; City could agree to propose a use for site themselves; VRG could also use that property for wetland mitigation bank; have investigated that but the value did not justify the expense of creating it; VRG could either develop a site we agree gives us less money or we could propose a site development plan for them or they could use it for another use that we agreed to; City has choice of accepting less revenue or not; VRG at the end of the 5 year period, if nothing happens, will be required to give us the full 29 acres back; the full 29 acres is not all developable; there is a wetland in the middle of it; property north of Taylor and south along what would be Blatt Blvd. expansion; whole site not useable lending to some development challenges; in order for City to feel comfortable extending VRG's obligation to develop site, we asked VRG to put together promissory note in the amount of \$1.275 million, 0% interest, payable in 60 months from the date of agreement; have ability to collect on that \$1.275 million promissory note; we have flexibility to accept a project that has less return to us understanding that the property is uniquely situated; we bring this forward now because we understand VRG is considering some options for redevelopment and they want to propose that to the administration; have not received any plans; have heard discussion on what they are looking at ranging from housing to sports facility to other options that they are still trying to work out; they have proposed ideas to us and their time frame is quickly shrinking; we have had discussions in past on what is the highest and best use there; tract is located just north of Niagara Bottling and near Columbia Gas; is adjacent to Township to north with residences; has some unique attributes; property just to east is vacant; owned by Junkerman still; 30 acre piece of square property right along Taylor and Eastgate; phenomenal piece of property I'm sure can be developed commercially; one of our largest undeveloped tracts; not on market; still being farmed.

Larick asked what span of time the municipal tax revenue generation of \$1.275 million is across. Jones said until completion of a five year period beginning January 1 of 2011; from execution of that agreement or as stated in plans; agreement states we can extend that term if it's agreeable by both parties in the acceptable development plan.

Angelou said you mentioned housing; asked if that would be plausible in that area. Jones said thought process is that it would not have anything to do with the surrounding uses, would be what the market would support; does not mean it's a good use; just means it is a use that the market would support. Angelou said it does not make sense that would meet the \$1.275 million. Jones said we have not seen any formal proposal that would show what actual return would look like but residential does not net the same as commercial; that includes medical and manufacturing. Jones said it would require not just Council's consent but Planning Commission's sign-off on a zoning change. Mayor Stinchcomb said they want to come to Council and present their plan; thought it was important to give Council the background in advance; not everyone was here when we did this; want you to be fully aware of the investment. Jones said one of the goals of having Junkerman included in overall property was to leverage the financial value at the time to get money to acquire additional properties around Central Park; giving them control over real estate required to create jobs; redevelopment of it was always a challenge; primary role was to create land assemblage; is a mortgage out on the property.

Schnetzer had 2 questions; one with respect to the price paid and another regarding wetlands; the \$1.275 million, as we encounter other opportunities like this, is there a way to start to index these values for inflation; is less now than it was in 2006; if that is our pay back benchmark, we have already cut ourselves short; help me understand how wetlands impact development of this property. Renner answered it is feasible to fill it in but it is an economic liability for any future development. Leeseberg continued ratio is 4-1; for every acre you wipe out you have to buy or create 4 times what you are wanting to wipe out. Jones said it has not been maintained; allowed to play its natural course and is getting larger and larger.

Jones said we don't have anything yet; whatever we receive will have a financial analysis with it; having static numbers in a document years later create havoc; appreciate that and will take it into consideration.

Jayne Maxwell, CMC, Reporting