



**Report for Council – March 24, 2014**

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**Planning & Development Department Action Items:**

**CRA Tax Abatement for Eastgate Partners LLC, 1801-1831 Deffenbaugh Court (Parcel #025-102946)**

*The Department of Planning & Development is respectfully requesting that City Council authorize the Mayor to enter into a CRA Tax Abatement Agreement with Eastgate Partners, LLC for the property located at 1801-1831 Deffenbaugh Court.*

As a follow up to our last committee meeting, I wanted to provide additional information on the project in regard to its suitability to the location and job creation opportunities.

The project would result in an 80,000 square foot facility that can accommodate a variety of uses that include manufacturing, warehouse, office and wholesale retail operations. This type of facility is prevalent within the City's Eastgate Industrial Park. As referenced in the attached Eastgate Building Comparison Sheet, there are 9 buildings within close proximity to the project site that are designed to accommodate similar uses as the proposed project. All of the 9 properties have a combination of office, warehouse/distribution and/or manufacturing space. Although the building sizes for the 9 properties vary, this building type is appropriate for the Eastgate Parkway Industrial Park.

This project is unique compared to past projects because it is being built on speculation with no defined users secured for the space. Because of this, it is challenging to specifically identify the number of jobs that will be created as a result of the project. In an effort to mitigate the risk of the building being built on speculation with no defined end user, the Department is requiring the applicant to make an annual payment of \$6,000 during the term of the abatement period. This annual payment is financially equivalent to \$400,000 in annual payroll under the City's current 1.5% municipal income tax rate. In addition, in order to minimize the risk exposure from the building being built on speculation with no defined user, the Department is requesting that the abatement term be 6 years. This abatement term is the shortest term that has been provided by the City for new construction projects.

In an effort to identify the potential employment figures that the market could support for this project, the applicant completed a survey of tenants located at 2 comparable buildings within Central Ohio. As referenced in the attached Comparable Building-Employee Survey Sheet, on average 31% of the facility space was used as office, with the remaining being used as manufacturing, warehouse and/or distribution. The average number of employees located within these comparable buildings was equal to 1.03 jobs per 1,000 square feet of facility space. This figure represents a strong indication that the market can support healthy job creation at the proposed project site.

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Based upon additional discussions with the applicant, the applicant is willing to commit to at least 30 jobs with approximately \$750,000 in payroll over the next 4 years. The modified Eastgate Partners CRA Agreement is attached. It is important to note that Section 3, paragraph 7 allows for a modification and/or claw back of financial incentives if the applicant fails to fulfill their obligations under the CRA agreement.

### **Gahanna Community Improvement Corporation 2013 Annual Report**

Per the annual contract between the City of Gahanna and the Gahanna Community Improvement Corporation (CIC), an Annual Report will be presented to City Council that highlights the organization's accomplishments for 2013 as well as the goals and action plan for 2014.

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

#### **Planning Commission Update**

On March 12<sup>th</sup>, Planning Commission sent to workshop the following items for the property located at 390 Rocky Fork Drive South and 295-361 S. Hamilton Road:

- Conditional Use to allow a drive-thru lane to accommodate proposed building A tenant and building C tenant
- Variance Application to allow a building setback of greater than 15 feet from the public right-of-way due to the conditional use necessary for the drive thru on building A
- Final Development Plan
- Certificate of Appropriateness for site plan, building design and landscaping

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

- *Olde Gahanna Community Partnership: A Board Meeting will be held on Wednesday, March 26, 8:15am, at the Gahanna Historical Society Clark House, 101 S. High Street.*
  - *Gahanna Area Chamber of Commerce: A Board Meeting will be held on Tuesday, April 8, 7:30am, at C-Suites, 1000 Creekside Plaza.*
  - *Olde Gahanna Community Partnership: A General Meeting will be held on Wednesday, April 9, 8:15am, at the Olde Gahanna Sanctuary, 82 N. High Street.*
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