



CITY OF GAHANNA

Department of Planning and Development

September 17, 2008

To: Becky Stinchcomb, Mayor  
Gahanna City Council  
Incentive Advisory Board

From: Sadicka White, Director of Development  
Anthony Jones, Deputy Director of Development

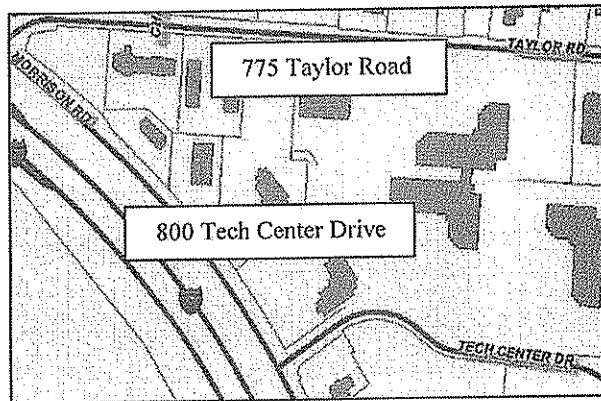
Subject: Office and Industrial Rebate for NetJets Services, Inc.

---

The City of Gahanna has received an application for an Office & Industrial Incentive (OIR) from NetJets Services, Inc. NetJets is fractional ownership aircraft company that is currently located at 4111 Bridgway Ave and 4349/4449 Easton Way.

**Project Summary**

NetJets is proposing to establish a short term office location at 800 Tech Center Drive and 775 Taylor Road in order to accommodate the recent expansion of their business operations. The office will house nearly 400 employees (currently 395) each with an average annual salary of approximately \$73,000. The office location will have an annual payroll of \$28,835,000. NetJets is currently negotiating a lease at the project location for a period of approximately 4 years.



This project will fill a large office vacancy that was created when Alliance Data relocated outside the City of Gahanna. The building requires minimal tenant improvements, which will allow for a quick relocation of NetJets into the facility.

It is important to note that NetJets has previously made a formal commitment to expand their business operations within the City of Columbus. This short term relocation of NetJets to the project location should not interfere with their proposed expansion within the City of Columbus. This short term relocation is driven by intense internal pressure to expand business operations immediately. The project site satisfies this immediate need for office space.

**EXHIBIT A**

In addition, the project location falls within the Port Columbus Development Partnership Area. The cities of Columbus, Whitehall and Gahanna, including Mifflin Township and the Port Columbus Airport Authority, have been working together to create a Partnership Agreement that will help leverage each entity's assets to assist the area immediately surrounding the Port Columbus Airport in the following ways: job creation, job retention, cohesive land use policies, strategic infrastructure investments and comprehensive marketing campaigns.

The relocation of NetJets within the Port Columbus Development Partnership Area is a testimony for how this partnership can work together to meet the needs of airport related businesses. The ultimate goal of the Port Columbus Development Partnership Area is to have each entity work in collaboration in order to develop appropriate solutions for businesses interested in locating within close proximity to the Port Columbus Airport.

#### **Project Recommendation**

In order for the City of Gahanna to locate this short term tenant to this location, the Department of Development recommends the following:

- Provide an Office & Industrial Rebate (OIR) to this specific company in an amount of 25% of the annual 1.5% Gahanna payroll taxes collected; for a specific term of up to four years because their annual payroll of \$28,835,000 provides \$432,525 in municipal income taxes.
  - **Value of OIR is approximately \$108,131 per year for 4 years.**
    - **The net gain to the City of Gahanna is \$324,394.**
- Due to this being a short term lease and the significant payroll associated with the project, the Department of Development recommends not requiring the 200% repayment option for this financial incentive.

According to the attached Fiscal Impact Analysis, the net present value of revenue gained by the City of Gahanna over the next 4 years for this project is \$1,112,195.

# Fiscal Impact Analysis

## NetJets Services Inc.

800 Tech Center Drive / 775 Taylor Road

Key Project Elements	Office Complex
Acreage	13.56
Original value of parcel(s)	\$2,047,800
Modeling existing conditions only	yes
<i>Nature of planned development</i>	
Industry	Professional Services
Square footage	53,810
Value per SF	140
Expected value after development	2,047,800
Total jobs	395
Anticipated payroll per worker	73,000
Corporate income tax	6,338

### Net Present Value of Tax Revenue

**\$1,122,195.08**

Project Summary	
Acreage	13.56
Original value of parcel(s)	2,047,800
Square footage (nonresidential)	53,810
Expected value after development	2,047,800
<i>Estimated Employment &amp; Income Impacts</i>	
Total annual payroll from daytime only workers	28,835,000
Total jobs	395
Annual Payroll	28,835,000
Annual Income Tax	432,525
Annual Property Tax	1,138
Annual Corporate Profit Tax	6,338

### Project Completion Timeframe

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%

### Annual Cost of Community Services

Current Operations & Maintenance	
Security of persons & property	\$ 5,956
Public health	\$ 166
Leisure time activities	\$ -
Community development	\$ 5,329
Basic utility services	\$ 2
Transportation	\$ 2,651
General government	\$ 1,954
Capital outlay	\$ 12,720
Debt service	
Principal retirement	\$ 43
Interest & fiscal charges	\$ 10
Issuance costs	\$ -
<b>Total annual expenditures</b>	<b>\$ 28,831</b>

### Discounted Present Value of Tax Impacts Over Time (NPV, 4 yr)

City of Gahanna Impacts	
Personal Income Tax	\$1,607,738
NPV of Income Taxes Rebated (4 Years)	(\$401,934)
Corporate Income Tax	\$23,559
Property Tax Pmts on Orig Value	\$4,229
Gross Tax Receipts	\$ 1,233,592
Net Tax Receipts (less pmts on orig value)	\$ 1,229,363
Less NPV of Cost of Community Services	(\$107,168)
<b>Net Revenue After Service Costs</b>	<b>\$1,122,195</b>

City of Gahanna  
Incentive Application Form

1. Company name: NetJets Services, Inc.
2. Company address: 4111 Bridgeway Avenue  
Columbus, OH 43219
3. Type of business: Air Transportation
4. Company contact person: David M. Powell
5. Telephone number: (614) 239-2091 email: dpowell4@netjets.com
6. Proposed location of new/leased owned space:  
800 Techcenter Drive / 775 Taylor Road, Gahanna, Ohio 43230
7. Prior or current location: 4111 Bridgeway Avenue, 4349 Easton Way and 4449 Easton Way, Columbus, OH 43219
8. Number of employees to be employed at site: 395
9. Estimated payroll for employees at site: \$73,000 average
10. Company Description: (i.e. Years in business, ownership): Please describe in detail on a separate sheet of paper. (See Attached)
11. If leased space provide the terms of the lease: 45 month lease projected to begin 11-1-08 and end 7-31-12
12. Growth Projections (income): Approximately \$28.5 million in annual payroll once all 395 employees on site.

Application Acknowledgement

As an authorized agent of the applicant company, I hereby submit this application for consideration. I understand that any information on this application found to be false or misleading could result in the termination of this program.

VP, Government Relations 9/9/08  
Signature/Title Date

Approved by: \_\_\_\_\_  
City of Gahanna

# NETJETS® FAST FACTS

Media Contact: Maryann Aarseth  
732-326-3735 Maarseth@netjets.com

NetJets Inc. 581 Main Street Woodbridge, NJ 07095

November 2007

## WHO IS NETJETS?

NetJets Inc. is the pioneer and worldwide leader in fractional aircraft ownership. NetJets began in 1964 as the first aircraft charter company. Today NetJets offers not only fractional aircraft ownership but also jet cards through an exclusive alliance with Marquis Jet Partners, and aircraft management and on-demand charter services through its subsidiary, Executive Jet® Management. NetJets is truly a global company with operations in the U.S., Europe and the Middle East.

## WHAT IS FRACTIONAL AIRCRAFT OWNERSHIP?

NetJets' Chairman Richard T. Santulli invented the concept of fractional ownership with the launch of the NetJets program in 1986. Fractional aircraft ownership allows individuals and companies to enjoy all the benefits and more of owning your own jet at a fraction of the cost.

You buy only as much as you need.

Fractional shares start at a 1/16th interest, the equivalent of 50 hours of annual flying time. If you need less, you can still fly on NetJets through the Marquis Jet Card in the US and the NetJets Private Jet Card in Europe. Both of these programs enable you to access the NetJets fleet in single-year 25 hour increments.

Access an entire fleet.

Owning a NetJets share gives you the opportunity based on availability to exchange among the 15 jet types in the NetJets global fleet. Which means fractional owners have the opportunity to use the aircraft best suited for every mission (downgrades are guaranteed, upgrades are subject to availability).

Have all the advantages without the responsibilities.

Your monthly management and hourly fees cover nearly everything. The responsibility of hiring and training flight crews, scheduling and maintenance are all ours.

## WHAT ARE THE COSTS?

With NetJets fractional aircraft ownership your costs are totally predictable:

**Acquisition Cost** The one-time purchase of the asset.

**Monthly Management Fee** Covers indirect operating costs including pilot salaries, training, hangaring, insurance and Owner Services support.

**Occupied Hourly Fee** Covers flight specific direct operating costs including standard fuel, maintenance, catering (for small and midsize aircraft), and landing fees.

**Miscellaneous** Includes variable fuel surcharge and international fees for travel outside the U.S., as applicable, as well as 7.5% applicable excise tax.

## THE NETJETS DIFFERENCE

**Most Experience** NetJets has flown more flights than all competitors combined. NetJets flies more than 370,000 flights annually.

**Market Leader** NetJets leads the industry. For the last two years NetJets market share was 70 percent based on net value of aircraft sold and leased.

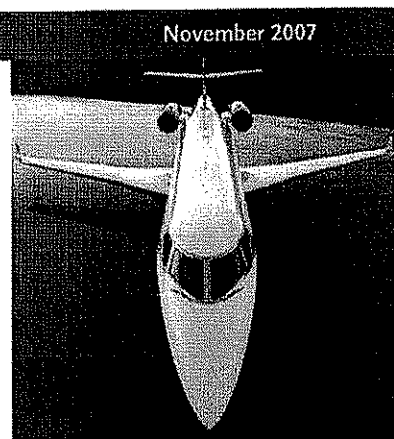
**Financial Strength** NetJets is a Berkshire Hathaway company. This gives NetJets unmatched financial resources, enabling it to pursue the highest levels of safety, security, comfort, convenience and reliability.

**Largest Fleet** NetJets fleet of 712 aircraft under management is equal in size to that of the world's second largest airline.

**Manufacturer Independent** Because NetJets is not an aircraft manufacturer we are able to choose the best, safest and most reliable aircraft from the top manufacturers such as: Boeing, Cessna, Dassault, Gulfstream and Raytheon. Our aircraft types historically offer Owners the best residual values in the industry.

**Most Aircraft Choices** NetJets worldwide offers the widest range of aircraft types offering 15 models of the best light, midsize and large cabin business jets.

**Truly Global** NetJets flies to over 150 countries each year and has operations in the U.S., Europe and the Middle East.



## NetJets Worldwide Fleet NetJets manages 712 aircraft

<b>Light Cabin</b>	
Citation Bravo	18
Citation V Ultra	63
Hawker 400XP	48
Citation Encore	16
Citation Excel/XLS	133

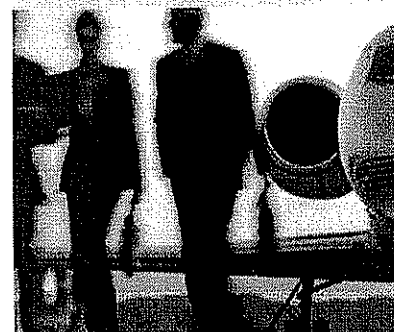
<b>Midsize Cabin</b>	
Citation VII*	1
Hawker 800XP	89
Hawker 900XP	2
Citation Sovereign	29
Citation X	70
Gulfstream 200	30

<b>Large Cabin</b>	
Falcon 2000/2000EX	52
Gulfstream 400/IV-SP	41
Gulfstream 450	12
Gulfstream V	8
Gulfstream 550	10
Boeing Business Jet	2

**Aircraft under management** 88

\*No longer offered for purchase or marketed.

To request high resolution images please visit the NetJets photo gallery located on our website ([www.netjets.com](http://www.netjets.com)).



# NETJETS® FAST FACTS

Media Contact: Maryann Aarseth  
732-326-3735 Maarseth@netjets.com

Netjets Inc. 581 Main Street Woodbridge, NJ 07095

November 2007

## NETJETS' COMMITMENT TO SAFETY

- Netjets has the most experienced and best trained pilots in the industry including some who have flown aboard Air Force One.
- All Netjets pilots are FAA type-rated as a Captain in the jet type they'll be flying, the only aircraft type they'll fly.
- Netjets pilots average 7,500 hours of flight experience, and undergo a comprehensive recurrent training program including full motion simulator training twice a year. They train at Flight Safety International the world's preeminent flight training corporation for ground school, simulator training and proficiency evaluation. Netjets training programs are Air Carrier FAA Approved and exceed industry standards.
- Netjets worldwide has 130 certified aircraft dispatchers and 7 meteorologists on staff to ensure the safety of every flight.
- Netjets dual-release system means that no aircraft is cleared for take off until the pilot in command and a licensed dispatcher double-check all aspects of the flight and agree that it can be completed safely.

## OTHER OWNER BENEFITS

Netjets Owners have the added peace of mind while traveling and at home with access to the following services:

- Mayo Clinic Executive Travel Response All Netjets Owners have access 24 hours a day, 365 days a year to coordinated medical services and trusted health information from the world renowned Mayo Clinic.
- PennVet VIP program Through the University of Pennsylvania's Matthew J. Ryan Veterinary Hospital, Netjets U.S. Owners have access 24 hours a day, 365 days a year to quality veterinary care for their pets (including dogs, cats, and special species) anywhere in the United States.

## ABOUT OUR OWNERS

- 70 percent of Netjets new business comes from existing Owners and personal referrals.
- Owner Profile
  - 50 percent of Netjets Owners are private companies using Netjets to help grow their businesses.
  - 25 percent of Netjets Owners are public companies using Netjets to supplement their existing fleets, or as their primary business aviation tool.
  - 25 percent of Netjets Owners are private individuals who use Netjets to enhance their quality-of-life.
- Some of our Netjets Owners include: Aetna, The Dow Chemical Company, General Electric, Prudential, Annika Sorenstam, Andre Agassi, and Tiger Woods. Netjets respects our Owners privacy, so we do not share their names unless we have been given permission to do so.



## Netjets History

**1964:** Netjets Inc. (formerly Executive Jet, Inc.) was founded as the first private business jet charter and aircraft management company in the world with a fleet of ten.

**1986:** Chairman Richard T. Santulli invents the concept of fractional aircraft ownership with the launch of the Netjets fractional aircraft ownership program.

**1995:** Netjets International and the Gulfstream program are launched.

**1996:** Netjets Europe program is launched.

**1998:** Berkshire Hathaway purchases Netjets Inc. three and a half years after Warren Buffett buys his first Netjets share.

**1999:** Netjets Middle East program is launched.

**2001:** Netjets is now available 25 hours a time via the introduction of the Marquis Jet card.

The Gulfstream Large Cabin Fleet is operated by Netjets International and NJI. The BBJ is operated by Netjets Large Aircraft Company. All other aircraft offered by Netjets in the United States are operated by Netjets Aviation. Each of these operating companies is a wholly owned subsidiary of Netjets Inc. All aircraft offered by Netjets in Europe are operated by Netjets Transportes Aéreos, SA, a Portuguese/EU Air Carrier. The Marquis Jet Card Program is operated by Netjets under its FAR Part 135 Air Carrier Certificate. Netjets has an affiliation with the provider of the Netjets Middle East Program. While the representations contained in this brochure are accurate, the actual terms and conditions are subject to the definitive agreements with individual Netjets Owners. Netjets is a registered trademark.

