



## Report for Council – April 14, 2014

---

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

#### **Request Authorization to Establish a Tax Increment Financing (TIF) District**

##### Project Justification

The goal of establishing a TIF District is to capitalize on private investment to create a revenue stream, other than the General Fund, that is dedicated to funding public infrastructure projects. The Department of Planning & Development is respectfully requesting that City Council authorize the Mayor to establish a TIF in the North Triangle District of Gahanna.

A TIF District, authorized by Ohio Revised Code Section 5709, allows municipalities to divert new property taxes within the defined district to fund certain public infrastructure investments. The City of Gahanna currently has seven TIF Districts.

The North Triangle TIF District will be located in the geographical area roughly bounded by North Hamilton Road, Morse Road and Johnstown Road. Please see attached map for the proposed location. We have recently seen a significant amount of private investment within the North Triangle District that makes it advantageous for the creation of a TIF District at this time. In addition, the Department anticipates that there are multiple locations that could be developed and/or improved within the North Triangle TIF District over the next 30 years. These Priority Development Areas can be found on the attached map. Based on these market trends, the potential for continued redevelopment within the district, and future infrastructure needs, the Department of Planning & Development is proposing the establishment of a TIF district to fund public investments in the North Triangle District.

The future infrastructure needs of the North Triangle District include, but are not limited to, the following: intersection improvements at East Johnstown Road and Riva Ridge Blvd; roadway improvements and sidewalk expansion along East Johnstown Road and on Morse Road from North Hamilton Road to East Johnstown Road; sanitary sewer extension along North Hamilton Road; fiber optic expansion along East Johnstown Road, Beecher Crossing and Morse Road.

##### Budget Impact

The proposed TIF District will be for 30 years. This TIF District will capture a portion of the property taxes generated from development within the North Triangle District, known as Payments In Lieu of Taxes (PILOTS). These PILOTS will be collected by the City in order to pay for the necessary infrastructure costs within the district. The Gahanna-Jefferson Public Schools and the Eastland-Fairfield Career & Technical Schools will not be impacted by the creation of this TIF District.

---

## **Modification of Community Reinvestment Area (CRA) #5**

### Project Summary and Justification

The goal of expanding a CRA is to target a geographical area with a financial incentive program that is designed to promote private investment and job creation opportunities. The Department of Planning & Development is respectfully requesting that City Council authorize the Mayor to modify CRA #5.

A CRA, authorized by Ohio Revised Code Section 3735, allows municipalities to provide property tax abatements to eligible projects within the defined area. The City of Gahanna currently has five CRAs. CRA #5 was first established in 1992 and modified in 2009, in an effort to spur private investment and job creation opportunities within Olde Gahanna.

The requested modification of CRA #5 would expand the district boundary to include the multiple commercial properties along Route 62, West Johnstown Road, Stygler Road and Agler Road. The attached map identifies the additional parcels that would be included in the expansion. This modification would ensure that the primary commercially zoned properties in West Gahanna are eligible to receive the most competitive financial incentives in order to spur economic development.

As part of the CRA modification process, Ohio Revised Code requires that municipalities complete a Housing Survey in order to establish/modify a CRA. As such, the Department has prepared the attached Housing Survey. The approval of the Housing Survey is required in order to modify CRA #5.

### Budget Impact

The proposed CRA #5 will be in place until otherwise modified and/or removed by Gahanna City Council. This modified CRA #5 will allow the property taxes generated from new construction within the new CRA to be abated for a period of up to 15 years. The property tax abatement would help to create additional job creation opportunities that generate municipal income tax revenue for the City of Gahanna.

## **Office & Industrial Incentive for MNX Global Logistics**

The goal of providing an Office & Industrial Incentive is to encourage private investment and job creation opportunities within the commercial corridors of the City of Gahanna. The Department of Planning & Development is requesting that City Council authorize the Mayor to enter into an Office & Industrial (O&I) Incentive Agreement for MNX Global Logistics (MNX).

### Project Summary & Justification

MNX is proposing to relocate their business to an existing multi-tenant building located at 690 Taylor Road. MNX will lease approximately 9,000 square feet of office space at this site for a period of 6 years. In addition, MNX will be utilizing GahannaNet services because their facility is currently connected to the City's municipal fiber network.

Established in 1983, MNX has emerged over the last three decades as a leading transportation and logistics company serving a global customer base of diverse organizations. Originally

---

focused on the time critical needs of the movie, music and fashion industries, the company has expanded into time critical spare parts and Aircraft On Ground (AOG) recovery; blood banking, organ procurement and international biopharmaceutical temperature sensitive shipping.

The company is working on a reorganization of their North American operations and will be expanding their workforce at their new location. The company has decided to relocate to larger space within the Columbus region and has considered several communities within Central Ohio. MNX has an office currently located in the Rickenbacker area.

#### Budget Impact

MNX is proposing to relocate 39 jobs to Gahanna and add an additional 12 net new jobs as a result of this expansion. The average annual salary for the relocated jobs is \$41,532 and the average annual salary for the net new jobs is \$37,500. They will be investing approximately \$200,000 in furniture, fixtures and equipment. A financial incentive is a major factor in the company deciding to move forward with this investment in Gahanna.

The Department is proposing to provide an O&I Incentive on only the net new jobs stemming from the project. The Incentive Advisory Board will be meeting on Monday, April 14th, and will be voting on whether to provide this project with a three year 65% O&I Incentive on the net new jobs in order to secure the relocation of their business to Gahanna.

The total estimated incentive payment to MNX would be \$12,066 over three years. The net income tax revenue to the City from the relocated and net new jobs would be \$161,492 over 6 years. In addition, the Gahanna CIC would collect approximately \$13,802 from revenues generated from providing GahannaNet services. A detailed project summary is attached.

#### **Fee Waiver for Fence Variance at 220 Cam Court**

On March 26, 2014, Planning Commission approved Variance application V-0007-2014 to allow a privacy fence to remain in the side yard at 220 Cam Court. A brief explanation of the origination of the variance request is summarized below.

In 2006, a fence permit application was submitted showing the fence to be constructed at 220 Cam Court at the rear of the house. However, the fence contractor constructed the fence in the side yard instead, which is illegal without an approved variance. At that time, the Zoning Division did not conduct inspections following the installation of fences so the discrepancy was not caught. In June of 2013, the error was brought to our attention by a contiguous property owner who also wished to place a fence in the side yard. Lori Deas, owner of the property located at 220 Cam Court, was given the option of removing the fence from the side yard, moving the fence to the original approved location, or requesting a variance to allow it to remain in place. Ms. Deas chose to request a variance and pay the \$150.00 fee.

On March 26, 2014, Planning Commission also voted to recommend to Council that the fee for the variance application be waived and that the \$150.00 fee be refunded to the applicant. Therefore, the Department is respectfully requesting that Gahanna City Council approve the refund of the \$150.00 variance fee to the owner of 220 Cam Court.

---

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

### **Planning Commission Update**

On March 26<sup>th</sup>, Planning Commission approved the following items:

#### **390 Rocky Fork Drive South and 295-361 S. Hamilton Road (Shops at Rocky Fork)**

- 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

#### **220 Cam Court**

- Variance to allow a privacy fence to remain in the side yard

#### **615 Cherry Road**

- Variance to allow a garage structure to encroach into the side setback

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

- *Gahanna Community Improvement Corporation: A Board Meeting will be held on Tuesday, April 15, 7:30am, at Gahanna City Hall, 200 S. Hamilton Road.*
  - *Gahanna Area Chamber of Commerce: A Business After Hours & Art Night will be held on Wednesday, April 16, 4:30pm – 6:30pm at Springhill Suites, 665 Taylor Road. Students from Gahanna Lincoln High School will showcase original artwork and discuss their vision and ideas with community members, guests and neighbors. Complimentary hors d'oeuvres and wine will be served. There is no charge to attend this event.*
  - *Mid-Ohio Regional Planning Commission: The annual State of the Region Luncheon will be held on Thursday, April 17, 11:00am, at the Hilton Downtown Columbus, 401 N. High Street, Columbus, 43215.*
  - *Olde Gahanna Community Partnership: A Board Meeting will be held on Wednesday, April 23, 8:15am, at the Gahanna Historical Society Clark House, 101 S. High Street.*
  - *Gahanna Area Chamber of Commerce: The April Empowering Women Breakfast will be held on Thursday, April 24, 7:30am – 9:00am, at the Mount Carmel East Hospital Siegel Center, 6001 E. Broad Street, Columbus. The topic will be Encouraging Engagement & Positivity and the cost is \$10 for members and \$13 for guests. Register online at [www.gahannaareachamber.com](http://www.gahannaareachamber.com) or RSVP to Becky Whittington at (614) 471-0451 or [becky@gahannaareachamber.com](mailto:becky@gahannaareachamber.com).*
-