



City of Gahanna

Meeting Minutes

Committee of the Whole

200 South Hamilton Road
Gahanna, Ohio 43230

Trenton I. Weaver, Chair

Merisa K. Bowers

Jamille Jones

Nancy R. McGregor

Kaylee Padova

Stephen A. Renner

Michael Schnetzer

Jeremy A. VanMeter, Clerk of Council

Monday, July 21, 2025

City Hall, Council Chambers

Immediately following regular City Council at 7:00 PM on July 21, 2025

A. CALL TO ORDER:

Gahanna City Council met for Committee of the Whole on Monday, July 21, 2025, in Council Chambers. Vice President of Council Trenton I. Weaver, Chair, called the meeting to order at 7:21 p.m. The agenda was published on July 18, 2025. President Bowers was absent from the meeting. All other members were present. There were no additions or corrections to the agenda.

B. ITEMS FROM THE DEPARTMENT OF ENGINEERING:

ORD-0031-2025 AN ORDINANCE TO LEVY SPECIAL ASSESSMENTS FOR CERTAIN REAL ESTATE WITHIN THE 2022 SIDEWALK MAINTENANCE PROGRAM, TO APPROVE COSTS AND QUANTITIES, AND TO DECLARE AN EMERGENCY

Director of Engineering Tom Komlanc noted the department had four items before the Council that evening. He explained that the first two items related to the sidewalk maintenance and Americans with Disabilities Act (ADA) transition program, specifically the 2022 and 2024 programs, following the conclusion of construction activities, and that they were before the Council for the assessment and public hearing. He reviewed the background, noting that the 2021 program was completed in 2023, produced lessons learned, and prompted an update to the code. He said the 2022 program, which was in the works in 2023, went through construction, and that they aimed to align the program years with the actual years of construction, so the 2024 program occurred in 2024. Komlanc reported that they tallied quantities, calculated the final field-measured quantities, and provided notice to the residents within the program area. He said the public hearing for both programs was slated for August 4, 2025.

Councilmember Jones asked for clarification on the cost summary, specifically the owner-attributed defect cost versus the total, and noted that the resident was only responsible for 50% of the defect costs. Komlanc introduced Paige Wright, Senior Transportation and Mobility Engineer, who administered the program. Wright explained that the total cost included defects attributed to the resident as well as those attributed to the city, giving examples such as panels associated with curb ramps or panels with issues around water valves that the city identified and replaced at full city cost; the resident would pay only the owner-attributed portion, excluding any costs the city identified as its own. Jones confirmed that the resident paid only 50% of that owner-attributed cost, and Wright agreed.

Vice President Weaver said he understood that these items wrapped up the 2022 and 2024 programs and that the 2023 program was completed. Komlanc clarified that because of the pause for the code updates, they moved into 2024 by the time they engaged the 2023 program. Weaver confirmed that no additional items would come forward for the 2023 program, and Komlanc concurred.

Recommendation: Introduction/First Reading with Public Hearing on Regular Agenda on 8/4/2025; Second Reading/Adoption on Regular Agenda on 8/18/2025.

ORD-0032-2025 AN ORDINANCE TO LEVY SPECIAL ASSESSMENTS FOR CERTAIN REAL ESTATE WITHIN THE 2024 SIDEWALK MAINTENANCE PROGRAM, TO APPROVE COSTS AND QUANTITIES, AND TO DECLARE AN EMERGENCY

Recommendation: Introduction/First Reading with Public Hearing on Regular Agenda on 8/4/2025; Second Reading/Adoption on Regular Agenda on 8/18/2025.

MT-0008-2025 A MOTION AUTHORIZING THE CITY OF GAHANNA BIDDING FOR THE 2025 STREET REBUILD AND SIDEWALK MAINTENANCE PROGRAM WITH WATERLINE REPLACEMENT (ST-1116)

Director of Engineering Tom Komlanc presented the next two items, which first involved a request for permission to bid the street rebuild and waterline project for Laura, Heil, and Rocky Fork Drive North. He said the plans were finalized and they sought permission to proceed with contracting.

Councilmember Padova asked whether the Rocky Fork project would include sidewalks on both sides, and Komlanc confirmed it would. She then asked about Laura and Heil, where existing sidewalks appeared only on one side, and whether the project would remove and replace the existing sidewalks or add new ones on the opposite side. Komlanc explained that the project would remove and replace some existing sidewalk facilities to achieve ADA compliance; in areas without sidewalks, staff held a public meeting, and

residents had expressed a desire not to install new sidewalks. No valid petition for assessment came forward, so they would not add sidewalks in those areas, but they would make improvements where sidewalks already existed. Padova confirmed that the team already met with the residents and communicated those decisions for both Laura and Heil and Rocky Fork, and Komlanc agreed. Padova asked whether the project appeared in the 2025 budget but would occur in 2026; Komlanc replied that it was part of the 2025 budget, that the waterline work would occur over the winter, and that the rebuild would take place in the spring of the following year.

Councilmember McGregor raised a question about Rocky Fork Drive North, on the north side, regarding some driveways and how the sidewalks would work there. Komlanc said they performed engineering design to resolve the profile grades and that the design worked. McGregor commended the experts.

Recommendation: Adoption on Consent Agenda on 8/4/2025.

MT-0009-2025

A MOTION AUTHORIZING THE CITY OF GAHANNA BIDDING FOR THE TAYLOR ROAD WATER MAIN REPLACEMENT PROJECT

Director of Engineering Tom Komlanc requested permission to bid the Taylor Road waterline replacement from Morrison Road to Helmbright. He said the project would upsize the existing 12-inch line to a 16-inch line to accommodate anticipated regional growth and the growth the city was experiencing, and to provide resiliency to the potable water distribution system network.

Recommendation: Adoption on Consent Agenda on 8/4/2025.

C. ITEMS FROM THE DEPARTMENT OF ECONOMIC DEVELOPMENT:

ORD-0034-2025

AN ORDINANCE TO REAUTHORIZE AND AMEND THE CREEKSIDE OUTDOOR REFRESHMENT AREA (CORA) IN ACCORDANCE WITH OHIO REVISED CODE 4301.82

Director of Economic Development Jeff Gottke presented four slides regarding the reauthorization of the Creekside Outdoor Refreshment Area (CORA), noting that the statute required the Council to review and reauthorize CORA after five years of initial implementation, which would occur in mid-August. He reviewed the fundamentals of a Designated Outdoor Refreshment Area (DORA), referred to locally as CORA, as outlined in Revised Code 4301.82, including the requirements that the area remain no more than 320 contiguous acres, display permanent boundary signs, allow businesses and liquor license holders to opt in or out, post the rules clearly, and use designated non-glass containers (plastic cups in warmer months and insulated cups for hot liquids in colder months). He explained that the

program required an approved health and safety plan, which designated at least one officer for the area with the option to add more, and an approved sanitation plan from Parks and Recreation and the Service Department that provided receptacles at each CORA establishment and throughout the area, maintained by the city. He added that the CORA committee met annually, which was above and beyond the legal requirement, to review the prior year's performance, and that participation had to align with the master land use plan and include at least four participants holding qualifying liquor licenses; servers also had to receive special training.

Director Gottke reported successes from 2023 and 2024, stating that the annual review group, which included city staff from development, safety, sanitation services, and parks, along with business owners and Visit Gahanna stakeholders, met to evaluate the program. They sold almost 14,000 CORA cups over that period, and, using a conservative \$6 per beverage estimate, that equated to approximately \$84,000 in direct revenue to participating establishments, with additional induced economic benefit as patrons lingered, enjoyed green spaces, shopped, and dined. He said Chief Spence reported zero CORA-related incidents that year involving businesses, underage consumers, or the general public. He also noted that sanitation staff observed no increase in service demand or additional trash collection due to CORA in the district, indicating the program operated as intended. He then described two changes that participating businesses requested, which the committee discussed and agreed to pending Council approval. He explained that the Council would act in a single piece of legislation to both reauthorize CORA for five more years and implement the two changes. The first change would establish uniform hours of 11:00 a.m. to 11:00 p.m. daily, effectively expanding the existing Monday through Wednesday window from 3:00 p.m. to 11:00 p.m. by starting earlier. The second change would expand the eastern boundary of the CORA by one block to include the west side of Short Street, adjusting the area eastward and squaring off its southern edge where Short Street ends and jogs toward High Street so that additional businesses could participate. He outlined the next steps in the process: the Council would hold a public hearing on August 4, 2025, followed by a second reading and vote on August 18, 2025. He then invited questions.

Councilmember Renner asked whether all the businesses in the CORA area supported the program or if some opted out, and whether any displayed "no CORA" stickers. Director Gottke said he did not know how many businesses had such stickers. Mayor Jadwin said she was not aware of any business that requested or displayed a "no CORA" sticker since the program began in 2020. Renner added that he had not seen any but did not clearly remember. Renner then asked whether the proposed expanded area for CORA included spaces that might develop in the future, specifically referring to CIC-owned

property. Gottke replied that the property on Granville Street or Mill Street already lay within the existing CORA and that the proposed expansion would include additional properties on High Street.

Councilmember McGregor confirmed that no businesses currently operated in the expanded area; Gottke explained that businesses in that vicinity requested the expansion so the Council could include them. Mayor Jadwin cited the Fable Collection at the corner of High and Carpenter as an example, noting the business regularly scheduled a Creekside boutique hop that brought vendors to North Street, and that the current boundary prevented patrons from carrying beverages beyond that point or moving northward into her business. She added that Sergeant Coffee, which moved into the former Fox and Fox location on the other side of the street, also factored into the adjustment, and that the expansion would extend the boundary from the sidewalk in front of the business to the sidewalk behind the buildings on the east side of High Street. McGregor asked whether the expansion moved CORA closer to or within any prohibited area around schools. Gottke responded that the revised code did not require any prohibited area around schools. Mayor Jadwin said that, when they first created the DORA, they chose to include such a limitation as a precaution, but she did not believe any prohibition or restriction in the code currently imposed that limitation and noted that the issue had not arisen over the past five years. McGregor clarified that while no prohibition existed on selling alcohol within the CORA boundary, certain liquor license objections could prohibit sales within 500 feet of a school; Gottke explained that CORA's boundary did not affect that restriction, and if such an objection existed, they would carve that area out of CORA, but no such objection applied at that time.

Vice President Weaver asked about signage marking the end of the CORA boundary and whether the signs would move with the proposed expansion toward Carpenter. Mayor Jadwin said they would have to adjust the signage. She then added that, in support of sustainability initiatives, the CORA used compostable cups and that the city received a \$35,000 grant from SWACO (Solid Waste Authority of Central Ohio) to install recycling containers specifically for CORA cups throughout the district, which did not increase sanitation workload but reduced actual trash by diverting recyclables.

Councilmember Padova inquired about the jog in the boundary around The Sanctuary and asked whether Lola and Giuseppe's was asked to participate. Mayor Jadwin said they declined. Padova suggested considering a future expansion to include the Collective Home Supply for similar reasons as the Fable Collection. Gottke noted they did not have to wait five years to expand and could bring that back at another time, explaining that the timing simply aligned for the current proposal. Mayor Jadwin reiterated that the purpose of

having a DORA involved creating a walkable area where patrons could move from establishment to establishment within a defined boundary and said they discussed further eastward expansion but did not believe the conditions yet warranted it. As new businesses appeared along Granville Street and enhanced walkability, they would adjust the boundary as appropriate. Padova asked about the process for new restaurants entering the defined area, and Gottke said the city would reach out to those businesses.

Vice President Weaver thanked Gottke for bringing the item forward, expressed support for the standardized hours to reduce confusion, and appreciated Padova's question and Mayor Jadwin's explanation. He observed that the zoning map showed the Creekside mixed-use zoning extending down Granville Street, making future expansion potentially appropriate, but said he felt comfortable with the current proposal. With no further discussion, he requested that, because the item included a public hearing, it remain on the regular agenda.

Recommendation: Introduction/First Reading with Public Hearing on Regular Agenda on 8/4/2025; Second Reading/Adoption on Regular Agenda on 8/18/2025.

Returning for Further Discussion (Postponed 7.7.2025):

ORD-0030-2025 AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COMMUNITY REINVESTMENT AREA AGREEMENT WITH VELOCIS GAHANNA JV, LP TO FACILITATE THE CONSTRUCTION OF AN INDUSTRIAL BUILDING ON PARCELS 027-000110-00 AND 025-13634-00 ON TECH CENTER DRIVE, PART OF COMMUNITY REINVESTMENT AREA #3; AND DECLARING AN EMERGENCY

Director of Economic Development Jeff Gottke began by saying he thought it would be helpful to summarize the questions and issues the Council raised to provide clarity for its decision. He noted that he provided a printed memo, prior to the meeting, and that he planned to use a few slides, mostly graphics from the memo, to crystallize those issues. He said company representatives were present to speak in more depth afterward and that Mayor Jadwin planned to offer comments. He identified four major questions the Council asked during the process: whether the project proved financially worth it for the city; how it compared to other abatement projects in the city; how the city knew who it was doing business with; and whether the community needed this type of building in Gahanna.

On the first question, financial worth, Gottke explained that the Council historically applied a "but for" standard, i.e., the project would not occur *but for* the abatement, and that the abatement in this case made rent affordable for potential tenants. He displayed gross rent with and without the abatement and

compared those figures to the regional average to demonstrate that the affordability measure aligned with the market. He then addressed return on investment, presenting pre-abatement payments from the property (approximately \$11,000 to schools, about \$406 to the city, and \$0 to a TIF) versus during the abatement (school collections rising to \$102,000 and city collections, including income tax and the TIF's 20% remaining payment, increasing to \$52,000) and post-abatement (school collections jumping to \$226,000 and city receipts increasing to \$213,000 via TIF and income tax). He added a previously omitted piece of data: construction activity would generate roughly \$153,000 in income tax collections over the next year, which he characterized as additional upside for the city. He said he calculated the percentage increases from the current annual amounts to year 13 and that those increases represented a strong return on investment. On job creation, Gottke referenced an appendix comparing six other speculative projects in the city and reviewed their 2024 performance relative to their pledges. He reported that those projects delivered 17 more jobs than pledged, \$2.4 million more in payroll, and \$17,000 more in salary than they had promised, providing data that speculative developments could perform and contribute economic value.

Addressing the second question, how this project compared to other abatement projects, Gottke first reviewed the nine abatements in CRA Area 3. He said the proposed project ranked second in total investment, fourth in job creation, and fifth in payroll (noting it was the only one with guaranteed payroll); its abatement term tied for fourth and its abatement percentage tied for fifth. He then compared it to the other five speculative developments in the city, stating that it ranked third in total investment, fifth in job creation, second in total payroll (with the caveat that none of the others guaranteed payroll), second in salary, and second in building and parcel size. He noted that the abatement term and percentage fell in the middle of the range, which spanned from seven years at 75% to 15 years at 100%, and concluded that the project offered above-average returns with an average term and rate.

On the third question, how the city knew who it was doing business with, Gottke deferred detailed discussion to the company representatives, acknowledging they knew their own background best, but he outlined the city's vetting process. He said the incentive application included questions about delinquent taxes, and staff, when appropriate, consulted other departments regarding property maintenance violations or code deficiencies to verify compliance. He emphasized the value of Jobs Ohio's involvement, explaining that the organization deployed hundreds of millions of its own dollars in grants and loans for economic development, only supported net new projects in the state, and limited incentives to eleven economic-based industry sectors that brought external dollars into the community. He said

Jobs Ohio conducted its own rigorous vetting because it invested its own funds. He noted that the packet included the Jobs Ohio intake/project introductory application and the Ohio Site Improvement Program application for speculative site development, highlighting sections addressing company history and reputation. He added that since 2011, Jobs Ohio completed 2,800 projects with 500 different companies and invested hundreds of millions of dollars of its own capital.

On the fourth question, whether the city needed this type of building, Gottke described the proposed facility as a flexible industrial warehouse with an office component designed to accommodate light manufacturing or warehousing with associated office space. He referenced a spreadsheet that Nate Green had shown at the prior meeting and said they received site requests from Jobs Ohio roughly weekly or every other week. He explained that since 2024 the city lacked appropriate sites for those requests, so they could not submit several prospective projects; he presented those unmet requests, detailing square footage, jobs, investment, intended use, and industry. He distinguished existing industries (highlighted in blue) from ones not yet present (in white), noting that existing industries tended to attract similar firms through clustering, while also aiming for a diversified economy. He said those peer comparisons also helped verify the company's claim of creating 37 jobs. Gottke then discussed the benefits of available space, analogizing the situation to a homeowner choosing to rent versus buy. He said businesses leased space for speed to market, that emerging companies needed immediate space, that midsize growing companies required transitional facilities, and that some firms operated as lease-only entities by design. He cited seven local businesses that succeeded after starting or expanding in similar space, noting they might have looked outside Gahanna had the city lacked available options. He presented June 2025 data from One Columbus, the regional economic development partner, showing available space by size and location. He said the 100,000 to 199,000 square foot category had the fewest buildings in the region, indicating demand, and that sales data supported that demand. He reported that 77% of all buildings leased in the second quarter of the year fell between 50,000 and 300,000 square feet, likely concentrating in the 100,000 to 200,000 range, with those buildings varying in condition and amenities. He said the proposed building would provide Class A space in a prime location for transportation, travel, and quality of life in the Columbus region, making it very attractive.

Lastly, Director Gottke cited two recent inquiries that underscored demand: one Gahanna-based business seeking to expand required 15,000 to 20,000 square feet, and a business that had left the area wanted to return and sought 50,000 to 60,000 square feet that the proposed building could fulfill or partially fulfill. He concluded by saying he hoped the summary helped bring the

discussions from prior meetings together, then turned the presentation over to the company representatives to address the four questions in greater depth and offered to take any questions.

Questions from Council to Director Gottke

Councilmember Padova thanked Director Gottke for the information and asked about the timeframe for the five speculative projects used for comparison on page four of the provided packet. She inquired whether those projects occurred in the last five or ten years. Gottke said the exhibit included the lengths of the abatements, noting one of them was set to expire in 2025 and others extended out to 2037 if the current project were approved, and acknowledged the comparisons spanned a variety of timeframes. Padova summarized that the five projects being compared likely occurred over roughly the last ten years, and Gottke agreed.

Councilmember Jones referred to page five of the packet, which outlined the economic development department's typical vetting steps, and asked about the process for this particular applicant, whom she believed to be new to the area and the state. She asked specifically about consulting with local communities where the applicant had other abatements. Gottke confirmed the applicant was new to Ohio. He explained that economic development staff, just as companies inquire about doing business in Gahanna, reach out to other communities when aware of a project to ask about their experience with a developer, and they verify that information through auditor websites and Tax Incentive Review Council (TIRC) reporting data, acknowledging that some county auditors provide better systems than others. Jones noted the department had not been able to do that outreach within Ohio for this applicant.

Vice President Weaver followed up by asking whether the department reached out to communities outside Ohio since there was no prior activity in Ohio. Gottke responded that each state had different systems and that they typically did not call around the country for that sort of inquiry, and he pointed to the involvement and support of Jobs Ohio as a significant reputability indicator. Weaver then asked whether the city received a completed Jobs Ohio application and whether Jobs Ohio provided a report back. Gottke said Jobs Ohio did not share their application information and that all of their reporting remained aggregated.

Councilmember Jones asked if the application was related to a grant through Jobs Ohio. Gottke replied that the program combined multiple elements and that he was not certain of the exact nature of the award. Jones suggested they could address that question with the company representatives later.

Discussion with Company Representatives

Jonathan Postweiler thanked Jeff Gottke and the Council for the opportunity to address questions or concerns regarding the proposed ordinance on behalf of Velocis and KBC Advisors. He expressed his disappointment with how the July 7, 2025, City Council meeting transpired, saying that although he appreciated the diligence shown by Councilmembers, he felt troubled by the lack of transparency in the events leading up to that meeting and by the prolonged delays in the approval process. He addressed Mr. Clawson's earlier comments, noting that the site sat idle for decades, generated no additional tax revenue, and failed to achieve its highest and best use. He said the City of Gahanna established a Community Reinvestment Area that included the site to encourage investment and job creation, a policy subsequent councils upheld, acknowledging the role abatements played in economic growth. He criticized the current process for lacking clear standards, ebbing with political tides, and remaining opaque and arbitrary, which he said created the appearance of an uneven and subjective approach to evaluating projects and risked diminishing the time, capital, and professional commitment his team made and intended to continue making. He compared the proposed abatement to the February 2022 approval of a 15-year, 100% tax abatement for Scannell Properties' 292,000-square-foot speculative industrial development at 1800 Deffenbaugh Court, noting that that project received emergency clause passage and waived second reading with no job creation guarantees, while their proposed project, despite being less than half the size, offered a shorter 12-year term, a lower 80% abatement, and significantly greater economic value including more than a half million in additional payroll and developer guarantees around payroll tax. He reaffirmed his team's commitment to working collaboratively with the city to deliver a high-quality project that provided long-term benefits.

Mr. Postweiler then responded to Councilmember Jones's question about the Jobs Ohio approval process. He summarized that they obtained full internal approvals from Jobs Ohio, and that a draft grant agreement had arrived for review. He explained that they submitted organizational charts, documentation confirming good standing of relevant entities, certificates to do business in Ohio, and banking information as part of the grant application. Jobs Ohio accepted those materials without objection, completed its vetting, approved the project for a grant amount, and the team would execute the grant agreement upon receipt. Postweiler read a statement to clarify three key points about the proposed project. First, he said the city would incur no loss if the abatement received approval because the project would not proceed without it; he explained that approval would allow the city to receive its share of taxes based on increased underlying land value plus 20% of property taxes

on the new improvements, whereas denial would leave the site undeveloped and continue generating the current \$406 per year. He warned that denying the abatement would signal to future investors that Gahanna did not prioritize economic development or provide timely, consistent application review. Second, he said the city would receive guaranteed payroll tax revenue because the owner agreed to a binding guarantee of a minimum level of payroll tax generation and would compensate the city annually for any shortfall, with failure to pay constituting a breach and risking loss of the abatement, thereby mitigating the city's risk while preserving upside if job creation exceeded expectations. He contrasted that with the alternative of zero jobs and zero payroll tax if the ordinance failed. Third, he argued that evaluating the project solely through the 12-year abatement window proved short-sighted because the facility would operate for decades beyond that term, generating sustained economic and public value, and once the abatement ended, full tax revenues would flow to the city, school district, and other public entities.

Councilmember Jones asked Postweiler to elaborate on the relationship between KBC and Velocis, including their joint history, locations of past projects, and end users. Postweiler said he led the Midwest development team for KBC and the Velocis team, that the partnership between KBC and Velocis encompassed over \$1 billion in industrial warehouse projects across 15 developments totaling more than 8.5 million square feet, and that their investor base included large pension funds, endowments, insurance companies, family offices, and private investors. He said Velocis, headquartered in Dallas, operated as a private equity real estate fund manager founded in 2010, raised over \$1.6 billion in equity, acquired more than \$3.3 billion in real estate assets across over 220 investments, and launched eight actively managed funds spanning 70 property types. He added that the KBC-Velocis partnership's 15 projects spanned the Southwest in Arizona and Texas, the Chicago area, and were now expanding into Ohio. He said 14 of those 15 developments proceeded without issue, noting one project faced ongoing litigation, and affirmed the partnership's commitment to transparency and ethical business, characterizing the litigation as an anomaly. Councilmember Jones asked why the team chose Ohio. Postweiler responded that two factors drove the decision. He introduced listing brokers Beau Taggart and Joe Kimener, noting they had deep industrial brokerage experience and understood the local market demand. Strategically, he said Ohio provided access and connectivity to most of the eastern United States within one day's drive, favorable fiscal policies, tenant demand, interstate connectivity, access to labor, and strong market dynamics in Columbus. He added that submarket dynamics on the east side of town and Gahanna's community reputation, including being the best-ranked ZIP code two years in a row, strong labor market, and interstate access, further influenced their

decision. He concluded that a site owned by VRG became available to acquire, prompting them to put it under contract and begin the process. Jones then raised the issue of the litigation in Texas, asking about the prior relationship with that community, the origin of the dispute, and how the situation escalated to litigation rather than resolution through dialogue. Postweiler prefaced his response by stating the matter remained active litigation and that he would speak within appropriate bounds. He said the litigation involved the Texas development team in conjunction with Velocis, and that he, being based in the Midwest, did not handle daily operations but remained aware of the situation. He explained that the site in question fell under a master development plan and extraterritorial development agreement. Velocis acquired a small portion, followed the same procedures previous developers used to permit the site, received approvals from a privately appointed design review committee and the county board, and notified the City of Bee Cave of construction commencement. He said the city provided no pushback at that time and only filed a lawsuit after residents began to complain. He reported that Velocis contested the city's allegations of zoning violations and filed a counterclaim arguing that the lawsuit violated Chapter 245 of the Texas Local Government Code, due process and property rights under Texas and U.S. Constitutions, and the Texas Open Meetings Act, asserting that the decision to sue occurred without proper public notice. He said, to his understanding, Velocis received the suit without prior notice, no public meetings occurred to discuss the litigation, and that circumstance prevented meaningful engagement with the community about next steps. He added two caveats: first, the lawsuit aimed to stop construction despite the buildings nearing completion, noting a temporary injunction had lifted at the first hearing and that the trial set for February concerned stopping construction on buildings already complete, making the issue largely moot; second, he said their submitted statement reflected that the city and Velocis each strongly disputed the other's positions, with Velocis alleging neglect, crime, improper procedures, and other deficiencies on the city's part.

Councilmember Padova corrected the record, stating that the Scannell Properties 2022 abatement ordinance had passed with a waiver but that the emergency clause had failed; she and Councilwoman Bowers had voted no on the emergency. Jonathan Postweiler acknowledged the correction.

Councilmember Schnetzer said the notification of the ongoing litigation in Texas had slowed the process and asked City Attorney Tamilarasan to summarize her assessment of the public filings. Tamilarasan reported that she had conducted as deep a review as possible of the public records involving the City of Bee Cave, Velocis, and KBC Investment Group. She said she would not judge the merits of the underlying case, but her concern arose from the parties' actions during litigation and the complexity of the business

structure. She explained that multiple motions to compel discovery had involved Velocis and KBC and that she lacked access to the detailed information submitted to Jobs Ohio, such as subsidiary structures, organizational charts, and bank records, needed to evaluate enforceability. She warned that even a sound contract could fail if the contracting entity lacked solidity, particularly given the multiple layers of subsidiary entities, which created uncertainty about whether the city could ultimately collect or enforce obligations. Schnetzer asked for her opinion on the risks in the proposed agreement, and Tamilarasan reiterated that her concern centered on ensuring the city contracted with the proper, enforceable entities; given the limited information she had, she remained uneasy. Schnetzer then asked whether the city attorney's office and the economic development office could work with the applicants to resolve those concerns. Mr. Postweiler responded with two points. First, he reminded the Council and public that being named in a lawsuit did not constitute an admission of guilt or evidence of wrongdoing, citing prior unfounded allegations against the city as illustrative of the danger of lending undue credibility to unproven claims. Second, he explained the organizational structure of the ownership and management entities, stating that Velocis Gahanna JV, LP would serve as the single-purpose ownership entity with Velocis Gahanna JV GP LLC as the managing entity, a structure that provided signing authority and accommodated multiple investment partners without requiring every investor to execute each document. He described the use of single-purpose entities as standard in commercial real estate, noting that their lender required such a structure and that banks performed OFAC (Office of Foreign Assets Control) checks during loan origination. He asserted the structure did not obscure ownership, pointed to similarly structured respected firms in the community, and reiterated that Velocis Gahanna JV, LP would not engage in any "drop and swap" practice. Director Gottke noted that the city attorney had previously requested an organizational chart and that they could provide one to help satisfy her concerns. Postweiler confirmed that if an organizational chart would make the Council comfortable approving the ordinance, they would provide it. Gottke added that the Council retained ultimate control over the abatement and could cancel it upon non-performance, restoring tax collections. Aaron Underhill, legal counsel for the applicant, said the Tax Incentive Review Council's annual review served as a first fail-safe, and that cancellation of the incentive returned 100% of the taxes to their normal flow. He also noted that the project's \$19 million building asset gave the city a tangible entity to pursue in the event of a damage claim, and that the single-purpose entity would have to own that asset to receive the incentive during the term. Councilmember Schnetzer indicated a desire to move past the city attorney's concerns and suggested follow-up work among the parties. Vice President Weaver clarified that the Tax Incentive Review Council made recommendations but did not hold decision-making authority. Postweiler emphasized that the proposed

CRA included payroll tax guarantees, that failure to meet those guarantees would constitute a breach allowing the city to terminate the agreement, and that the owner would have to make annual payments to receive the benefit. Weaver asked who would bear responsibility if the income tax amount failed to materialize; Postweiler replied that Velocis Gahanna JV, LP would incur that obligation, and if it did not fulfill the guarantee the city would contact him or Paul Smith, who held signing authority for the managing entity.

Councilmember Renner shifted topics and asked whether the speculative building now had identified prospective tenants, noting that earlier testimony had indicated no one was lined up. Gottke clarified that he had provided expressions of interest from companies. Postweiler added that they had received a full-building lease proposal the previous week from an undisclosed group targeting occupancy a few weeks before the projected construction completion; he warned that further delays in approving the abatement would push construction out, jeopardize that prospective tenant, and impair their ability to provide a reliable delivery date. Renner then asked whether they updated information regarding renewable energy, water use, building performance, or perimeter improvements. Postweiler responded that the delays since the last Committee of the Whole meeting imposed significant cost increases, especially with upcoming winter conditions affecting site work and foundations, eroding any remaining margin. He said they were not pursuing additional base-building improvements at that time, though they would consider retrofitting such features after delivery if tenants required them. Renner noted the project sought an 80% abatement; Postweiler reiterated that the abatement reflected demonstrated financial need based on market gross rents and the elevated costs they faced, not an arbitrary figure. Renner asked about prior comments regarding ownership after the abatement term, and Postweiler clarified that the joint venture operated as an opportunistic seller. He said current market conditions did not favor a sale, but if interest rates fell and the building leased, they might exit. He could not commit to ownership duration, as that decision would depend on market dynamics.

Councilmember Padova asked Postweiler to repeat earlier figures about Velocis. He stated that Velocis, headquartered in Dallas and founded in 2010, raised over \$1.6 billion in equity and acquired more than \$3.3 billion in real estate assets across over 220 investments, and that the Velocis-KBC partnership developed over \$1 billion in industrial warehouse projects across 15 developments totaling more than 8.5 million square feet. Padova then questioned the need-based rationale given the possibility of selling the warehouse before the abatement ended, asking whether the need stemmed from a requirement to recoup investment quickly to enable a sale. Postweiler replied that the need derived from market rental rates and competitive

pressures, comparing what tenants would pay in their building versus alternatives in Columbus or New Albany. He introduced Beau Taggart to address market-related questions. Mr. Taggart said the tax abatement was essential to remain competitive in the marketplace, explaining that competing assets in New Albany and other areas offered 15-year, 100% abatements, which lowered their operating expenses and allowed them to offer more favorable lease rates. He said tenants evaluated multiple options, and without a competitive lease rate, the Gahanna building would sit vacant, forcing the owners to cover taxes, carrying costs, and utility expenses. He asserted that virtually no speculative building in the region operated without some form of tax abatement and that the project sought to meet current market demand. Mr. Postweiler supplemented that without the abatement they would need to deliver the building for just over \$14 million in total project cost, but current costs exceeded \$19 million. He said they lacked any other mechanism to absorb the \$5 million gap, making the abatement necessary for the project to proceed. Taggart added that from an investor's perspective, an abatement could complicate a future sale because buyers might worry about changes to gross or net rents when the abatement expired; ideally they would lease without an abatement, but competition made that unfeasible, so they pursued the abatement to satisfy present market demand.

Joe Kimener said the proposed project represented the only competitive option in Gahanna for the company's size requirements and that the city competed with other communities; he added that Gahanna could not win the project without the abatement. Vice President Weaver thanked Mr. Kimener and said his underlying concern centered on whether this project represented the best choice for Gahanna, not just in terms of use but in timing and given the site's constraints, and asked why it was the right project for the city. Mr. Postweiler replied that the various Council meetings had demonstrated the community's need for this product type, and he said that if the Council moved the Ordinance to the Regular Agenda in two weeks and approved it, they could take almost immediate action after the cooldown period by acquiring land and starting construction. He noted that the project held Planning Commission approval, a civil grading permit, and that they awaited only the abatement approval to proceed. He described existing site constraints and said those factors, along with the need for grant support from Jobs Ohio, underpinned the request. He contrasted the current \$406 of annual benefit and zero jobs with the alternative of approving the abatement, which fell within average recent terms and percentages and included payroll guarantees and potential upside from job creation.

Jordan Fromm of Value Recovery Group II LLC commented that the discussion about corporate structure mirrored his own experience with industrial development and that use of single-purpose entities with GP/LP

tiers formed a common, sensible investment structure. He described his long-term ownership of the site since 2005, including the cleanup of the Bedford II landfill and the challenges in marketing the property, noting repeated interest from uncommitted prospects and that delays in approvals lengthened the sales cycle. He said they believed KBC represented a credible development partner.

Bob Lockett of Alterra Real Estate recounted his involvement with the project dating back to approximately 2007 and recalled past challenges Gahanna faced competing with New Albany on abatements. He said the City of Gahanna had slowly achieved success in economic development and that, in evaluating partners, they performed their own research; he characterized the current development team as "AAA" and strongly recommended the Council consider the project carefully, warning that failure to approve it would have damaging consequences after years of effort.

Director Gottke responded that no project proved perfect, acknowledged widespread concerns about performance and market changes, and said the city's best approach involved securing the best deal while minimizing risk by evaluating partner indicators such as funding sources, Jobs Ohio support, and prior project success, and by relying on the city's own land use, zoning, engineering, and abatement controls.

Vice President Weaver said the exchange provided helpful level-setting and then called for any further questions or comments. Seeing none, he asked if it was the will of the Council to proceed with a vote on August 4, 2025. Councilmember Schnetzer asked whether the supporting documentation referenced during the discussion could be distributed by email to the Council, and City Attorney Tamilarasan agreed. Weaver requested, if available, any Jobs Ohio materials, and Mr. Postweiler said they remained under nondisclosure for the grant amount but could provide the draft grant agreement that Jobs Ohio issued to approved applicants. Weaver said that would be reasonable and asked that it be shared along with the other documents. He concluded that, with nothing further, they would proceed as planned on August 4, 2025.

**Recommendation: Second Reading/Adoption on Regular Agenda on 8/4/2025;
Pending Amendment requested to remove Emergency Declaration.**

D. ITEMS FROM COUNCILMEMBERS:

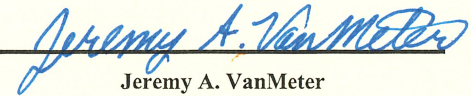
Councilmember Weaver:

Resolution Honoring Kate Acklin, Franklin County Fair Queen

Vice President Weaver noted that they were in the presence of royalty in Gahanna, explaining that the Franklin County Fair Queen, a resident of Ward

4, had been announced the previous week. He said he would draft a resolution recognizing her, planned to work with the family as they gathered additional information about the process of becoming the Franklin County Fair Queen, and hoped to have a draft available for review. He requested, without objection, to do a ceremonial presentation at the August 4, 2025, Regular Meeting and said he would place the item on the Regular Agenda so members could view it in advance.

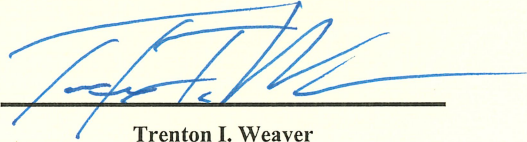
E. **ADJOURNMENT:**



Jeremy A. VanMeter
Clerk of Council

APPROVED by the Committee of the Whole, this

4th day of *Aug.* 2025.



Trenton I. Weaver