



TO: Gahanna City Council
Jeremy VanMeter, Clerk of Council

FROM: Jeff Gottke, Director of Economic Development
Mayor Laurie A. Jadwin

Cc: Priya Tamilarasan, Esq. City Attorney
Joann Bury, Director of Finance

DATE: June 5, 2025

SUBJECT: Dept. of Economic Development- Request for Council Action (June 9, 2025 COTW Meeting)

ACTION ITEMS

ACTION ITEM #1: REQUEST TO AUTHORIZE THE MAYOR TO ENTER INTO COMMUNITY REINVESTMENT AREA AGREEMENT WITH VELOCIS GAHANNA JV, LP TO FACILITATE CONSTRUCTION OF AN INDUSTRIAL BUILDING ON PARCELS 027-000110-00 and 025-13634-00.

Velocis Gahanna JV, LP, a local property developer, is committing to construct a speculative industrial building on approximately 10 acres of undeveloped land located at the northwest corner of the intersection Science Drive and Tech Center Drive.

The building will be 140,916 square feet of flexible industrial space, dividable into separate spaces that can accommodate warehousing and/or light industrial uses. The facility is intended be leased to no more than three tenants, each occupying 30-70 thousand square feet. The building is expected to be fully leased up by Spring 2027.

The company is projecting the creation of a minimum of 37 jobs on-site within seven years of the completion of construction. The estimated construction term is one year. The minimum guaranteed 37 jobs will create \$2,060,470 in on-site payroll. The estimated average annual salary for the guaranteed minimum jobs is \$55,688.

The project is located in Community Reinvestment Area #3, which allows for a maximum abatement term and percentage of 15 years, 100%. The Department of Economic Development is recommending a term of 12 years and a rate of 80% abatement of the value of the improvements generated from building construction. No other City administered incentives were requested by the company, nor offered by the Economic Development Department.

A 12 year, 80% abatement would amount to approximately \$310,056 in savings for the company per year. The City would be obligated to replenish the School District's portion of the abatement, or about \$45,000 per year. Also, the City would share approximately the same amount in income taxes with the District annually by year 12. However, the new additional income taxes of around \$2 million per year by year 12 would yield the City almost \$466,000 in total net new income taxes over the incentive period.

Based upon the foregoing, the Administration respectfully requests an Ordinance authorizing the Mayor to enter into a Community Reinvestment Agreement with Velocis Gahanna JV, LP related to the construction of an industrial building located within the City of Gahanna. Because the company must close on the property by July 14, and because of impacts in the timing of negotiations in the City's transition to a new Economic Development Director, an **Emergency** is being requested for this ordinance.

Requested Legislation and Funding

Legislation Needed:	Ordinance
Emergency/Waiver:	Emergency
Vendor Name:	N/A
Vendor Address:	N/A
Already Appropriated:	N/A
Supplemental/Transfer:	N/A

Attachments:

DEV-ATT CRA AGREEMENT W/ EXHIBITS
DEV-ATT INCENTIVE ROI CALCULATIONS

Contract Approvals:

- This item has been approved by the Mayor
- This item has been approved by the Director of Finance
- This item has been approved by the City Attorney