

# City of Gahanna

## Office & Industrial Incentive Program Guidelines

### Background:

The Industrial Zone was created in 1978 when the City purchased a large tract of land that was declared a slum and blight area. The City negotiated thirty year leases through the CIC to attract businesses to Gahanna. The lease structures prohibit CRA opportunities for the properties. Many of the existing structures in the Industrial Zone are older buildings and not as marketable to prospective companies as the new industrial parks with real property tax abatement opportunities.

### Purpose:

This program is designed to increase employment opportunities and encourage the establishment of new jobs in areas outside of the Community Reinvestment Area Program as well as to stabilize and strengthen the Industrial Zone business base.

### Incentive Amount:

The incentive is a yearly payment to the employer ~~based on up to 50% of the income tax withholding~~ based on up to 3/4% of the company payroll from new job creation for a period of between one and five years.

### Eligible Applicant:

- Requires a minimum of \$15,000 in collected income tax (minimum payroll of \$1,000,000)
- Jobs must be from outside of Gahanna
- Office or Industrial Properties not in CRA only
- Only private sector employers
- Applicant must apply for the incentive prior to signing a lease or purchasing a building , and a signed lease or deed must be presented to the Department of Development before the incentive can be awarded

- The term will be two (2) years less than the new lease up to five (5) years OR up to five (5) years for owner occupied property (the same applies to new locates as well as expansion for existing companies in Gahanna if the additional space is leased or purchased)

### Application Process:

Prior to signing a lease or purchasing a building an interested company must submit a completed Gahanna Office & Industrial Incentive Program Application form to the Director of Development.

The application will be reviewed by the Director of Development and submitted to Council for approval through a resolution. As a part of the application process the applicant will be required to provide current or base year information as to the number employed within the city and the application site if applicable as well as payroll figures for both. The applicant will further provide a statement describing the company and outlining the viability of the company.

Once the application is approved by Council through an ordinance the applicant will need to sign a lease or ownership agreement to validate the agreement. Council must authorize the incentive payment after the income tax is collected by the city.

### Verification:

Required information accompanying the company's application for the incentive by December 31<sup>st</sup> of each applicable year is:

1. An annual progress report documenting the number of employees at the incentive site and citywide;
2. The payroll and city income tax totals for both the site and citywide:

This information will be compared to base year figures and projected new employment and payroll from the original contract to verify performance and determine the incentive amount for that year.

The City reserves the right to require an independent audit of the company's employment, payroll and tax records to verify reported figures at the company's expense.

Payment:

Incentive payment request will be sent to the Director of Development for processing and verification at year end.

Once the request has been processed and approved by Council through ordinance, a request for payment to the company will be presented to the Director of Finance. The Director of Finance will issue a check for payment within thirty (30) days.

Program Duration:

The maximum time frame for eligibility is five (5) years.

Program Oversight:

~~The CURC board currently oversees the Industrial Zone leases. The CURC board will oversee the Industrial Zone Incentive Program. The Director of Development will submit applications for recommendation to the CURC board. The CURC board will review the application and make a recommendation to Council for final authorization.~~

The Incentive Advisory Board will oversee the Office and Industrial Incentive Program. The five member Board will be comprised of the Mayor, Director of Development, Finance Director and two (2) members of City Council. The Incentive Advisory Board will review the application and make a recommendation to Council within thirty (30) days of submittal for final authorization.

~~Claw back Agreement~~ - Conditions to the Agreement

~~If the company relinquishes its site and is no longer located in Gahanna, prior to the end of the agreement period, then the City will require the Company to repay 100% of the incentive payment to the City of Gahanna at a rate of two (2) years for every one year the project was exempt. received an incentive payment during the exemption period.~~

Prior to the end of the agreement period, if the company relinquishes its site and therefore is no longer located in Gahanna, then the City shall require the Company to repay 200% of all the incentive payments received from the City of Gahanna.

**City of Gahanna  
Incentive Application Form**

1. Company name: \_\_\_\_\_
2. Company address: \_\_\_\_\_  
\_\_\_\_\_
3. Type of business: \_\_\_\_\_
4. Company contact person: \_\_\_\_\_
5. Telephone number: \_\_\_\_\_ email: \_\_\_\_\_
6. Proposed location of new leased/owned space: \_\_\_\_\_  
\_\_\_\_\_
7. Prior or current location: \_\_\_\_\_
8. Number of employees to be employed at site: \_\_\_\_\_
9. Estimated payroll for employees at site: \_\_\_\_\_
10. Company Description (i.e. Years in business, ownership): Please describe in detail on a separate sheet of paper.
11. If leased space provide the terms of the lease: \_\_\_\_\_
12. Growth Projections (income): \_\_\_\_\_

**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.

\_\_\_\_\_  
Signature/Title

\_\_\_\_\_  
Date

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