

# **City of Gahanna**

*200 South Hamilton Road  
Gahanna, Ohio 43230*



## **Meeting Minutes**

**Monday, March 27, 2000**

**Convenes following earlier committees.**

**8:30 PM**

**City Hall**

## **Finance Committee**

*Karen J. Angelou, Chairman*

*L. Nicholas Hogan*

*Sherie James-Arnold*

*Rebecca W. Stinchcomb*

*Michael O'Brien*

*Thomas R. Kneeland*

*Debra A. Payne, ex officio*

**ADDITIONAL ATTENDEES:**

Jerry Isler, Sadicka White, Tom Weber, Mike Greiner, Press, Bob White, Jennifer D'Ambrosio, Mayor McGregor, Debra Payne, Karl Wetherholt, Tom Komlanc.

**PENDING LEGISLATION**

**Members Present:** Karen J. Angelou, L. Nicholas Hogan, Sherie James-Arnold, Thomas R. Kneeland, Rebecca W. Stinchcomb and Debra A. Payne

**ORD-0060-2000**

TO AUTHORIZE THE APPROPRIATION OF SUPPLEMENTAL FUNDING TO PIZZUTI DEVELOPMENT COMPANIES, FOR THE EASTGATE INDUSTRIAL CENTER TAX INCREMENT FINANCING IN THE AMOUNT OF \$1,782,875; AND TO DECLARE AN EMERGENCY

**Recommended for Adoption****SR-0001-2000**

A RESOLUTION TO DECLARE THE NECESSITY AND INTENT TO APPROPRIATE CERTAIN REAL ESTATE, CONSISTING OF 0.972 ACRE OF LAND, MORE OR LESS, OUT OF 26.375 ACRES, MORE OR LESS, OWNED BY LYNN W. SINGH AND KANWAL N. SINGH, FOR SANITARY SEWER EASEMENT FOR THE SOUTHEAST INDUSTRIAL SANITARY SUBTRUNK SEWER, IMPROVEMENT NO. 277; AND TO DECLARE AN EMERGENCY

Wetherholt reviewed and said that we are in negotiations with Ken Singh, but in case negotiations fail need to pursue this. The general problem is that we went ahead and built the southeast sanitary sewer subtrunk; fought with T & S over easement for sewer; they filed law suit; almost came to resolution and T & S sold it to Ken Singh who also bought the next piece of property from Jim Grote so he has two pieces of land. To get into the east industrial sewer need to go across about 25 feet of Mr. Singh's property for easement. He wants a TIF; Grote property is not in the City, currently in negotiations. Weber said he does not feel this is going to be resolved. It was asked if the improvement numbers are correct on the ordinances and Wetherholt said no and he will work that out and make sure legislation is corrected.

**Recommended for Adoption, Consent****SR-0002-2000**

A RESOLUTION TO DECLARE THE NECESSITY AND INTENT TO APPROPRIATE CERTAIN REAL ESTATE, CONSISTING OF 0.972 ACRE OF LAND, MORE OR LESS, OUT OF 26.375 ACRES, MORE OR LESS, OWNED BY KANWAL N. SINGH AND LYNN W. SINGH, FOR SANITARY SEWER EASEMENT FOR THE EAST INDUSTRIAL SANITARY SEWER, IMPROVEMENT NO. 727; AND TO DECLARE AN EMERGENCY

**Recommended for Adoption, Consent****ISSUES****Amend CRA #4 - Development Proposal**

White and D'Ambrosio had presented Council with copy of "Tax Abatement for Proposed Amendment to CRA #4", and reviewed information and figures of current land value and proposed, needs assessment, property tax assessment, and benefits to Gahanna; possible 400 new jobs, plus secure 1,262 jobs with \$1,010,305 in income tax revenue. White continued that Gahanna was one of the first cities to have tax abatement and the incentive is no longer a variable. We understood from the start that Daimler would be asking for tax abatement in some form if the zoning is approved. White also reviewed how tax abatement has worked to Gahanna's benefit, with the rolling over of

Columbus Steel Drum and J.F. Walker, great examples of how successful tax abatements work. Daimler has developed 4 sites and now negotiating for a brand new site; has been great for the City and Daimler; good partnership.

White continued that Daimler has asked for 15 years of tax abatement at 100%. Daimler projects have not had great impact on traffic and roads, but increased taxes and creating jobs; quality developments; public service needs are a minimum. The ratio of residential to industrial should be around 60/40; more jobs brings more people in the day, especially to our local businesses and that causes a positive ripple affect.

Hogan said he has some problems with this tax abatement; knows it is appropriate when want to get some things done. Stoneridge is the perfect example of tax abatement not being necessary. Inside our industrial zone is a crucial area for tax abatement; not sure the north side of Taylor Road is. Hogan feels the project will take place anyway because of where it is; ideal location for office buildings with proximity to airport.

Bob White, Daimler, said they came in with the first building on Morrison to a site that was in an industrial landfill and in the flight path and took a chance; real estate taxes went from \$400 to \$325,000 a year. It has been a good relationship with Gahanna but they took a big chance. This whole area developing would not have been possible without tax abatement. He is not sure that this particular project will go forward without tax abatement; it will not go forward with them without tax abatement. They have 6 residential properties that make up the 9.2 acres, in line waiting to see if they get zoning and tax abatement. The density is very low, almost have half of the acreage in green space and buffer. This location is not on the freeway. The competition is out there; can go to Easton, New Albany, Westerville, Dublin, and get tax abatement, but the results of what has been done together with Gahanna make them continue to want to develop here. The success of the projects they have developed has been a shock to most of us; look what has been done on an industrial site with a two lane road and no curb; proud of tell about this story, 98% of the space built speculatively and it worked. To say stop is your prerogative, but the leases are 5 years, and some will not be able to stay if there is no more room to expand; need alternatives to handle growth. They would be a good neighbor and accommodate the residential area adjacent with green space and buffer; best use of transition for property.

Stinchcomb said she met with Bob White and Todd Sloan of Daimler. The area on the north side of Taylor Road is an entirely different animal; transitional area; is that two story building a good transition. She is questioning, as Hogan did, Gahanna running out of land; 15 years ago there was a great need for tax abatement; do we need to abate the north side of Taylor Road; premium; do we need to do 15 years at 100%. Daimler has done great things in Gahanna; best suburban office builders. Tax abatement is in Councils purview; Administration should not have insured Daimler, or the assumption should not have been made that tax abatement would be coming with the rezoning. White said this is Daimler's proposal; in meeting with them we knew they would be asking for some tax abatement; did not know how much.

Hogan asked where we draw the line on tax abatement; when is the time to stop. Discussion.

Bob White said that Taylor Road is a secondary Class A office site; have had so much success in Gahanna hate to say all done, but tell us and we will pack it up. Time is a factor because of the 6 properties involved; a lot of stress; may buy property; do not want to put people thru this, that is why going for the tax abatement and zoning at the same time, but time is a factor. He feels they are taking a risk again with this area and

almost half of the acreage is in greenspace and buffers; significant cost to them. Daimler did make a \$90,000 donation to schools. Gahanna has seen the benefits of tax abatement and know our track record.

Payne said competition is an issue; developers go with who is offering. Is this a good transitional area?

Stinchcomb said adding 400 more cars to a failing intersection is questionable; what would it do to Morrison and Hamilton intersection; other costs involved infrastructure. This would not have an impact on schools. Bob White said the people coming home to the area cause the traffic problems, not the people working there and going home.

James-Arnold asked if this would be a spec building. Bob White said they have no users; would allow AEP to grow if needed; there is constant movement; short term leases. There was some discussion about less tax abatement or less years. It was agreed that this is not the forum for this discussion. James-Arnold questioned a bridge proposed about 2 years ago to go over 270 to connect with Morrison Road to relieve traffic.

Mayor said a traffic study is being done now looking at possibilities; top priorities are an overpass and signalizing Claycraft Road.

White said there is a point when tax abatement does not make sense; when the project income, minus the infrastructure and funds to schools, are collecting less than what is being paid out; must weigh benefits the community is getting back.

Hogan said he also has a concern that this is speculative building; not prime land concerned about occupancy. Is there any way to have tax abatement tied to occupancy; 400 employees at \$54,000 would be great; do not know if that will happen..

White said the TIRC board will review applications; if creates 150 jobs at \$8.00 an hour for example, the board could revoke the tax abatement; if a certain number of jobs are not created by a certain date the abatement can be revoked.

Angelou said she would like to poll Council members about proceeding with legislation on amending CRA #4; just amending it, no set length or percentage of tax abatement.

D'Ambrosio said in speaking with Greg Stipe, the ordinance can be specific with what tax abatement is wanted.

Payne said that the ordinances should be positioned on the agenda so that the rezoning is voted on before the CRA amendment; no need for amendment if the zoning does not pass. She would agree to put the amendment on for first reading.

There was discussion about Council giving their views to D'Ambrosio about the length of tax abatement and percentage; if even in favor of it. Council is to e-mail her with their thoughts and suggestions for tax abatement.

James-Arnold said yes to first reading, as did O'Brien and Kneeland.

Stinchcomb said she wants actual numbers in the legislation. It was stated that would not be a problem.

Recommendation: D'Ambrosio is to work on legislation for the April 3rd Council meeting; would have to be ready by Thursday at noon to make the packet.

**DONNA JERNIGAN, CMC/AAE, Deputy Clerk of Council**