



City of Gahanna Office & Industrial Incentive Program Guidelines

Objective

Job creation and private business investments are major contributors to the economic vitality of a community. To encourage job creation and private investment in targeted areas, the City of Gahanna offers municipal income tax repayments through the Office & Industrial Incentive Program (O&I Incentive). This program is designed to increase employment opportunities and encourage the establishment of new jobs in targeted development areas in Gahanna.

Eligibility Requirements

The following are general guidelines for project eligibility; the City of Gahanna may consider the eligibility of a project on a case-by-case basis if extraordinary circumstances exist.

- Any private for-profit company which commits to the creation of new full-time equivalent jobs in the City of Gahanna.
 - Eligible company must currently be paying, or will be paying, municipal income taxes.
- The average hourly base wage rate (excluding benefits) of the newly created jobs must be at least 150% of Federal Minimum Wage.
- The project must involve a fixed-asset investment in land, building, machinery, equipment, or infrastructure.
- Applicant must demonstrate that it is economically sound and financially viable.
- Applicant must apply for the incentive prior to signing a lease or purchasing a building, and a letter of intent or signed lease or deed must be presented to the City before the incentive can be awarded.
- Applicant must demonstrate the O&I Incentive is a “major factor” in its decision to expand or locate in Gahanna.
- Applicant must agree to maintain operations in Gahanna for at least one and half times the term of the O&I Incentive.

Conditions to the Agreement

Prior to the end of the agreement period, if the company relinquishes its site and 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.

Rate and Term of Incentive

The O&I Incentive is a return payment of a percentage of the net municipal income taxes paid by the business during a calendar year. The O&I Incentive is a performance based incentive and the value varies depending on the payroll of the recipient. Generally, the incentive term is set for up to five years and the percentage is set up to a 50% return payment of the net municipal income taxes. Based on the merits of the project, the Gahanna City Council may approve a longer term or higher percentage for an individual project.

The determination of the rate and term of the O&I Incentive is based on, but not limited to, the consideration of the following criteria:

1. Number of new jobs created within the City of Gahanna
2. Wage rate paid for the new jobs created (positions paying at least 400% of the Federal Minimum Wage are considered high income jobs)
3. Type and amount of benefits provided to the new employees
4. Number of existing jobs retained within the City of Gahanna
5. Amount of capital investment by the applicant related to the project
6. Location of the proposed project. Targeted areas include but are not limited to:
 - a. The Gahanna O.C.T. District, non-tax abated properties
 - b. Formerly vacant industrial, commercial, or office properties
 - c. The Olde Gahanna Area
 - d. Creekside District
 - e. Existing retail centers
 - f. City identified Potential Development Areas
7. Project incorporates sustainable development practices, green building codes, and/or recycled materials and products into the project.

Application Process

Step 1 Prior to signing a lease or purchasing a building an interested company must submit a completed Gahanna O&I Incentive Program Application.

Step 2 The application will be reviewed by the Department of Planning & Development for eligibility and completeness. The applicant must not have any outstanding issues or liabilities with the City of Gahanna.

- Step 3** Department of Planning & Development Staff will prepare the project and determine a recommended level of O&I Incentive for presentation to the Incentive Advisory Board. The Incentive Advisory Board will make a recommendation to the Gahanna City Council for approval and the project will be approved for an O&I Incentive through an Ordinance.
- Step 4** Upon approval by the Gahanna City Council, the City will enter into an agreement with the applicant for the amount and term of the O&I Incentive as approved.
- Step 5** Annually, the recipient will submit an annual report and a request for repayment to the Department of Planning & Development before June 1 of the following year for which the payment is requested. The annual report will list the current on-site and citywide employment (full-time, full-time equivalent, and part-time), the payroll generated for each employee, the municipal income taxes withheld the previous year, and the amount of reimbursement requested. 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.
- Step 6** Once the request has been processed, a request for payment to the company will be presented to the Director of Finance for verification. The Director of Finance will issue a check for payment within thirty (30) days.

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.

Program Oversight

The Office & Industrial Incentive is administered by the Department of Planning & Development. The Incentive Advisory Board oversees the Office & Industrial Incentive Program. The five member Board is comprised of the City of Gahanna's Mayor, Director of Planning & Development, and Director of Finance and two (2) members of the Gahanna City Council appointed by the President of Council on an annual basis. The Incentive Advisory Board will review the application and make a recommendation to Gahanna City Council within forty-five (45) days of submittal for final authorization.