



Gahanna

ECONOMIC DEVELOPMENT

ED-101 – SESSION 5

OCTOBER 10, 2022

Agenda for Session

Pulling it All Together

- Review Prior Presentations
- Putting Our Thumb on the Scale
 - Incentives/ROI
 - Targeted Industries/Clusters
 - Housing



What is Economic Development

Economic Developers



What My Friends Think I Do



What My Family Thinks I Do



What the Public Thinks I Do



What Elected Officials Think I Do



What I Think I Do



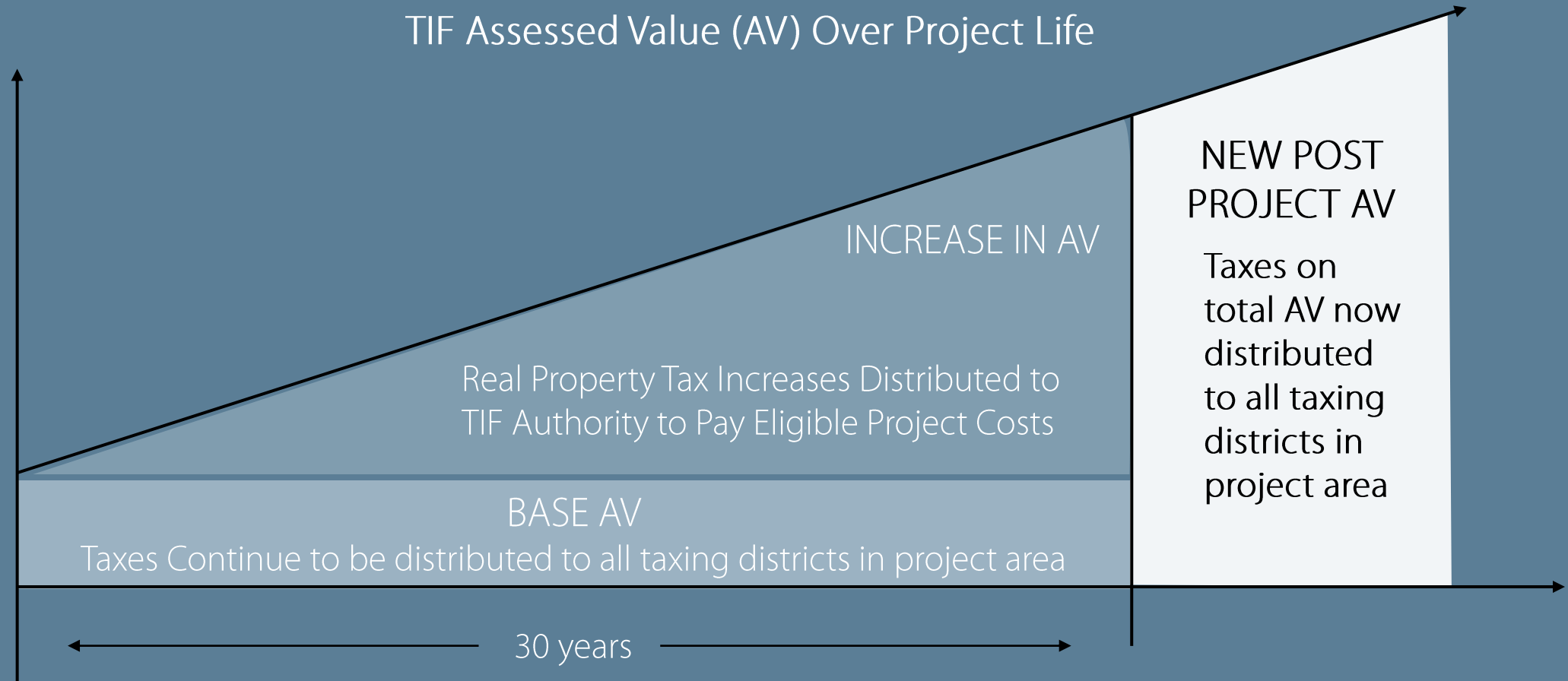
What I Actually Do

Tools In the Toolbox

Term Exemptions	Pre-July 1, 1994 CRA	Post-July 1, 1994 CRA
Residential Remodeling (2 units or less; minimum \$2500)	Up to 10 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Residential Remodeling (more than 2 units; minimum \$5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Residential New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as specified in the legislation that creates the CRA
Commercial and Industrial Remodeling (minimum \$5000)	Up to 12 years as specified in the legislation that creates the CRA	Up to 15 years as negotiated and approved in an CRA Agreement
Commercial and Industrial New Construction	Up to 15 years as specified in the legislation that creates the CRA	Up to 15 years as negotiated and approved in an CRA Agreement

¹ Chart available on Ohio Department of Development website:
<https://development.ohio.gov/business/state-incentives/ohio-community-reinvestment-area>

Tools In the Toolbox



Tools In the Toolbox

Income Tax Rebate Incentive Advisory Board



Example

Anticipated Payroll	Income Tax	Rebate (%)	Term	Total Value	City Receives	Company Receives
\$10,000,000	2.5%	25%	5	\$1,250,000	\$937,500	\$312,500

Special Units of Government

Special Improvement District (SID)
Community Improvement Corporation
Special Unit of Government
Limited Purpose Entity
Petitioned Entity
Focused on the Front Endages of All Real Estate upon any Public Right of Way
Development Efforts within Authorized Entities

New Community Authority (NCA)
What's Eligible? 5% of the area of all real property located within the SID
Special Unit of Government
Wide Variety of Energy Improvements As Developed Eligible via PAG Legislation
What's Eligible? Energy Bonding Capacity
NCA Charges
As approved within the Petition and within the PAG Plan of the SID
What is it? Community Development Charges
Property Assessed Clean Energy (PACE) Bonds are Special purpose bonds used by property owners to support energy efficient improvements.
Special Assessment for a period not to exceed 10 yrs.

Active Pipeline Successes in Gahanna

YTD

30

EXPANSIONS AND
NEW LOCATIONS

YTD
W/Intel

31

EXPANSIONS
NEW LOCATIONS

Q3
Projection

17

EXPANSIONS
NEW LOCATIONS

US

Source: One Columbus, data analyzed 7/28/2022

**18
Months**

4

EXPANSIONS AND
NEW LOCATIONS

145

JOBS
COMMITTED

\$24.9M
TOTAL
INVESTMENT

\$9.4M
NEW PAYROLL
CREATED

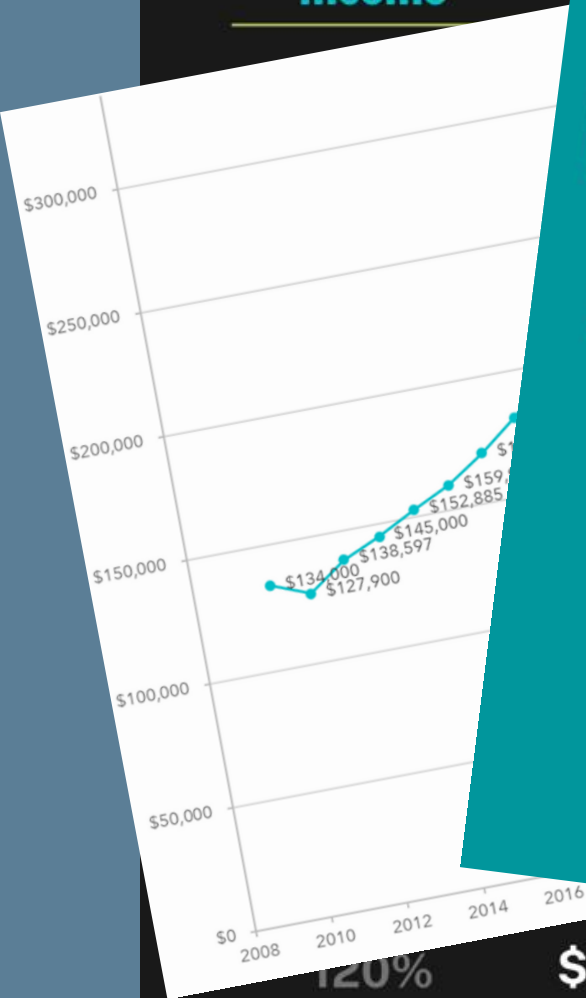
Source: One Columbus, data analyzed 7/28/2022



Source: One Columbus, data analyzed 8/8/2022

*High impact = 500 or more jobs and/or \$500M or more investment

Area Median Income



SOURCE OF INCOME

Ensures that rental decisions are made on a renter's ability to pay, not on how they earn lawful income.



Example Program

Example Policy

PAY TO STAY

Codifies the existing common law and mimics mortgage rules to allow renters to catch up on a late payment.

Measuring Success/ROI

Making the Inc Economic Dev

Questions to ask:

- What level public in
“pencil out?”
- What is the projec
 - How does my c
uses of funds ta
- Is there sufficien
special assessm
- What is the net |

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TIF Structure:

- Term: 10 Years
- TIF'ed tax revenue:
 - 75% City
 - 0% Schools
- Base: \$1.1M
- Improvement value: \$4.7M
- NPV (3%): \$277K

Case Study 1:



Max \$110,000 Payments to Developer from TIF Fund

Decision nt 2.0



ary to get the deal to

re(s) factor in the sources &

for the estimated TIF /
bond sale?

the public incentives?

	2022	2023	2024	2025	2026	2027	Total Value to City During Abatement Period
Jobs							
Net New Jobs							
Payroll							
Net New Payroll							
2.5% tax on payroll							-
2.5% tax on net new payroll							-
TIF Estimate							
							ROI Total Expansion #DIV/0!
							ROI Net New #DIV/0!
Current Land Value							
Requested Sale Price							
Requested Price Reduction	\$	-					
Estimated Improved Value							
Real Estate Appreciation			1%				
Years			30				
Future Growth			1.160968955				
Future Value	\$	-					
Millage Rate							
Estimated Annual Tax			0				
Total Value of Abatement			0				
Total Value of City Portion of Abatement			0				
Project Investments							
Building			0				
Total Payroll			-				
Net New Payroll			-				
Other Taxes							
Construction Income Tax							
Construction Sales Tax			-				
Other Considerations							
School Compensation			-				
Post-Abatement TIF Value			-				
Total Investment to City			0				
Total with Net New only			0				
Total City Investment			0				

RETURN ON INVESTMENT

$$ROI = \left(\frac{\text{Revenue} - \text{Cost of Goods Sold}}{\text{Cost of Goods Sold}} \right)$$

Putting Our Thumb on the Scale

Targeted Clusters

Medical

General

Industrial/Manufacturing

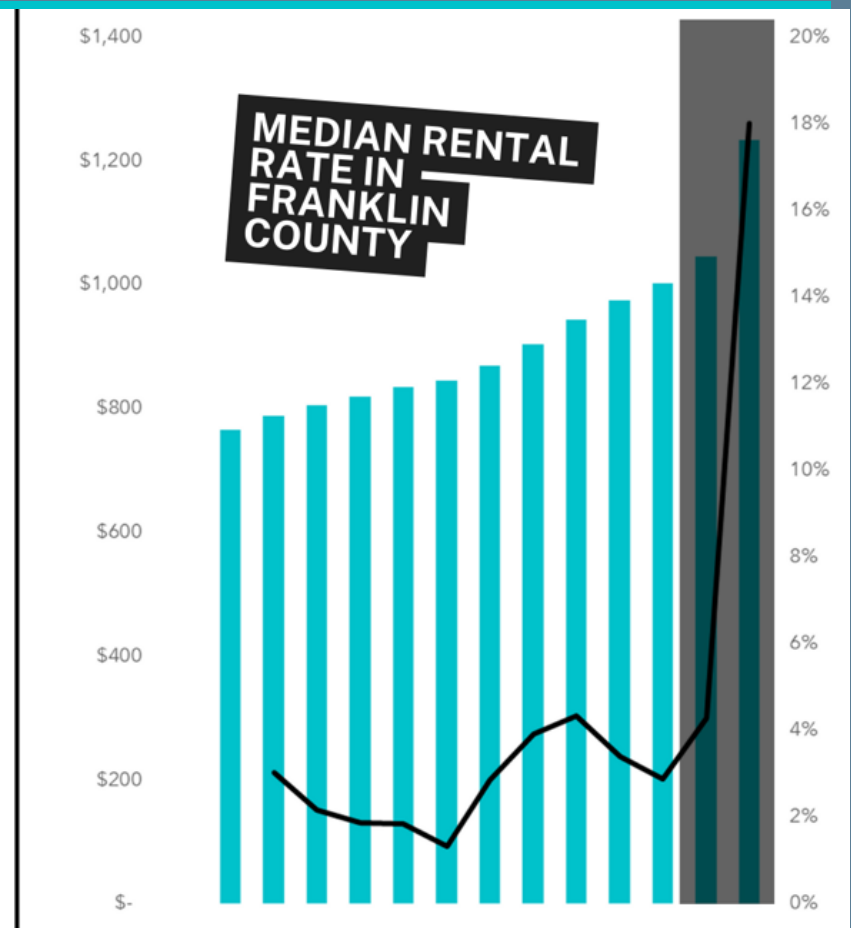
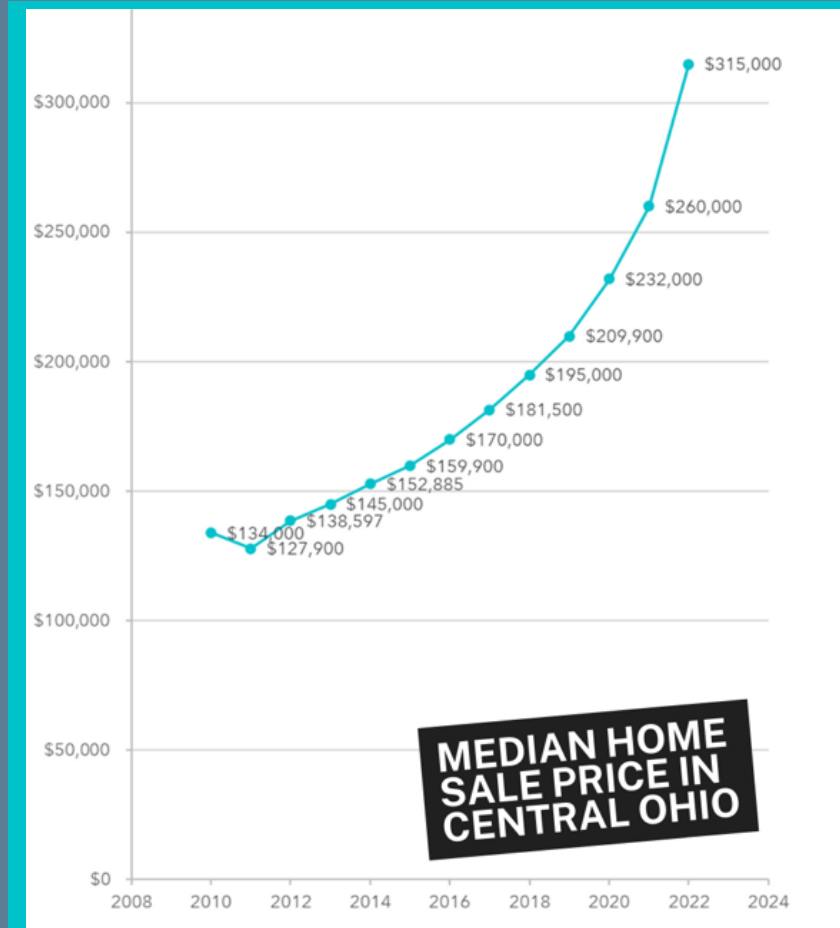
Building Out Robust

Business Retention & Expansion



Putting Our Thumb on the Scale

Housing





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QUESTIONS?