



TO: Gahanna City Council
Clerk of Council

FROM: Miranda Vollmer, Director of Administrative Services
Kevin Schultz, Manager – IT
Joann Bury, Director of Finance
Mayor Laurie A. Jadwin

Cc: Raymond J. Mularski, City Attorney

DATE: August 8, 2022

SUBJECT: Request for Council Action (August 8, 2022 Committee of the Whole Meeting)

ACTION ITEMS

ACTION ITEM # 1: ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A PURCHASE AGREEMENT WITH FJF OH GAHANNA, LLC FOR PROPERTY LOCATED AT 825 TECH CENTER DRIVE.

Over the last two years, the Administration has been evaluating facilities as part of a long-term capital improvement plan. City facilities have long been identified as being inadequate to meet operational needs for service delivery. An analysis dating back to 2006 concluded the City needed more than 100,000 square feet of additional space to meet operational needs at that time. A second assessment was completed in 2018 and found the City's facilities, including Police Headquarters and City Hall, were rated "fair" to "poor" based on 27 criteria. A third study, presented to City Council in October 2021, reaffirmed the needs identified in the previous two assessments.

The property located at 825 Tech Center Drive was identified as an ideal property and building to address the operational needs for Police Headquarters, City Hall and the Senior Center. 825 Tech Center Drive is a vacant 100,000 square foot Class A office building situated on approximately 8 acres. Once acquired, the City would renovate the existing facility and construct an additional 31,000 square feet. This newly envisioned complex has the capacity to co-locate all city services currently located on South Hamilton Road for decades to come.

The City engaged a consultant to verify that this facility would meet both existing and future operational needs and to develop a detailed cost estimate for the project. Based on the information provided, the suggested approach to addressing facility needs will save the community \$38.5 million. The consultant has estimated that this project, including the building

acquisition, renovation, and new build, will cost approximately \$61 million. By comparison, the estimated cost for new facility construction is \$99.4 million.

The first action required to realize this project is to enter into a Purchase and Sale Agreement (Purchase Agreement) with the property owner, FJF OH GAHANNA, LLC, to acquire the property located at 825 Tech Center Drive. The purchase price of the property is Eight Million Seven Hundred Fifty Thousand and No/100 U.S. Dollars (\$8,750,000) and is described in the Purchase Agreement (attached). After the execution of the Purchase Agreement, the City would deposit Three Hundred Thousand and No/100 U.S. Dollars (\$300,000) into escrow. By agreement, this real estate transaction then would close no later than 45 days after the effective date of the agreement, but before December 15, 2022.

The Administration respectfully requests an Ordinance authorizing the Mayor to enter into a Purchase Agreement with FJF OH GAHANNA, LLC to acquire the building and property at 825 Tech Center Drive. The proposed Purchase Agreement has been reviewed by the City Attorney and approved to form.

Requested Legislation and Funding:

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

Attachment: DAS ATT 825 Tech Center Drive Purchase Agreement

ACTION ITEM #2: ORDINANCE AUTHORIZING THE ISSUANCE OF NOTES NOT TO EXCEED \$8,500,000.00 FOR THE PURCHASE OF 825 TECH CENTER DRIVE

As presented on July 25, 2022, in order to acquire the property located at 825 Tech Center Drive, the City will need to issue notes not to exceed \$8,500,000. This amount represents the purchase price of \$8,750,000 less the \$300,000 escrow deposit plus the cost of issuing the notes. The City has identified available appropriations for the escrow deposit as an alternative to financing the deposit. This alternative financing of the escrow deposit is in accordance with the City's debt policy to preserve debt capacity when possible.

The requested legislation also authorizes participation in the Ohio Market Access Program. This program will allow the City to receive the States SP-1+ rating on short-term borrowings. This rating is the highest rating possible and lowers the cost of borrowing and improves marketability.

The notes will have a one-year maturity and will be refinanced with the issuance of long-term general obligation bonds. The long-term bonds will finance the renovation and construction of the municipal complex.

The Administration respectfully requests an Ordinance authorizing the issuance of notes not to exceed \$8,500,000. The proposed legislation was prepared by outside bond counsel and approved by the City Attorney.

Requested Legislation and Funding:

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

Attachment: DAS ATT City of Gahanna – 2022 Notes – Ordinance