



March 26, 2024

Mr. Shannon David Hamons, CEcD
Director, Economic Development
City of Gahanna
200 S. Hamilton Rd.
Gahanna, OH 43230

Thank you for your efforts on the Burns and Scalo Ohio headquarters project on Tech Center Drive. We targeted Gahanna as our home due to the business friendly environment, excellent access to central Ohio and positive overall community environment of Gahanna. The project is a large financial undertaking and a dramatic cost increase for our company. We believe the investment in the facility, which will create the work environment we prioritize for our employees, is an important long term investment.

A Key part of the decision to develop a company owned Ohio headquarters facility was the overall cost of occupancy which includes the building hard costs as well as the real estate tax cost. Our proposal for an 80%, 12-year tax abatement was requested due to our research of the 2022 Gahanna TIRC report that shows several companies with a 15-year 100% abatement. We did not request that level of abatement as we felt the 15-year 75% abatement available in Columbus was more consistent with the market that we evaluated.

We understand Councilwoman Bowers comments last evening and City Council's charge to be good stewards of tax for the community and schools. By placing the Tech Center drive site into service through our development we will be driving tax revenue to the City and Schools much sooner than any other option for this parcel. The dramatic increase in revenue to the City and Schools by moving our current 34 jobs and growing them to 52 jobs is a commitment to Gahanna that is good for the schools, City and Burns and Scalo.

To be clear, the tax abatement is an important part of the economics of our move. In an effort to compromise with the discussion last night we would suggest that a 70%, 12-year tax abatement be considered for the City Council meeting on April 1. This provides additional revenue to the City and Schools while narrowing the gap if the property were developed in the near term and had no abatement. We have done the analysis on the Burns and Scalo occupancy and believe the 70% level will work for our company and allow us to move forward with the development our making Gahanna our home.

While we have spent funds to advance the Tech Center Drive building, the plans are flexible and can be moved to another site in central Ohio. The tax savings between a 50% abatement and those available at other locations affords the ability to make the move and would have to be considered in the overall development analysis.



We appreciate your analysis and guidance in this process and hope the members of City Council would consider the 70%, 12-year abatement proposal for presentation and approval on Monday, April 1. If you have any questions or feedback on the project, do not hesitate to contact anyone on our team.

Respectfully,

A handwritten signature in blue ink, appearing to be 'J. Scalo', is written over the printed name and title.

Jack Scalo, President & CEO
Scalo Companies

cc: Brian Exline, Vice President & General Manager, BSOH