



TO: Gahanna City Council  
Clerk of Council

FROM: Department of Economic Development  
Mayor Laurie A. Jadwin

Cc: Raymond J. Mularski, Esq. City Attorney  
Joann Bury, Director of Finance

DATE: June 23, 2023

SUBJECT: Dept. of Economic Development- Request for Council Action (June 26, 2023 COTW Meeting)

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#### ACTION ITEMS

**ACTION ITEM #1: REQUEST TO AUTHORIZE MAYOR TO ENTER INTO COMMUNITY REINVESTMENT AGREEMENT WITH RTEAM REAL ESTATE HOLDINGS II TO FACILITATE REDEVELOPMENT OF AN EXISTING INDUSTRIAL BUILDING LOCATED AT 977 GAHANNA PARKWAY**

Romanoff Electric, LLC, is an existing business that has been operating within the City of Gahanna for 30 years. The Company's headquarters are located at 1288 Research Road. RTeam Real Estate Holdings, the real estate arm for Romanoff Electric, contacted the City's Department of Economic Development regarding the Company's possible expansion into the former ADB Safegate facility at 977 Gahanna Parkway, as its current location cannot accommodate the expansion plans. Currently, Romanoff is considering an expansion within Gahanna or otherwise expanding their headquarters in alternative markets where they currently operate.

In review of the submitted project detail, Romanoff Electric would invest \$2.5M to modernize the existing 977 Gahanna Parkway building to meet its operational and office needs. In doing so, the Company also would expand their corporate office needs in Gahanna from 403 employees (\$4,892,000 in total payroll) to 420 (17 additional jobs, estimated \$6,362,000 in total payroll). This represents an estimated payroll increase of at least \$1,470,000 (30% increase) should the project go forward.

The proposed Community Reinvestment Agreement (CRA) is for a term of 15 years, with a 100% abatement value. To clarify, this CRA does not abate the current value of the property – only the *future* value of the property once redeveloped. The present value of the building is \$2,496,900 which generates \$80,642.10 annually. This amount will not be abated.

Based upon the foregoing, the Department of Economic Development respectfully requests an Ordinance to authorize the Mayor to pursue and enter into a Community Reinvestment Agreement with RTeam Real

Estate Holdings related to the redevelopment of an existing industrial building located within the City of Gahanna.

A return on investment calculation is included with this request and is attached for Council review. Values noted in GREEN are values that the City anticipates receiving for this project; values in YELLOW are values which the City would either lose or compensate others. A copy of the Agreement, including the CRA Application, is included for review as well.

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

Attachments:

DEV-ATT CRA Agreement  
DEV-ATT CRA Application  
DEV-ATT ROI Calculations

Contract Approvals:

- This item has been approved by the Mayor
- This item has been approved by the Director of Finance
- This item has been approved by the City Attorney