



**TO:** Mayor Thomas R. Kneeland  
Director of Finance  
Members of City Council  
City Attorney  
Clerk of Council

**FROM:** Michael Blackford, Deputy Director of Planning & Development

**DATE:** October 18, 2019

**SUBJECT:** Report to Council, October 28, 2019

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## **ACTION ITEMS FROM THE DEPUTY DIRECTOR OF PLANNING & DEVELOPMENT**

### **ACTION ITEM # 1 – Property Tax Abatement for 6579 Taylor Road:**

#### Project Background and Justification

The Department of Planning & Development is working with a developer, Eastgate Commercial Park LLC, who wants to construct five buildings totaling 67,560 square feet of flex office and warehouse space at 6579 Taylor Road. The developer is seeking to construct these buildings on speculation because there currently is sufficient market demand from businesses for this type of facility. Building a facility on speculation is a greater financial risk to the developer due to not having secured tenants for the property at the time of construction. However, the developer is willing to take this risk if the City of Gahanna is willing to provide a property tax abatement for the project.

#### Project Details

This project consists of the construction of two 21,000 square foot and three 8,520 square foot flex office and warehouse buildings. It will create 38 new full-time job opportunities over the next 18 months with an estimated payroll of \$1,800,000. The capital investment for the project is \$7,073,532 which is estimated to increase the property value by \$6,719,855.

#### Financial Incentive Summary

In an effort to reduce risk and make the project financially competitive, the Department recommends providing a 10 year 100% property tax abatement for the project.

#### Return on Investment Analysis

Withholding tax is the only revenue stream generated from this project. It is currently not within a Tax Increment Financing (TIF) District. Staff believes the

property should be located within a TIF and will investigate the feasibility of adding the property to an existing TIF or creating a new TIF.

Based upon the \$1,800,000 in estimated payroll, gross withholding tax payments equal \$27,000. Incorporating the school compensation requirements, the project will generate approximately \$13,500 in withholding tax payments to the City per year. The total amount of withholding tax payments received by the City during the incentivized period equals \$135,000. The CRA Agreement that outlines these terms and conditions is attached for your consideration. *The Planning & Development Department respectfully requests that Council authorize the Housing Officer to execute the CRA Agreement for the project.*

The Applicant will be present at the Council meeting to discuss their project and answer any questions regarding their request.

#### Requested Legislation and Funding

Legislation Needed: Ordinance

Emergency/Waiver: None

Name & Address: Eastgate Commercial Park LLC, 6579 Taylor Road

Already Appropriated (Amounts & Accounts Names/Titles): N/A

Supplemental/Transfer (Amounts & Account Names/Titles): N/A

#### Attachments

Eastgate Commercial Park LLC CRA Agreement

### **ACTION ITEM # 2 – Approval of the Gahanna Tax Incentive Review Council (TIRC) Recommendations:**

Each year, the Gahanna TIRC is required to review all tax abated projects within the City of Gahanna for compliance. At year-end 2018, the City of Gahanna's Community Reinvestment Area (CRA) Program had 13 residential and 14 commercial tax abated properties. These projects represent \$24,788,600 of property value, 645 full-time jobs, 109 part-time jobs and 33 business tenants.

The Gahanna TIRC has reviewed all CRA projects and recommends that the City of Gahanna approve the TIRC report and the attached supporting documentation for the 2018 tax year. *The Department of Planning & Development respectfully requests that Council accept the recommendations of the Gahanna TIRC.*

#### Requested Legislation and Funding

Legislation Needed: Ordinance

Emergency/Waiver: None

Name & Address: N/A

Already Appropriated (Amounts & Accounts Names/Titles): N/A

Supplemental/Transfer (Amounts & Account Names/Titles): N/A

#### Attachments

TIRC documentation

**ACTION ITEM # 3 – Revisions to the Development Fee Schedule Authorized by Chapter 148 of the Administrative Code:**

The Department is requesting that Gahanna City Council modify the Development Fee Schedule authorized by Chapter 148, Department of Planning and Development, of the Codified Ordinances. The fee amounts are not changed from their previous levels. However, it is necessary to add additional language to clarify the information provided. Proposed changes to the Development Fee Schedule are attached. *The Planning & Development Department respectfully requests that Council approve the requested changes to the Development Fee Schedule.*

Requested Legislation and Funding

Legislation Needed: Ordinance

Emergency/Waiver: None

Name & Address: N/A

Already Appropriated (Amounts & Accounts Names/Titles): N/A

Supplemental/Transfer (Amounts & Account Names/Titles): N/A

Attachments

Proposed fee schedule

**UPDATES**

None at this time.

**UPCOMING MEETINGS & EVENTS**

- *Gahanna Area Chamber of Commerce: The GACC Business Expo – Going Forward Together, will be held on Tuesday, October 29, 4:30pm – 7:30pm, at La Navona, 154 N. Hamilton Road. The event is open to the public and admission is free. Appetizers will be provided with a cash bar. For more information, contact the Chamber office at (614) 471-0451 or visit <http://gahannaareachamber.com/>.*