



Report for Council – February 12, 2018

Planning & Development Department Agenda Items:

CRA Tax Abatement for CP Road, LLC, 671 Cross Pointe Road (Parcel #025-013186)

Since early 2017, the Department has been working with Paul Schlegel to develop his property located at 663-669 Cross Pointe Road. The property currently has a 12,000 facility in place which houses 35 existing employees.

Mr. Schlegel is desirous of spending approximately \$1 million to construct an additional 12,000 square foot flex space building on the property in order to attract new businesses to Gahanna. This investment would be on speculation because Mr. Schlegel anticipates that there is sufficient market demand for this real estate product in Central Ohio in order to make the project successful.

In order to make this project financially feasible, the Department is recommending that City Council provide a real estate property tax abatement for the construction of the new building. The Department is recommending a 75% real estate property tax abatement for a period of seven years. To mitigate the risk of speculation, the property owner will commit to making annual PILOT payments in the amount of \$5,000 to the City during the incentive period. The CRA application and a draft of the proposed CRA agreement are attached for your review.

The financial benefits of project are listed below:

- Site would retain the existing 12,000 square foot facility and the 35 employees on site.
- The new facility will attract 20 full-time equivalent jobs with estimated annual wages of \$45,000. This translates to approximately \$900,000 in annual payroll.
- The City would generate approximately \$14,702 in annual revenue from the project.
- The City would generate \$102,913 in total revenue over the incentive period.
- The project would add real estate capacity to the City which is essential for job creation opportunities.
- Alignment with Economic Development Strategy and Go Forward Gahanna
 - Project is located within the Southeast Priority Development Area
 - Wage levels are above the average wage levels identified in Go Forward Gahanna

The Department of Planning & Development is respectfully requesting that City Council authorize the Housing Officer to enter into a CRA Tax Abatement Agreement with CP Road, LLC for this project.

Planning & Development Department Updates:

None at this time.

Upcoming Meetings & Events:

- *Gahanna Area Chamber of Commerce: A Board Meeting will be held on Tuesday, February 13, 7:30am, at C-Suites, 81 Mill Street – Suite 300.*
- *Gahanna Community Improvement Corporation: A Board Meeting will be held on Tuesday, February 20, 7:30am, at Gahanna City Hall, 200 S. Hamilton Road.*
- *Gahanna Area Chamber of Commerce: A Women in Business Breakfast will be held on Thursday, February 22, 7:30am – 9:00am, at the Mount Carmel Siegel Center Building 3, 5975 E. Broad Street. The topic will be Identifying Your Superpowers. Admission is \$10 for members and \$15 for non-members. Contact Sarah Streitenberger at (614) 471-0451 to register or register online at gahannaareachamber.com*