



To: Gahanna City Council
Raymond Mularski, City Attorney

From: Nathan A Strum, Director of Economic Development
Laurie A. Jadwin, Mayor

Date: October 7, 2021

Re: Dept. of Economic Development Report to Council (October 11, 2021 Meeting)

UPDATES

See, October 4, 2021 Mayor's Report

ACTION ITEMS

ACTION ITEM #1 – PROPOSED INCENTIVES AND PROPERTY TRANSFERANCE – EXPANSION (Project Gaul)

Project Gaul is a proposed expansion of an existing manufacturer within the City of Gahanna.

Project Gaul involves a foreign-owned company that is exploring the expansion of an existing manufacturing facility as well as the creation of a Center for R&D Excellence that would serve as the de facto North American Headquarters for the company.

The company's existing operations employ over 200 employees, with an annual income tax to the City of Gahanna in the amount of \$562,500.

The proposed project includes the capital investment of approximately \$20M+ including the construction of a joint manufacturing/research facility in Gahanna. The company estimates the creation of at least 20 new jobs with additional jobs to be added over time. Based on current market conditions, the company anticipates wages for the new job creation of approximately \$117,000+ per job, or net new payroll of between \$2.35M to \$4.7M. This equates to \$58,750 to \$117,500 in net new income tax to the city annually.

The company is requesting the following public incentives to support their investment in the City of Gahanna:

- 15 yr., 100% tax abatement on the improvements associated with the project
 - The Administration estimates the value of the abatement is approximately \$3M over the lifetime of the abatement period.
 - This would also necessitate a compensation to the Gahanna-Jefferson Public Schools of approximately \$900,000+ over the lifetime of the agreement (based on existing agreement parameters).
- Land conveyance to support the project
 - The company has targeted City-owned property at the intersection of Science Blvd. and Tech Center Drive.

- The proposed Developer is prepared to compensate the City's CIC the fair market value for the property, \$830,700.
- The Developer of the Project is requesting existing TIF proceeds from the Central Park TIF fund to assist in the construction of an extension of Tech Center Drive, a public road that will be constructed to city standards that will serve the business.
 - In consultation with the Finance Department, the City can support \$250,000 towards this public infrastructure improvement.

Additionally, the Administration anticipates having an overlaying non-school TIF, similar in nature to what currently exists in the industrial park, which would capture improved values of the development following the end of the abatement period. Based on available calculations, the Administration anticipates the City to garner an additional TIF value of approx. \$1M+.

Based on the Administration's calculations, the return on investment associated with the Project for the City of Gahanna is estimated to be between 142% and 751% (calculations included).

Based upon the above, the Administration is respectfully requesting:

- An Ordinance authorizing the Mayor to enter into the attached Development Agreement between the City of Gahanna and Science One for the proposed development at Parcel ID No. 027-000113-00;
- An Ordinance authorizing the Housing Officer to executive the CRA Agreement to support the development of Parcel ID No. 027-000113-00 for a term of 15 years at 100% for the improved values of the parcel; and
- An Ordinance authorizing the Mayor to enter into a purchase agreement to convey Parcel ID No. 027-000113-00 from the City of Gahanna to the Gahanna Community Improvement Corporation.

Because of the need to align approval of this project with the issuance of state incentives, we are requesting that each of the above requests by passed with **Emergency** and **Waiver**.

Legislation Needed:	Ordinance
Emergency/Waiver:	Emergency and Waiver
Already Appropriated (Amounts & Accounts):	N/A
Supplemental/Transfer (Amounts & Accounts):	N/A

ACTION ITEM #2 – ORDINANCE ADOPTING TEMPORARY MEDICAL MARIJUANA MORATORIUM

On March 19, 2018, Gahanna City Council, through ordinance, established a six-month moratorium on the acceptance of any application for, or the granting of, any Building Permits or Certificates of Occupancy for any building, structure, use, expansion of use, or change of use that would enable the cultivation, processing, distribution or sale of medical marijuana in the City of Gahanna.

Both the Department of Economic Development and the Department of Planning recently have received inquiries regarding marijuana facilities. Pursuant to the Charter of the City of Gahanna, as well as the Ohio Constitution, the City has the inherent power to enact planning, zoning and business regulation laws that further the health, safety, welfare, comfort and peace of its citizens,

including restricting or prohibiting certain business uses.

In order to allow for updated research and evaluation of the possible impacts that these types of businesses may have on the Gahanna community, the Administration is respectfully requesting Council to issue an Ordinance adopting a one (1) year moratorium on the acceptance of any application for, or the granting of, any Building Permits or Certificates of Occupancy for any building, structure, use, expansion of use, or change of use that would enable the cultivation, processing, distribution or sale of medical marijuana in the City of Gahanna.

Given the State of Ohio's recent announcement to expand the number of dispensaries in Ohio from 57 to 130 as well as recent rulings to allow cultivation facilities to expand operations, the Administration is respectfully requesting that each of the above requests be passed with **Emergency**.

Legislation Needed:	Ordinance
Emergency/Waiver:	Emergency
Already Appropriated (Amounts & Accounts):	N/A
Supplemental/Transfer (Amounts & Accounts):	N/A