



## **Report for Council – January 9, 2017**

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### **Planning & Development Department Agenda Items:**

#### **CRA Tax Abatement for Ray J Properties LLC, 1.6 acres of a 5.271 acre vacant lot on Science Blvd. (Parcel #025-013620)**

In January of 2016, the Department initially met with Advint, LLC, and its CEO Paul Salopek. Advint designs and manufactures automatic test and data acquisition systems and is currently located at 4601 Hilton Corporate Drive in Columbus. During this visit, Mr. Salopek indicated that the business was seeking a longer term real estate solution to accommodate operations. In order to help relocate their operation to Gahanna, the Department connected Mr. Salopek with multiple property owners and developers in an effort to have a new building constructed to accommodate their operations.

As a result of that visit, Mr. Salopek wants to spend \$1,572,000 to purchase 1.6 acres on Science Blvd. in Central Park and construct a new 12,000-15,000 square foot building that would house the operations of Advint. In order to make this project financially feasible, the Department is recommending that Gahanna City Council provide a real estate property tax abatement for the construction of the new building. The tenant of the building will be Advint and the property owner will be Ray J Properties LLC. Mr. Salopek is the principal for both of these organizations.

The Department is recommending an 80% real estate property tax abatement for a period of fifteen years. The CRA application and a draft of the proposed CRA agreement are attached for your review. The benefits to the City from the project are listed below:

- Attract 18 full-time and 5 part-time high wage jobs and \$1,400,000 in annual payroll
- The primary occupation for this project are electrical and mechanical engineers with an average annual salary of approximately \$70,000.
- The City would generate approximately \$16,057 in annual revenue from the project.
- The City Generate \$240,859 in total revenue to the City over the next 15 years
- Create new construction activity within Gahanna Central Park
- Alignment with Economic Development Strategy and Go Forward Gahanna
  - Project is located within the Southwest Priority Development Area
  - The business is within the Targeted Industry of Professional Services
  - Wage levels are above the 2015 average wage levels

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

### **Approval to Complete a Liquor License Transfer Application**

The Department of Planning & Development respectfully requests City Council authorize the Mayor to sign a Transfer Exempt Permit Application to an Economic Development Project (TREX) for The Neighborhood Tavern proposed for 1385 E. Johnstown Road. This requested signature is required for an individual to submit this type of liquor license transfer application for approval by the Ohio Board of Liquor Control. It is important to note that the normal liquor license approval process is still required upon submission of an application.

The requested liquor license transfer application is used when there are no new liquor permits available within a city or if it is not possible to transfer a liquor license of the same permit class within a city. The TREX Application and a summary of the TREX Program are attached. The Mayor's signature is located in Section B of the TREX Application. As such, the proprietor of The Neighborhood Tavern is requesting the Mayor's signature on their TREX liquor license transfer application in order to submit the application for approval by the Ohio Board of Liquor Control.

The Department of Planning & Development is in favor of this project and respectfully requests authorization by City Council.

### **Approval of Utility Easement for GahannaNet**

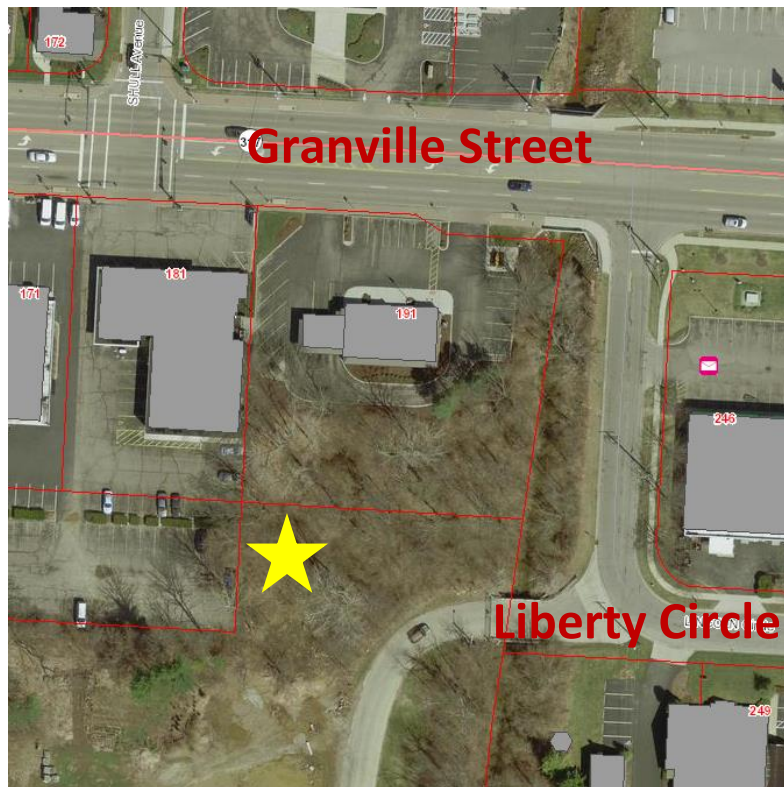
The City of Gahanna currently partners with the Gahanna Community Improvement Corporation (CIC) to provide local businesses with GahannaNet services. GahannaNet is a broadband incentive program that allows businesses to access greater broadband capacity at below market rates. In order to implement GahannaNet, the Gahanna CIC partners with WideOpenWest Ohio, LLC (WOW). WOW is the broadband service provider under the GahannaNet program.

The GahannaNet program currently services 17 businesses that range from finance, manufacturing, and professional services to medical industries. The Gahanna CIC has increased the number of businesses that use GahannaNet by 70% compared to calendar year 2015. In addition, this program generates approximately \$24,000 in annual revenue for the Gahanna CIC, which is approximately 50% more annual revenue than in calendar year 2015.

The GahannaNet Program has been extremely successful in achieving its two main objectives: (1) assisting Gahanna businesses by reducing their cost of operations and increasing their potential for technological innovation; and (2) generating sustainable revenue for the Gahanna CIC in order to spur economic development within the Gahanna Community.

WOW is currently in the process of relocating their Point of Presence (POP). A POP is the technical equipment that is required to provide internet services for GahannaNet. This POP relocation is critical to the long term success of the GahannaNet Program. As part of this relocation process, the City Administration has worked extensively with WOW to determine the best area for

the new POP location. The proposed POP relocation area is on the north eastern border of the City Service Complex in Olde Gahanna, identified by a yellow star in the picture below.



In order for WOW to relocate their POP to this location, the City of Gahanna would need to provide them with a utility easement. This utility easement would allow WOW to install the necessary infrastructure to relocate the POP onto City owned property. The utility easement for this WOW POP relocation is attached for your review.

WOW is respectfully requesting a waiver and emergency as part of the approval of this utility easement for the POP relocation. The reason for the request is to help expedite the construction of the infrastructure that is dependent upon receiving this easement. There are several construction related components that are required to successfully relocate the POP, which include fiber lateral construction, masonry work, electrical line installation, gas line installation and technology equipment integration and installation. None of these infrastructure improvements can begin until the utility easement is granted to WOW for the POP relocation. The timeframe for relocating the POP is by the end of April. Having a waiver and emergency on this legislation will help WOW to successfully meet their timeframe and help maintain the success of the GahannaNet program.

Therefore, the Department is respectfully requesting that Gahanna City Council authorize the Mayor to execute a utility easement, with a waiver and emergency, in order to allow WOW to relocate their POP onto City owned property.

### **Planning & Development Department Updates:**

None at this time.

### **Upcoming Meetings & Events:**

- *Gahanna Area Chamber of Commerce: A Board Meeting will be held on Tuesday, January 10, 7:30am, at C-Suites, 81 Mill Street – Suite 300.*
- *Mid-Ohio Regional Planning Commission: A meeting will be held on Thursday, January 12, 1:30pm, at 111 Liberty Street, Suite 100, Columbus 43215.*
- *Gahanna Community Improvement Corporation: A Board Meeting will be held on Tuesday, January 17, 7:30am, at Gahanna City Hall, 200 S. Hamilton Road.*
- *Gahanna Area Chamber of Commerce: The annual Business Exchange Luncheon will be held on Thursday, January 19, 11:30am, at the Creekside Conference & Event Center, 101 Mill Street, Suite 300. Chairwoman Betty Collins will present the State of the Chamber, the installation of the 2017 Board of Directors will take place, and the guest speaker will be Joe DeLoss, Founder of Hot Chicken Takeover. The cost is \$18 for members and \$23 for guests. Reservations are required by Monday, January 16, 2017.*