



## **Report for Council – November 26, 2018**

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

#### **2019 Contract with the Gahanna Community Improvement Corporation**

The Department of Planning & Development is requesting that City Council approve an ordinance authorizing the 2019 annual contract with the Gahanna Community Improvement Corporation (CIC).

The City of Gahanna annually enters into an agreement with the Gahanna CIC for the purpose of promoting and encouraging economic activity for the City. The agreement, with changes to Sections II and III, is attached for your review. This agreement outlines the activities that the Gahanna CIC will undertake on behalf of the City throughout 2019.

The changes to the contract include the following items:

- 1) Extension of waiver of the payment for use of fibers specified in Section 3 of the Optical Fiber Use Agreement between the City and the Gahanna CIC effective May 24, 2010.
- 2) Removal of the Lodging Tax: The Gahanna CIC has been seeing an increase in alternative revenue streams from the GahannaNet program, special events and the Land Bank program. These additional revenues allow the Gahanna CIC to eliminate its dependence on the Lodging Tax and allows it to be more financially self-sufficient.
- 3) Modification of Ohio Revised Code reference for receiving eligible expenses incurred through the implementation of the City's TIF Strategy.
- 4) Modification of wording for reimbursement of implementation of the Land Bank Program.

The Department is respectfully requesting that Gahanna City Council authorize the Mayor to enter into contract with the Gahanna CIC for 2019.

#### **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 2017, the City of Gahanna's Community Reinvestment Area (CRA) Program had 13 residential and 15 commercial tax abated properties. These projects represent \$23,599,000 of property value, 593 full-time and 107 part-time jobs and 32 business tenants.

The Gahanna TIRC has reviewed all CRA projects and recommends that the City of Gahanna reduce two CRA projects due to underperformance. The incentive reductions are for the properties located at 710 Cross Pointe Road (Parcel 025-012070) and 600 Taylor Station Road (Parcel 027-000007). The Department is supportive of this recommendation. The reductions to the two CRA projects are separate requests for Council consideration found later in this report. The TIRC documentation is attached for your review.

The Department of Planning & Development respectfully requests that Council accept the recommendations of the Gahanna TIRC.

**Tax Abatement Reduction – Parcel 025-012070 – 710 Cross Pointe Road**

The property located at 710 Cross Pointe Road was provided a 100% CRA tax abatement for 10 years beginning in 2009. The project was required to create 20 full-time jobs. In 2017, the project created 4 full-time jobs and 11 part-time jobs. Therefore, the Gahanna TIRC recommends reducing the CRA tax abatement to 75% with the commitment of creating 10 full-time jobs.

The amended CRA Agreement for 710 Cross Pointe Road is attached for Council consideration. The Department of Planning & Development is respectfully requesting that Gahanna City Council authorize the Housing Officer to enter into the amended tax abatement agreement for this property.

**Tax Abatement Reduction – Parcel 027-000007 – 600 Taylor Station Road**

The property located at 600 Taylor Station Road was provided a 100% CRA tax abatement for 15 years beginning in 2006. The project was required to create 18 full-time and 5 part-time jobs. In 2017, the project created 10 full-time and 3 part-time jobs. Therefore, the Gahanna TIRC recommends reducing the CRA tax abatement to 75% with the commitment of creating 12 full-time jobs.

The amended CRA Agreement for 600 Taylor Station Road is attached for Council consideration. The Department of Planning & Development is respectfully requesting that Gahanna City Council authorize the Housing Officer to enter into the amended tax abatement agreement for this property.

**Planning & Development Department Updates:**

None at this time.

**Upcoming Meetings & Events:**

None at this time.