



# ECONOMIC DEVELOPMENT STRATEGIES

# DID YOU KNOW ?

The healthcare and social assistance sector is expected to account for

**1/3** of National job growth by 2022

By 2022, **14 of the 30** projected fastest growing occupations are related to the healthcare and social assistance sector

Central Ohio job growth is expected to increase by

**26%**



with population growing by **26%** by 2050

Gahanna has access to

**5 highways** and is just  
**5 minutes** from Port Columbus

**120** Tax Abated  
Businesses

**At 5%**

Gahanna has the highest start-up office concentration in *the Region* and one of the higher rates in *the Midwest*

Gahanna income tax rate of

**1.5%**

is the lowest among nearly all Central Ohio communities

**3.8%**

unemployment rate from 2010-2013 is still one of the

**top 50**

**lowest**

in Ohio

The Columbus Region contains

**24 Entrepreneurial Centers**

**& 15 Research Institutions**

Named in 2014 as one of the

**5 BEST  
Hometowns**

in Ohio by Ohio Magazine

Gahanna's median household income of

**\$72,474**

ranks competitively against comparable-sized communities in the Region and the US

**46%**  
increase  
in general  
service  
occupations

**20.8%**  
decrease in  
management,  
sales & office  
occupations

Gahanna's average revenue per business of

**\$822k**

ranks below the Ohio median of \$1.04m

Gahanna ranks in the

**top 50**

in Ohio in number of businesses per

**100**

people

## OVERVIEW

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Economic Development is a relative practice. It aims to achieve desired outcomes through many disciplines often emphasized, more or less, by a specific community's standard of living, its quality of life goals and a culmination of needs represented by area's residents, government and business community. It was important in determining tactics specific to Gahanna, that our team made informed recommendations driven by the market, incentive opportunities, stakeholder input and data. As such, we categorized recommendations into a handful of categorized tactics within the following overarching categories:

## GRAB

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The popular strategies in creating a value proposition to the private sector in Economic Development more commonly known as business attraction, retention and expansion will be referred to in this plan collectively as GRAB (Grow, Retain, Attract and Build). Because economic development has evolved into many different facets with a varied universe of constituents, this distinction allows us to take a holistic approach to attraction and retention, while separately and intimately addressing emerging categories such as workforce development and global investment.

In order to optimize the available capacity Gahanna has at its sites, it needs to aggressively recruit businesses that fit its desired uses while positioning itself strategically for windfall opportunities.

Often times, when making a site selection decision, a company will try to research as much as it can before

picking up the phone to call an economic development organization. Being able to have up-to-date site listing with detailed specifications, amenities and potential incentives, accommodates the initial desires of a site selector. With growth around Central Ohio imminent, Gahanna can gain a competitive advantage, or at least competitive equality, be setting an expectation for prospective companies in the form of both value and certainty, of what locating in Gahanna means.

Gahanna will concentrate its attraction efforts on the following objectives:

- Create an attraction strategy driven by information, expected value and certainty
- Include the schools in its attraction strategy
- Aggressively market its signature sites and development concepts

While attraction and growth projects grab headlines and create buzz, the real foundation of a sustainable economic development strategy falls within the category of business retention and expansion, often referred to as BRE. There are many elements involved in deploying a BRE strategy, and the emphasis can vary drastically depending on a communities existing assets, geography and proximity to key markets. In any event, the key goals of any BRE program, put simply, is to retain the existing economic base and create the easiest pathway for its growth. In order to achieve these goals, the analysis should generally be dictated by:

## INTERNAL ENVIRONMENT

- What is enabling and inhibiting growth within the Gahanna business community?
- What could enable or inhibit growth within the Gahanna business community?

## EXTERNAL ENVIRONMENT

- Are political factors such as elections, government or industry-specific regulations, tax policies, etc. that are effecting the business operating environment?
- Do economic trends, such as macro-related growth & trends, consumer activity and industry conditions create opportunities or threats to our base?
- Are sociocultural trends such as demographics, values and lifestyles of consumers and residents affecting customer and resident decisions?
- Have technology advancements, new means of communication, the speed of information and media altered business models and agility of our existing businesses and consumers?

In accomplishing our BRE strategy, our team went through a series of practices in generating our BRE recommendations. The first and most important, was engaging with internal Stakeholders. Internal stakeholders are the customers or consumers of this strategy and it is important to understand their needs, their behaviors and most importantly, what is enabling and or inhibiting their ability to grow. Secondly, we use data analyzed in our existing conditions exercise to understand the external environment affecting Gahanna and the business community.

The results of this exercise helped is dictate some key objectives:

- Gahanna needs to create peer business groups on issue-specific matters, such as workforce development and the general business environment
- Gahanna needs to combat the aggressive decrease in professional & business services jobs
- Gahanna should be keeping an open dialogue with business owners in expiring tax-abated properties and undertake a compromise
- Gahanna should enhance its workforce
- Gahanna should involve its school system economic development matters

## ENTREPRENEURSHIP

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It's important that while focusing efforts on attraction and growth, Gahanna simultaneously allow for space to harvest its own assets in the form of entrepreneurship and innovation. Data derived from our market report, existing conditions study and current CIC strategies suggest that Gahanna has the willingness and ability to create an entrepreneurial culture.

Gahanna's entrepreneurship strategy should revolve around three themes:

- Creating linkages to the Columbus Region's existing entrepreneurial network
- Piloting out its own business incubation or acceleration concept and
- Encouraging innovative activities within its existing companies

## WORKFORCE DEVELOPMENT

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Closing skills gaps, the cultivation of top talent and the development of workforce is not something that is solely solved at the local level. While it requires an intimate knowledge of workforce development needs of local employers, demographics and resources at the local level, collaboration is key. Collaborating the public and private sector locally, collaborating resources and programs regionally and understanding trends allows for an informed solution to a variety of workforce issues. Our team's recommendations resulted from a combination of stakeholder interviews, demographic and economic data, benchmarking and an inventory of workforce development assets.

## MARKETING

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It is paramount that Gahanna spend considerable time defining the sense of place it provides for its customers. Feedback from our stakeholders, both internally and externally, suggests that Gahanna could further enhance its image and brand. Marketing will be a significant element in all of the above-mentioned categories as Gahanna position itself strategically to its targets by defining, promoting and pricing the desirable attributes of its "product."

## GLOBAL INVESTMENT

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Robust technological advancements and competition has created a more agile business community. As the United States challenges its major metropolitan areas to utilize its assets such as its people, producers, financial experts, and sources of innovation to be more competitive in the global market place, it is important that Gahanna utilize opportunities created by Central Ohio's aggressive growth projections to create a foreign direct investment strategy.

## INFRASTRUCTURE

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Within each specific effort and strategy discussed above, Economic Development contains one constant: the operating environment. As such, it is more important than ever that the civic infrastructure of a community is not overlooked. Without an environment that allows businesses to operate efficiently, public organizations & governments to carry out initiatives and taxpayers to provide input, Economic Development tactics are difficult to achieve. The City must use strategies such as property tax redirection, strategic deployment of broadband assets

and a consistent prioritization of key roadway & parks projects to both enhance the operating environment for existing businesses, the quality of life for its residents and create shovel-ready sites to attract new employers.

## INCENTIVES

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An incentive is something that is geared to change behavior. In order to achieve the above-mentioned strategies, Gahanna must use a detailed and methodical strategy to enhance the appeal of its key sites, foster innovation, train its human capital, improve its infrastructure and retain its existing businesses. As part of this strategy, Gahanna will ensure its incentive policies and procedures yield, not only positive returns, but adequate returns that allow it to take calculated risks. Not only will Gahanna's strategy include enhancing its own toolbox, but utilizing other State, Local and Federal resources that spread the risk of its investments.

This section will conclude with an incentives strategy that dictates the methodology of how Gahanna will utilize its toolbox for numerous activities, and the appendix will include a detailed economic incentives matrix that allow the City to understand how other sources compliment its toolbox by each development type and specific development activities.

## TACTICS

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### GENERAL

1. Formally adopt financial incentive policies that capture the expected return on investment and ensure a consistent and quick approval process for targeted industries and Priority Development Areas.
2. Collect an annual administration fee from all Tax Increment Financing Districts in order to offset the annual cost of reviewing and auditing TIF parcel payments.
3. Investigate the capacity to service a potential City-administered Economic Development Loan Program that can incent façade improvements, machinery & Equipment purchases and Working Capital.
4. Evaluate the need to leverage local financial institutions to provide targeted assistance to small businesses and entrepreneurs.
5. Develop an Economic Development Fund that is annually appropriated to ensure it is sustainable.
6. Identify economic development stakeholders and partner with them to implement this plan.
7. Establish and fund a property acquisition strategy with the assistance of real estate professionals that is targeted toward developing Priority Development Areas.
8. Partner with all commercial property owners and property management groups to ensure their properties are accurately listed on site-selection databases.

9. Increase involvement and exposure within regional groups such as Mid-Ohio Development Exchange, Mid-Ohio Regional Planning Commission, International Economic Development Council, Ohio Economic Development Association, Columbus2020, American Planning Association, National Association of Industrial Office Properties, the Jet Taskforce and Urban Land Institute.
10. Encourage annexation of commercial properties along Taylor Road, Tech Center Drive, Agler Road and Johnstown Road.
11. Create issue specific round-tables, including but not limited to a CEO Round-table, Entrepreneurship & Innovation Round-table, and Talent Round-table. These should be facilitated by the City or the facilitation should be outsourced to an experienced business coach.
  - 11.1. CEO Round-table should address high level company initiatives, industry trends and city policies that effect the economic climate of the community.
  - 11.2. Entrepreneurship & Innovation Round-table should manage the entrepreneurial, start-up and innovation assets of the City and to create opportunities to enhance an entrepreneurial environment in the community.
  - 11.3. Talent Round-table should consist of public, private and educational organizations to assist employers in understanding sources for workforce availability and in identifying solutions to existing workforce challenges.
12. Issue an RFP to develop City Properties along Tech Center Drive and in Olde Gahanna based upon the target industries and market assessment provided in this plan.
13. Modify the School Compensation Agreement to increase the competitiveness of Gahanna in the Priority Development Areas.
14. Continue efforts to streamline the process of permitting, planning, zoning and signage approvals.
15. Require all residential annexation projects to pay an additional assessment in order to generate help that can offset any costs incurred by the City in serving the new residents.
16. Update City Code to align with the recommendations outlined in the Target Sites and PDA's within the Development Opportunities Section.

## GRAB

17. Create strategies that align with regional plans, including insight2050, Columbus Global Connect, the Jet Taskforce and the Columbus 2020 Comprehensive Economic Development Strategy.
18. Gahanna should prioritize its retention visitation program to businesses in expiring tax abatement areas, those along the City's fiber-optic network, and those located within Priority Development Areas (see chapter 6).
19. Establish strategies for the targeted industries/ occupations. These strategies should include, but not be limited the following: contracting with industry experts to understand industry dynamics and identify retention, attraction and relocation opportunities; identify target companies and their

- individual decision makers; identify and become members in relevant trade associations; and create marketing materials.
- 20. Conduct a Community Assessment Survey every two years to gauge strengths and weaknesses, changes in the community and local economy, and provide a baseline against which to measure economic growth.
- 21. Continue to host events that recognize the success of Gahanna's key business and contributors.

## ENTREPRENEURSHIP

- 22. Gahanna should evaluate the viability of using facilities such as Clark Hall for potential talent and entrepreneurship programs.
- 23. Incorporate Columbus Academy and Gahanna Jefferson Schools representatives in all entrepreneurship initiatives.
- 24. Initiate relationship building activities with local, regional and national venture capital firms, angel investors and other entrepreneurial financial assistance organizations. Leverage these relationships and resources to benefit Gahanna businesses.
- 25. Create an online catalogue of the Region's Research and Innovation Networks including but not limited to: The Ohio State University, Battelle, Chemical Abstracts Service, IBM Client Center Analytics Solution Lab, The Research Institute at Nationwide Children's, Online Computer Library Center, Inc., Rev1 Ventures, Ohio Supercomputer Center, SciTech, Ohio TechAngels, Ohio Third Frontier, BioOhio, Edison Welding Institute, PolymerOhio and the Transportation Research Center Inc.
- 26. Create an online catalogue of the Region's Entrepreneur Centers including but not limited to:
  - 26.1. General Start-up/Business/Office: The 44 Center (Delaware), Bellefontaine Entrepreneurial Centre (Bellefontaine), Conway Center for Family Business, E.V. Bishoff Co., Founders Factory (Columbus), INC@8000 (New Albany), Marysville Entrepreneurial Center (Marysville), Ohio SBDC Center at Columbus State Community College (Columbus), Qwirk Coworking & Collaboration (Columbus), Rev1 Ventures (Columbus), Southern Gateway Economic Innovation Development Center (Circleville),
  - 26.2. Art and Design-based Ventures: CCAD MindMarket (Columbus)
  - 26.3. Industrial (Workshop, Metal, 3D Printing, Laser and Fine Art): Columbus Idea Foundry (Franklinton)
  - 26.4. Technology Development – Dublin Entrepreneurial Center (Dublin), Ohio State University Technology Commercialization Office (Columbus)
  - 26.5. Microenterprise Expansion – Economic and Community Development Institute
  - 26.6. Aerospace – The Horton Building (Heath)
  - 26.7. Women-owned Business – Women's Small Business Accelerator (Westerville)
  - 26.8. Creative – Wonderland (Franklinton)
- 27. Include in the Community Assessment Survey (GRAB Tactic #19) a survey of existing Gahanna companies to identify and cultivate potential start-up opportunities. Target Gahanna headquartered

operations, goods producers, research and development operations and creative services. This may involve requesting or researching patent information from existing companies.

28. Utilize Entrepreneurial Centers such as 181 Granville Street and C-Suites to create, staff and market a formalized Office Hours concept to provide business services and resources to small businesses looking to expand.

## WORKFORCE DEVELOPMENT

29. Promote regional workforce development structures to Gahanna's available workforce and businesses, by utilizing the Columbus2020's career and technical school matrix. This will provide training opportunities for both high school students and adults by industry.
30. Promote an existing menu of programs including Central Ohio Workforce Investment Corporation (COWIC), Halcyon IT and the ODJFS Veterans Program, Ohio Career Exploration Internship Program, Roads2Work, and Volunteers of America.
31. Collaborate with Columbus Academy and Gahanna Jefferson Schools in linking High School internship programs with existing and potential new employers.
32. Emphasize workforce development efforts on filling the needs of an aging workforce in Gahanna's highest concentrated industries.
33. Address the technical skills gap by leveraging the Columbus Region's Career and Technical School opportunities to enhance technical skills for both high school students and adults.

## MARKETING

34. Establish a multi-year marketing program to handle all or a portion of the following:
  - 34.1. Brand platform and identity enhancement
  - 34.2. Public relations management
  - 34.3. Message hierarchy structure
  - 34.4. Target industry strategies
  - 34.5. Regional Competitiveness
  - 34.6. Newsletter development
  - 34.7. Social media strategies
  - 34.8. Collaboration with other community organizations
35. Establish specific marketing strategies for targeted industries, Priority Development Areas, Developers, Site Selectors, C-Level Executives and professional service firms including those involved in accounting, architecture, finance, real estate, and taxation.
36. Work with the Convention & Visitors Bureau to create a tourism marketing piece for residents and businesses that features information such as local realtors, schools, parks/ attractions, shopping/ amenities and other unique Gahanna quality of life assets.
37. Leverage the Columbus 2020 brand in National and International Markets.
38. Create a continuous flow of information through utilization of the website and social media to keep businesses updated on City initiatives.

## GLOBAL INVESTMENT

39. Participate in Columbus Global Connect to identify Gahanna companies that currently export or are highly likely to export goods and services.
40. Encourage Gahanna businesses to participate in the Ohio Export Internship Program.
41. Work with Gahanna businesses to connect them with foreign buyers, those distributing products internationally, export service providers and those with foreign parent/subsidiary companies to induce export activity.
42. Evaluate establishing a Sister City program with localities within those countries targeted by Columbus2020 and Jobs Ohio.
43. Participate in federal, state and local trade shows on exporting and foreign direct investment.
44. Increase participation in Columbus 2020's international outreach efforts.

## INFRASTRUCTURE

45. Leverage Tax Increment Financing and other streams to obtain capital for strategic infrastructure investments within Priority Development Area.
46. Create and fund a Beautification Plan to install public landscaping and signage along City Gateways and Commercial Districts.
47. Leverage the municipal fiber network to provide specific technology solutions to Gahanna businesses through GahannaNet.
48. Proactively connect fiber optic infrastructure to existing buildings and require all new buildings to be able to connect to the municipal fiber network.

49. Implement a multi-jurisdictional broadband strategy that enhances the competitiveness of Gahanna and the Central Ohio Region.
50. Identify new revenue generating strategies that leverage the existing municipal fiber network.
51. Support infrastructure investments that create redundancy and increased capacity of Gahanna's municipal fiber network.
52. Gahanna should annually review and update the priority list of key infrastructure projects within Priority Development Areas:
  - 52.1. Stygler-Agler Road Improvements.
  - 52.2. Buckles Tract North Infrastructure Improvements.
  - 52.3. Fiber-optic Extension within Priority Development Areas.
  - 52.4. Hamilton Road Power Line Burial.
  - 52.5. Hamilton Road-270 Bridge Enhancement.
  - 52.6. Morse Road Columbus Project – Hamilton Road to Trellis Lane.
  - 52.7. Office, Commerce & Technology Signage & Gateways.
  - 52.8. Paving Bricklawn & Leavitt.
  - 52.9. Shull Avenue Extension from Granville Road to Friendship Park.
  - 52.10. Tech Center Drive Extension.
  - 52.11. West Johnstown Road Improvements.

## INCENTIVES STRATEGY

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### POLICY PARAMETERS

The City of Gahanna needs to employ a strategy that gives it overall bottom-line control, while maintaining flexibility with its incentives toolbox. Throughout this document, incentives are addressed with the overriding objectives of attracting & retaining business, enhancing overall civic infrastructure and advancing the development of its Priority Development Areas (PDAs). While it is important that the entire City of Gahanna benefits from the recommendations of this plan, it is our estimation that the development of Gahanna's PDAs will create vast indirect and induced benefits from the community. As such, incentives eligibility and amounts should be enhanced in PDAs to advance such developments.

Gahanna should classify its economic incentives strategy into three overarching categories:

- Community Improvement Corporation (CIC)
- New Community Authorities
- GRAB (Grow, Retain, Attract & Build)

*Gahanna should consistently evaluate external incentive programs offered from the following sources*

- Federal, State, Local, County, Regional, Private

*The incentives strategy should be guided by the following findings and overarching themes*

- Gahanna is diverse, and fairly built-out. Flexibility is key. Ideally, the City will implement tools that are flexible, and can be deployed efficiently with minimal risk to both the City and private sector

- Economic incentives should be aggressively marketed and easy to research by businesses
- Increase economic competitiveness by partnering with Gahanna Jefferson School District to modify the existing Revenue Sharing Agreement
  - » Outcomes for both City and School District should be positive in the long run

### COMMUNITY IMPROVEMENT CORPORATION

*What is the strategy and how does it work?*

A CIC is a non-for-profit entity created in accordance with Ohio Revised Code 1724 for industrial, commercial and civic development in a designated area. CICs are often created to provide flexible powers to facilitate development activities hold and manage assets and assist governments in economic development and housing initiatives.

*How does it complement existing efforts?*

Gahanna has a CIC designated as an agency of the City for industrial, economic, civic, commercial, distribution and research development in the City of Gahanna. It has a number of powers, including reclaiming, rehabbing, reutilizing real property, promote economic development, serve as an agent for grant applications, borrow and lend money, issue bonds, transact for real & personal property, acquire assets, and assume debt among others. In order to use this flexible development asset to advance its Priority Development Areas, Gahanna must create additional and sustainable revenue sources for its CIC.

## RECOMMENDATION

- Increase of CIC revenue sources to include the following: municipal investments, municipal real estate redevelopment through land bank activities, financial partnerships with local banks, County-specific sales tax opportunities, environmental cost recovery and other non-tax revenues.

## NEW COMMUNITY AUTHORITY

### *What is the strategy and how does it work?*

New community authorities (NCAs) are special units of government that have been authorized under the Ohio Revised Code. NCAs are formed by private entities, in cooperation with public bodies, to assist in the development of planned communities of all sizes. They are analogous to special districts authorized under laws of many other States (e.g. Colorado, Kansas, Virginia). NCAs have the authority to acquire and dispose property, enter into land development and facility construction agreements with developers & governments, levy community development charges and issue bonds. An NCA may also issue bonds to fund development projects secured by community development charges and other revenues of the NCA, including, for example, TIF revenue. In any such financing, the NCA, and not the political subdivision, bears the responsibility of repaying the bonds.

### *How does it complement existing efforts?*

The Economic Development tactics and the Development Opportunities recommended in this document call for both a volume and variety of development activities that may not be entirely covered by TIF and/or other tools

and may place a burden on the City's resources. Without acreage or contiguity requirements, and the ability to provide a larger variety of special assessments, this tool gives Gahanna increased geographic and financial flexibility in its development efforts, and the possibility of accessing the capital markets for projects without affecting the City's credit. Recent changes to the provisions of law governing NCA's were incorporated in House Bill 64; these will become effective in September 2015; these changes promise to make NCAs a valuable tool for the City and its private partners going forward.

## RECOMMENDATIONS

- Consider establishing one or more "Development Authorities" for each Priority Development Area. City-owned or controlled properties should be included in the property mix within the Development Authority
- Each Development Authority would be charged with implementing the development plan for each priority development area.
- Consider using the "Hilliard Model" rather than the "New Albany Model" where a series of authorities are established for each development initiative rather than a large, singular NCA.
- Development charges should be used at the discretion of the site developer or City to fund:
  - » Public Infrastructure
  - » Community Facilities (i.e. convention center, hotel, city-owned incubator)

- » With law amendment, more flexible uses can be classified under this.
- » Administrative costs
- » Property acquisition
- » Can be used in conjunction with tax abatements to provide revenue for projects that would not be financeable with TIF revenues during the abatement period.

## GRAB INCENTIVES

Gahanna should look to modify its existing toolbox to ensure it has incentives that fund a variety of development activities it aims to encourage. It is our recommendation in order to accomplish this, Gahanna modifies or adds the following incentives to its toolbox:

### BANK PARTNERSHIP PROGRAM

*What is the strategy and how does it work?*

Private-public match programs can give banks a flexible, transparent tool to expand business lending. By using a small amount of non-private resources to generate a large amount of private bank financing, the program can give a City an additional tool in offering businesses access to bank financing that align with the City's economic development initiatives.

*How does it complement existing efforts?*

With potential office absorption of over 700,000 square feet and Industrial absorption over 1 million square feet expected over the next 10 years, it is important that the City help ensure that competitive loan programs are available to help in securing future City revenues.

## RECOMMENDATIONS

- Evaluate staff capacity and feasibility to service a potential Bank Partnership Program
- Leverage Federal Community Reinvestment Act spend-requirements to create an economic development grant or loan in partnership with a bank.
  - » Utilize local financial institutions first
  - » Consider debt for longer-term investments
- Become a facilitator and co-marketer of bank-administered SB504 loans with local institutions

### MUNICIPAL JOBS GROWTH INCENTIVE

*What is the strategy and how does it work?*

The Municipal Income Tax Credit (MITC) is awarded in the form of a percentage of municipal income tax revenue generated from new employees, traditionally for non-retail job-creation projects. It is typically offered by municipalities in Ohio in the form of an income tax reduction or grant based on the value of income tax generation.

*How does it complement existing efforts?*

Payroll-based incentives provide more value to higher-wage jobs and can be used to help in the attraction efforts of signature office and class A & B office operations. In addition, as a lower-risk incentive (the job must be created until the incentive is awarded), the City can offer this in a more aggressive manner than other incentives.

## RECOMMENDATIONS

- Modify Gahanna’s existing program to enhance eligibility in specific geographic areas such as PDAs and/or specific industry and occupational targets. In addition, modifying the incentive to allow for value-competitiveness with neighboring Cities (i.e. higher tax credit rate or term) that have higher tax rates is encouraged.
  - » i.e. Large Employer Office Incentive (utilized by the City of Columbus)

## COMMUNITY REINVESTMENT AREA (TAX ABATEMENT)

### *What is the strategy and how does it work?*

The Community Reinvestment Area (CRA) program allows property owners to receive tax incentives for investing in real property improvements. Property owners within a CRA receive a tax exemption for renovating existing buildings, or constructing new buildings

### *How does it complement existing efforts?*

Property tax abatements will serve as a key component in enticing developers to undertake projects in Gahanna PDAs

## RECOMMENDATIONS

- Continue to utilize existing strategies in offering property tax abatements for priority projects.

## TAX INCREMENT FINANCING

### *What is the strategy and how does it work?*

Tax Increment Financing (TIF) allows local governments

to redirect property tax revenue growth on one or more parcels to support “public infrastructure improvements”. Up to 100 percent of the property tax growth (increment) may be redirected for as long as 30 years. Bonds may be sold on the basis of expected TIF payments supporting a project.

### *How does it complement existing efforts?*

TIF will serve as the primary tool in funding infrastructure improvements that support private development for the PDAs outlined in the development opportunities section of this document, including the priority infrastructure projects the City currently has planned.

## RECOMMENDATIONS

- Renegotiate School Compensation Agreements to allow for enhanced TIF values to the development.
- Establish Urban Redevelopment TIFs on City owned properties to allow for additional incentive capacity.
- Continue to create both Parcel and Residential Incentive District TIFs to capture additional revenue for future infrastructure improvements

## GAHANNANET FIBER PROGRAM

### *What is the strategy and how does it work?*

GahannaNet is designed to dramatically reduce the connection cost businesses pay to get internet and technology services. GahannaNet also provides companies with a lower installation cost. When businesses connect to GahannaNet they have significantly greater access to internet services at a reduced cost, allowing them to invest their capital in more profit-generating activities.

*How does it complement existing efforts?*

One of many initiatives in the Infrastructure-specific economic development tactics in this document is to leverage the municipal fiber network to provide specific technology solutions to Gahanna businesses through GahannaNet and to create a multi-jurisdictional broadband strategy to enhance Gahanna's competitiveness.

RECOMMENDATIONS

- Leverage the multi-jurisdictional broadband strategy to generate additional revenue streams for the CIC's efforts to assist with economic development
- Look to monetize and expand fiber optics outside the Gahanna market

ECONOMIC DEVELOPMENT LOAN FUND

*What is the strategy and how does it work?*

An Economic Development Loan provides businesses with financial assistance to support the retention and creation of jobs for residents. The fund can provide long term, fixed-rate financing at interest rates lower than conventional financing.

*How does it complement existing efforts?*

With numerous recommendations for class A & B office in the PDA analysis, the City may have flexibility and less dependence on third party programs to incent small business development initiatives.

RECOMMENDATIONS

- Evaluate staff capacity and feasibility to service a potential Economic Development Loan Fund

- Create a loan program geared toward small business expansion or equipment purchases & working capital
- Consider creating a targeted loan to a specific use, such as façade improvements or downtown-scape improvements

RECOMMENDED EXTERNAL INCENTIVES TO CONSIDER

NEW MARKETS TAX CREDITS

(BUCKLES TRACT)

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs)

*How it complements existing efforts:* A large portion of vacant land within the Southwest PDA is classified as severely distressed due to its proximity to the Columbus Airport, allowing for enhanced NMTC eligibility. In addition, Ohio-based CDEs such as Ohio Community Development Finance Fund (Columbus) and RBC Community Development (New Albany) have received NMTC allocation to award competitive projects in geographic areas including Gahanna. Connecting with these groups and coordinating a NMTC transaction team should be a priority for this area.

STATE ECONOMIC & COMMUNITY  
DEVELOPMENT INCENTIVES THROUGH  
JOBSOHIO/DSA

The State of Ohio possesses a progressive toolbox for economic incentives through JobsOhio and Development Services Agency ranging from low interest loans, innovation funds, Community Development Block Grants to tax credits.

***How it complements existing efforts:*** the State of Ohio has the ability to provide a higher dollar value of incentives for larger projects that are often offered in tandem with local incentives. Incentives are typically for mid-size to large employers (25 employees or more), innovation initiatives and larger community development or brownfield projects. Signature and class A & B office and industrial development recommendations outlined primarily in Southwest and Southeast Gahanna PDAs fit this profile.

EB-5

EB-5 capital is a unique alternative to traditional sources of funds. The EB-5 program was established in 1990 to encourage foreigners to invest in the United States and create American jobs in exchange for a U.S. green card.

***How it complements existing efforts:*** Central Ohio EB-5 Regional Centers such as Mid-American Global Ventures have the ability to offer competitive financing for job creation projects that encompass those in the PDAs overviewed in this plan such as mixed-use, medical offices and laboratories, hotels, restaurants and retail, distributions and public buildings & infrastructure.

COMMUNITY LENDING/SBA PROGRAMS

The US Small Business Association offers a variety of loans that can finance major fixed assets such as equipment and real estate, small businesses expansion and disaster-replacement.

***How it complements existing efforts:*** Offers an alternative lending source to the City's existing toolbox.

PORT AUTHORITY FINANCING (COLUMBUS  
FRANKLIN COUNTY FINANCE AUTHORITY)

Port Authorities in Ohio have the ability to sell tax-exempt and taxable bonds, offering fixed rate financing over terms longer than those available from conventional lenders. Those bonds may be backed by a variety of revenue streams including long term leases, loan repayments, TIF revenue and other revenue, such as parking fees.

***How it complements existing efforts:*** Utilization of the a port authority allows for long-term, fixed-rate financing for larger projects, and offers the potential of a sales tax exemption on construction materials in certain deal structures.