

City seeks to grow industrial sector

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Sawmill Parkway extension key to plans

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Pictured is the northern terminus of Sawmill Parkway, which runs north from Powell to Innovation Court in Delaware. Plans are to extend the parkway west to South Section Line Road.

Joshua Keeran | The Gazette

Delaware City Council is considering two resolutions that could potentially pave the way for growth to the city's industrial sector, while also allowing for the extension of Sawmill Parkway to Section Line Road.

During Monday's meeting, council held the first reading for a resolution to redefine the boundaries of a Community Reinvestment Area (CRA) for industrial, commercial, and residential development in the city, while also designating a housing officer to administer the program and creating a community reinvestment housing council and tax incentive review council.

The resolution centers around two parcels, numbered 41922002005000 and 41922002007000, that exist just south of the City of Delaware Municipal Airport. The two parcels, commonly referred to as the Wilgus properties, were annexed into the city in 2018 and zoned M-2 for general manufacturing.

Exxcel Project Management, an industrial and office developer based in Columbus, has optioned the properties with the intention of developing the 89 acres into Sawmill Pointe Business Park. As part of the CRA, property owners can receive tax incentives for investing in property improvements.

However, in order to negotiate and offer community reinvestment tax abatements to Exxcel Project Management or any future companies that choose to locate on these parcels, the city must first include the parcels into the current boundaries of the CRA.

Should the resolution pass, the city will then have to submit a petition to the director of the Ohio Development Services Agency to request an amendment to the CRA certification.

Per the Ohio Revised Code, all affected school districts must be notified of the amendment. In a letter to Delaware Area Career Center Superintendent Jay Paroda and Delaware City Schools Superintendent Heidi Kegley, Economic Development Director Sean Hughes stated, "As you are aware, pad-ready land for

businesses to locate has become more scarce in Delaware, the state of Ohio, and nationally. The development of this land will put the City of Delaware and its partners, including the school districts, at a tremendous advantage by increasing our inventory of pad-ready land."

In a second resolution, an ordinance authorizing City Manager Tom Homan to enter into an off-site development agreement and school compensation agreement with Exxcel and the schools was also given a first reading.

City documents for the ordinance state, "The inventory of pad-ready land in the city of Delaware and the state of Ohio is incredibly low. The addition of 89 pad-ready acres will give the city a tremendous competitive advantage when trying to attract high payroll companies to the city. In order to be pad-ready, Sawmill Parkway must be extended to Section Line Road. This will likely happen in two phases with the first phase terminating at the far west parcel boundary of parcel #41922002005000."

In total, the project would include the design, engineering, and installation of approximately 4,150 feet of Sawmill Parkway with a roundabout intersection expected on Section Line Road.

Also included in the agreement is the installation of water and sewer lines, stormwater, streetlights and bike paths for complete streets.

According to the ordinance, "The entire infrastructure project (both phases including water and sewer) is estimated at \$14,837,600. If the property to the south of Sawmill Parkway is annexed, the project will open, at minimum, about 240 acres resulting in the creation of 2,477 jobs (FTEs) and an estimated \$86,999,520 in annual payroll at full buildout based on the performance of surrounding business parks."

Per the off-site development agreement, Exxcel would pay a minimum of \$7,700 per acre with a maximum of \$8,000 per acre to assist in the development of the necessary infrastructure to serve their site. The city would pay \$1.75 million from the water and sewer capacity fees for the extension of the water and sewer lines.

The remaining funds will partially come from an estimated \$3,518,506 in service payments from an accompanying TIF after 30 years and an estimated \$6.2 million from TIFs on other parcels to the south of the Sawmill Parkway extension, according to the ordinance.

The ordinance further stated, "Additional funds could come from similar development agreements to the one proposed with Exxcel Project Management with developers of the land to the south of the Sawmill Parkway extension. We also have requested \$1,510,917 from the state capital budget. The city will continue to seek additional funding sources, especially those that may be tied to individual projects as the business park begins developing."

The School Compensation Agreement allows the schools to receive 30% of the value of abated property taxes that they would have received without the abatement from the companies and/or the City of Delaware for each project. If the payroll is below or at \$1 million, the company would pay a school pilot payment to the schools. If the payroll is above \$1 million, the city would share 50% of income taxes with the schools.

Should that value fall below the 30% threshold of what the schools would have received without the abatement, the company would pay the remainder of the 30%.

A second reading for both items is expected to be held at the next council meeting scheduled for Monday, Feb. 14.