

# RECORD OF PROCEEDINGS

Special Meeting of Dublin City Council

Minutes of \_\_\_\_\_

Meeting \_\_\_\_\_

BARRETT BROTHERS - DAYTON, OHIO

Form 6101

July 13, 2015

Held \_\_\_\_\_

## CALL TO ORDER

Mayor Keenan called the Monday, July 13, 2015 Special Meeting of Dublin City Council to order at 6:00 p.m. at the Dublin Municipal Building.

## ADJOURNMENT TO EXECUTIVE SESSION

Mayor Keenan moved to adjourn to executive session to discuss the purchase of property for public purposes, for conferences with an attorney for the public body concerning disputes involving the public body that are the subject of pending or imminent court action, and personnel matters related to the appointment of a public official.

Ms. Chinnici-Zuercher seconded the motion.

Vote on the motion: Mayor Keenan, yes; Ms. Chinnici-Zuercher, yes; Ms. Salay, yes; Mr. Peterson, yes; Mr. Reiner, yes.

(Vice Mayor Gerber and Mr. Lecklider joined the session in progress.)

The meeting was reconvened at 7:10 p.m.

## ROLL CALL

Members present were Mayor Keenan, Vice Mayor Gerber, Ms. Chinnici-Zuercher, Mr. Lecklider, Mr. Peterson, Mr. Reiner and Ms. Salay.

Staff members present were Mr. McDaniel, Ms. Crandall, Ms. Readler, Ms. Mumma, Mr. Foegler, Ms. O'Callaghan, Mr. Earman, Ms. Puskarcik, Mr. Hartmann, Chief von Eckartsberg, Mr. Hammersmith, Mr. Langworthy, Shawn Smith, Mr. Stiffler, Mr. Syler and Ms. Burness. Mr. Daniels of Squire Patton Boggs was also present.

## PLEDGE OF ALLEGIANCE

Mr. Lecklider led the Pledge of Allegiance.

## INTRODUCTION/FIRST READING – ORDINANCES

### **Ordinance 44-15**

### **Facilitating the Redevelopment of Certain Real Property within the Bridge Street District by Crawford Hoying Development Partners, LLC and to Authorize the Execution of Various Related Agreements, and Declaring an Emergency.**

Ms. Salay introduced the ordinance.

Mr. McDaniel thanked Council for agreeing to schedule a Special Meeting tonight, which allows special focus on the two ordinances related to the Crawford Hoying development and also provides four weeks of review until the second reading on August 10 versus the normal two weeks between readings of legislation. Staff has been working to respond to Council's vision, goals and priorities relative to this important community and economic development initiative of the Bridge Street District. The District will be an entertainment, dining, retail and office destination with riverfront parks and appealing housing options and is poised to be the City's next economic development driver -- creating new jobs, attracting young and talented workforce, and retaining seasoned professionals. It extends the experience of the City's walkable and vibrant Historic Dublin, while providing housing options for residents who want to remain in Dublin. It enhances property values by attracting young professionals who the City hopes would ultimately stay in Dublin and purchase single-family homes. It will help to ensure economic competitiveness and the City's fiscal health.

As Council is aware, Dublin has engaged in ongoing planning and analysis of the Bridge Street District initiative since 2009 – undertaking extensive planning

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analyses, public speaker forums, community events, and many hours of Council deliberations relating to advancing the vision for the Bridge Street District and developing the tools necessary to make this vision possible. The City's efforts are being affirmed, based on peer communities doing the same. In the spring, Council heard a presentation from William Murdock, MORPC who provided the results of the Insight 2050 initiative that MORPC, Columbus 2020, and the Columbus District Council Urban Land Institute had worked on. The results confirmed the demographic data and housing information in the initiatives underway in Dublin. Insight 2050 has also demonstrated the many public benefits, including fiscal, environmental, etc. that will be derived from these well-planned, more compact mixed-use developments like Bridge Street and the project under consideration tonight.

Based on his service as Economic Development Director and now as City Manager, he has validated with the corporate community and leaders their desire for this type of development in order to attract workforce – both young and older – as well as creating a vibrant, walkable community for their business workforce to access. An overwhelming majority of Dublin residents have also supported the direction of the City, as demonstrated by results in past and more recent surveys. Through the process of surveying, it was learned that it is important for the City to focus its efforts on infrastructure, which includes traffic and parking. Staff is aware through the Council workshop conducted a couple of months ago that these were two areas to focus on – parking to serve mixed-use areas as well as Historic Dublin and the importance of continuing to emphasize the investment in infrastructure. Staff has discussed with Council in past months the various tools required for redevelopment, including Community Reinvestment Areas, New Community Authorities, etc.

In late 2012/early 2013, Council determined that the Scioto River Corridor portion of the Bridge Street District should be the highest priority area of initial focus in Bridge Street. Staff was directed to build upon the great synergy of Historic Dublin and to leverage the underutilized Scioto River by continuing a long-term Council goal to acquire land along the river and create more access to it within the Bridge Street District. Finally, the direction was to reverse the decline of property value in that area through the redevelopment process.

Before Council tonight are proposed development agreements with Crawford Hoying. Staff has been in negotiations with them over many months.

Crawford Hoying demonstrates a belief in the City's vision for Bridge Street and the Scioto River corridor. They have assembled many properties and engaged in many collaborative planning and design efforts over the past couple of years. Ordinances 44-15 and 45-15 relate to some of the key agreements and economic development tools needed to advance the development of the Bridge Park project. As the materials provided to Council describe, City Council, Planning and Zoning Commission, Architectural Review Board, staff and many citizens have been involved in working on this project with the developer for over two years. Several significant portions or "blocks" of the Bridge Park project have completed or nearly completed their zoning and development review processes and are ready to move forward for Council review, relative to the development agreement. The consideration and finalization of the development agreements before Council represent the last major step in positioning this project to move forward, if that is Council's desire. The second reading/public hearing of these ordinances is scheduled for August 10 and Council is expected to act upon them at that time. Mr. Foegler and Ms. Mumma will provide staff presentations, followed by the developer presentation.

Mr. Foegler noted that he will provide context of this site within the Bridge Street District and the Scioto River Corridor; will provide more clarity regarding Phase 1 of the Bridge Park project, as Phase 1 is the focus of the City's

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engagement in direct financial participation; and a brief overview of the agreements, followed by Ms. Mumma presenting the financial framework for the City's involvement in the project. There will be a recommendation regarding the agreements before Council, followed by a presentation from Crawford Hoying who will update Council on the status of their activities and their perspective on the agreement. After that, there will be an opportunity for questions from Council regarding any aspects of the agreements or the development.

- Based on the River corridor studies that followed the initial Bridge Street District planning effort, there was a decision to focus on this section of the District for a variety of reasons. Since that time, efforts have moved forward – Riverside Drive relocation currently underway; acquisition of parkland on both sides of the river; the roundabout, which is under construction; working actively on the new library; and the Crawford Hoying developments, Bridge Park East on the east side of the river and Bridge Park West on the west side of the river.
- He shared a map of this area, noting that the Phase 1 elements generally straddle both sides of Bridge Park. Block C has completed its zoning approval process; Block B is well on the way, with a major review by the Commission last week.
- The total construction private investment costs for the public improvements of Phase 1, which includes Blocks B and C plus the block on the west side, Block Z, is approximately \$155 million. Other valuations will be shared that relate to Phase 1. Some of those values in the agreement relate to the hard costs. Hard costs are used, as they are one of the primary tools used to create the initial tax valuation, which is important as it informs the initial TIF payments. Those are not necessarily total development costs. The \$155 million is not fully burdened with the land costs associated with it. Some of the lower numbers in the agreement deal with hard cost elements and have to relate to the initial valuation, as they are the primary basis for that.
- He shared again the graphics for Blocks B and C, the initial developments proposed on the east side of the river. Block Z is also ready to move forward as part of Phase 1 and is located on the west side of the river. For reference on the slide, he pointed out the river, the location of City parkland acquired, Dublin Road, North Street and the development site that now has fencing on it, and graphics that reflect how this building fronts on Dublin Road and how it faces the river. Blocks B, C and Z are the elements of Phase 1.
- Tonight's review is of all the development agreements that tie together the various partnership elements of public and private investment. This is the last piece needed for these sections to move forward.
- In general, the development agreements have a variety of facets to them. Some are fairly established, like the Community Reinvestment Area agreements that are dictated by statute; others are highly negotiated. In effect, these define the obligations of the parties to make the development happen; lay out the provisions for the real estate related matters, exchanges, purchase options; defines the nature of the public and private improvements and their implementation. As Mr. McDaniel indicated, most of those public improvements relate to streets and parking structures. Increasingly, as the City looks at this form of development and as the City has looked at the Historic downtown over time, those parking structures will increasingly become areas of public investment as they are in many cities around the country. This parking will provide significant service to various public users of these facilities.
- The parameters and contingencies that surround all of the use of these tools are outlined and laid out in the agreements.

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- All the performance parameters that flow to each party are laid out and defined in the agreements as well.
- As noted, of most importance is the financial framework for the City's participation. Based upon all of the various models discussed with Council over the last few months -- including New Community Authorities, Tax Increment Financing, Community Reinvestment Areas -- they create the framework for those and now come together in a way that establishes this framework for City participation.

He noted that Ms. Mumma will now address the overview of the financial aspects.

Ms. Mumma provided information regarding the distinction between public improvements and private improvements. For private improvements related to Bridge Park, this involves over \$230 million in private investment for all of the phases. For Phase 1, there are \$116 million of hard costs, used for tax valuation purposes. The private improvements include the office, commercial, residential, retail, hotel and restaurant components. The developer is responsible for funding these costs to construct the private improvements. In regard to the public improvements, these include seven parking structures, an events center, and public roadways.

Various financing tools have been brought forward to Council in the past few months, and these would be utilized for the Bridge Park development.

- Tax increment financing (TIF) has been used throughout the City. There is a residential TIF or incentive TIF established under Section 5709.40(C) to be utilized; first reading of this ordinance will occur tonight.
- The commercial TIF, governed under Section 5709.41 of ORC will apply to the commercial properties in Bridge Park.
- Staff has also discussed utilization of a Community Reinvestment Area or CRA, which is a property tax abatement for up to 100 percent for 15 years. In the proposal brought to Council tonight, the property tax abatement would only apply to owner-occupied properties.
- Additionally, used in conjunction with and used alone is the New Community Authority (NCA) charge. For those properties that have a property tax abatement, an NCA charge will be assessed on the properties that is in an amount equal to what the property taxes would have been on the properties. That will "float" as the valuation changes over time.
- All other properties will be assessed this charge, but they will be provided credit with any TIF revenues that are paid. For commercial properties, in essence, there will not be a stand-alone NCA charge. However, as previously discussed in the NCA presentations, the NCA Board does have the ability to leverage separate charges on properties within the defined area. This is not a citywide charge. Some of those charges can be based on gross receipts of restaurants or retail facilities of up to 1/2 percent and also on hotel receipts. This NCA Board, which is a public body, has the ability to leverage this charge on those properties within the New Community Authority defined area.
- The proposal before Council tonight anticipates the City financing 100 percent of the costs of Block B and Block C parking garages, as well as the Phase 1 roadway improvements. This proposal will eliminate any refinancing risks for the City with respect to Phase 1. The City in its contribution would take out long-term debt, which would be locked in for a 20 or 30-year time period at a lower rate, given the City's credit quality. It eliminates the City's funding for future phases. Beyond this investment of the two parking structures and Phase 1 roadway improvements, there is no other financial participation on the City's part.

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- There is a minimum service payment (MSP) guarantee on Blocks B and C. That MSP alone will allow the City to recover the entire cost of those parking structures as well as the majority of the costs of the roadway system.
- The developer will finance 100 percent of the Phase 2 and 3 roadway improvements and the remaining community facilities.
- The City will finance two parking structures:
  - Parking Garage in Block B is estimated to cost \$16 million; of the 851 total spaces, approximately 353 are anticipated to be reserved with nearly 500 as public spaces.
  - Parking Garage in Block C is also estimated to cost \$16 million; of the nearly 870 total spaces, 534 are anticipated to be public.
- For the Phase 1 roadway improvements, the total is \$11 million, divided into Phase 1A and Phase 1B. Phase 1A at \$7.7 million includes Bridge Park Avenue, Tuller Ridge Drive, Mooney and Longshore Streets (between Tuller Ridge Drive and Bridge Park Avenue), North Riverview Street, portion of North High Street. Phase 1B at \$3.4 million includes Mooney and Longshore Streets (between Bridge Park Avenue and Banker Drive), and Banker Drive (between Riverside Drive and Mooney Street).
- In total, if Council should approve this development agreement, the City's investment would be \$43.1 million. In order to fund this, the City would receive tax increment financing service payments generated within Blocks B and C, which will go toward the debt service. Similar to the structure of many TIFs in the City, a TIF is put in place, the City makes infrastructure improvements, and is repaid from the service payments coming back to the City. The TIF revenues within Blocks B and C would be directed to the City.
- Additionally, the developer is contemplating development of a hotel on the former Cooker site, which is referred to as the H2Salvi's site or Cooker site. In addition to the dedicated TIF revenues from Blocks B and C, the TIF revenues generated on any improvements at the former Cooker site would also be utilized to contribute toward improvements within this area.
- The property tax abatement is limited to owner-occupied properties, and this provides a benefit to the City. The City is able to capture increases in property valuation through the service payment increases. The City in essence can capture "upside" potential with increases in tax valuation. However, for purposes of the financial analysis, the City has not incorporated any increase in valuation. The projections have been conservative from that standpoint. However, over time, the City would expect property values to increase as they have done historically in Dublin.
- The developer has committed to an annual minimum service payment guarantee, specifically on Blocks B and C. In the event the property values do not materialize as anticipated, the developer has guaranteed payments between 2018 and 2047 that over this 30-year time period will total \$72.3 million. That amount was calculated based upon the City's anticipated debt for both the parking structures as well as the roadway network.
- In terms of sources of funding for the City's public improvements, she noted the following:
  - Minimum Service Payment Guarantee on Blocks B and C will generated \$72.3 million.
  - Anticipated garage debt, including principal and interest over that same time period is \$ 62.3 million.

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- Therefore, the excess revenue available to apply toward the roadway network or any other Bridge Street District improvement is \$10 million. The minimum service payments alone paid by the property owners for Blocks B and C will pay for the parking structures within these two blocks.
- The anticipated roadway debt, principal and interest is expected to total \$15.7 million. Applying the \$10 million excess leaves a \$5.7 million gap. Pending the development on the H2Salvi's or Cooker site, that TIF revenue could be used to offset that gap as well.
- Assuming no increase in valuation, the TIF revenues – backed by a minimum service payment guarantee for Blocks B and C and the H2Salvi's Block -- are anticipated to fund fully the City's contribution to this project, which are the public improvements of the roadways and two public parking structures.
- For the developer's responsibility for future public improvements in future phases:
  1. Five parking structures and an events center, totaling \$55.4 million.
  2. Financing the remaining roadway improvements that total \$5.5 million.
  3. Their total investment for just the public improvement portion is therefore \$60.9 million.
- Regarding the sources of funding for the developer's public improvements, there will be TIF revenues or service payments generated on all commercial properties within the area, with the exception of Blocks B and C, which are dedicated to the City. There will be the NCA charge on owner-occupied properties with the property tax abatement as well as any other charge the NCA might levy, such as an NCA bed tax revenue – separate from the City's bed tax. The City has proposed an annual bed tax grant equal to 25 percent of Block A hotel as well as the Cooker site hotel revenue that the City receives. In addition, there are private sources of funds the developer has available to fund the improvements.
- In order for the developer to receive the incentives provided in the agreement, including the TIF and allocation of service payments, the bed tax grant, and the public funding for their improvements, certain criteria must be met. Those are outlined in the staff memo and are addressed in Section 10 of the Development Agreement. There are 24 incentive contingencies. She highlighted several:
  1. Prior to any incentives being given for any block development, the developer must:
    - Provide fully executed bond documents for the Columbus Franklin County Finance Authority debt, providing bond proceeds sufficient to pay all public improvements costs.
    - Provide the Cooperative Agreement for the Ohio Water Development Authority loan, to the extent it is needed to fund the Community Facilities on that particular block.
    - Provide evidence that the equity investment has been funded for the private improvements.
    - Present to the City loan documents for the commercial costs of the Block.
  2. Purchase option provides the City the option to purchase any or all Blocks if the development of those Blocks does not achieve certain milestones.

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3. Completion guarantee for Phase 1 and 2 by the developer and the principals of the developer, which guarantees that the value of what is constructed is no less than what is outlined in the agreement.
4. Public parking covenant, proving that all parking spaces in the public facilities except those reserved be held open to the public and may be subject to a parking fee.

In addition to the development agreement, there are a number of ancillary agreements included for Council's review and consideration tonight.

- Exhibit 2 is the Infrastructure Agreement between the City and the Developer. This provides for the manner in which the developer will be reimbursed for the costs of the roadway improvements.
- Exhibit 3 is the Service Agreement and Agreement as to the Imposition of Continuing Priority Lien, which is an agreement between the City, the developer as well as the property owners providing for the collection of the statutory service payments and minimum service payments from the property owners.
- Exhibit 4 is the Community Reinvestment Area (CRA) Agreement. The parties to this are the City, the developer and the property owners. This document provides the property owners of owner-occupied housing a 100 percent real property tax exemption for 15 years. In order to receive that, the developer will be required to make approximately \$224 million in private improvements within the CRA area. The developer has estimated there will be approximately 1,700 new full-time equivalent jobs by 2022, with an estimated payroll of \$14 million per year.
- Exhibit 5 is the Tax Increment Financing and Cooperative Agreement between the City and the Columbus-Franklin County Finance Authority (CFCFA). This document provides that the CFCFA will finance the community facilities and the roadways that are not otherwise funded by the City. The City will transfer assigned payments it receives (service payments, NCA revenues for all blocks other than B and C and Salvi's) to pay the debt.
- Exhibit F is an Option to Purchase Real Estate, and the parties to that are the City and the developer. This provides the City with the option to purchase any or all blocks where the developer has not performed as per the agreement.

### Recommendation

After many months of negotiation, staff recommends that Council approve the development agreement on August 10 as an emergency, based on the benefits to the City, including:

1. The catalytic nature of Phase 1. The developer will be guaranteeing development of Blocks B, C, Z and the Cooker site, which constitutes \$155 million of new private development. This first stage is the most catalytic to this development as well as the Bridge Street District in its entirety.
2. Based on the structure of the agreement, with the City receiving guaranteed service payments from Blocks B and C as well as extra revenue to be able to fund roadway improvements is beneficial.
3. The developer is responsible for financing 100 percent of the future phases, and therefore nothing in this document commits the City to future obligations with respect to future phases of the development.
4. It is expected that this project will generate new jobs for the City, which is an important component for the City's economic development competitiveness.
5. There is a limited amount of commercial tax abatement, which provides the City with an upside as commercial valuation increases.

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In terms of timing, the first readings of the development agreement and the Incentive District TIF being created under ORC Section 5709.40(C) are being held this evening, with the second reading on August 10 – four weeks out. At that time, staff will request Council approve the ordinances as emergency. Staff also anticipates a first reading of the Commercial TIF, created under ORC Section 5709.41 at the August 10 meeting with second reading on August 24. At a future point in time, bond ordinances will be brought forward for Council consideration.

Brent Crawford, Crawford Hoying thanked Council for scheduling this Special Meeting tonight. He is a Principal with Crawford Hoying in Dublin, Ohio. Other principals with Crawford Hoying are also present to respond to questions after his presentation.

He noted that Crawford Hoying has been working on this project for close to three years. They are very proud of the progress to date. A challenge has been communicating and taking their development vision from early drawings to the images seen today. They have created a video of what they envision for Bridge Park. [He shared the video.]

This video will be used to attract local businesses, outside businesses, restaurants, retail, and other types of tenants for the development. In addition, the video closely matches the City's vision plan that was adopted in October of 2010.

- City staff has presented the financial elements and other pieces of the agreement, so he will not repeat what has already been addressed.
- He noted that this Phase and the project in general has undergone an evolution, based on their own experience, their discussion with tenants locally and nationally, and input from the City. Originally, they had planned over 900 apartments slated for the east side of Bridge Park, but that is now 720. The reason for this is the tremendous interest in the office use, the retail and restaurant users, and the grocery store. The original grocery was slated as the 15-20,000 square feet range, but now will be in the 70,000 square feet range. These changes reflect adapting to the market conditions. They feel positive about the first blocks as many of the spaces are already committed to actual tenants.
- Building Z on the west side of the river is a smaller, but significant development and important to Historic Dublin. This representing 14,500 square feet of office and restaurants on two floors, plus 42 residential condominiums and 220 parking spaces. This represents a \$42 million investment on the west side of the river.
- He shared graphics with images of various portions of the development. He pointed out that outdoor space is very important to both the commercial tenants and the residential tenants. Outdoor office space is not typical in the Columbus area, but some type of outdoor balcony or outdoor patio space will be offered within the development. It also helps to create energy in the development. A number of office tenants noted that this outdoor space helps draw them to the development, enabling them to have outdoor meetings if the weather permits.
- He shared a graphic that shows the pedestrian bridges connecting the two structures, which is a critical portion. Convenient access is needed for the parking structures. It is also an architectural feature for the property. There will be direct access for the residential parkers into the buildings, which is important due to Ohio weather.
- He shared a slide of one of the parking structures. It will not appear as a traditional parking garage, and each structure will have a different flair so they do not appear as parking structures.
- On the west side, the portion fronting High Street is in character with what exists in Historic Dublin – high quality materials, two story.

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Another slide depicts the view from the south end, with Oscar's to the right. Cameron Mitchell plans a steakhouse in this location. The condominium building in the back is a taller building, but from the High Street level, it will appear to be two or 2-1/2 stories.

- He shared the rear image of the condominium building, featuring lots of outdoor space, significant outdoor patios, noting they will be viewed from the pedestrian bridge users. All of the images shown are based on construction documents, not concepts. The west side part of the project has full approvals, as does Block C, with nearly final approval for Block B. The suggested changes for Block B are being implemented at this time.
- In terms of development feasibility, these are major investments on the part of both the City and developer. Before engaging in such a project, they want to be confident they can perform it. One of the risks of development is investing significant monies upfront before there is a firm deal. However, Crawford Hoying was very confident in their abilities, and confident in the City's vision that matched theirs. In order for the projects to begin, they must fulfill these criteria:
  - Debt Financing
  - Equity Financing
  - Leasing Requirements
  - Market Feasibility Studies

All of these have been satisfied. They have their loan commitments, which have been shared with the City; their equity financing is in place; they have met the leasing requirements for tenants; they have retained experts to do market feasibility studies, to ensure that the rents expected were able to be matched and what product type should be priced higher or lower. All of this is augmented with their experience with developments they have created and other developments occurring in Central Ohio at this time.

At this time, they have leases in hand that verify that the project rents were correct, or in some cases, more than what was originally projected.

- One question that has come up is why Crawford Hoying is developing all the mixed-use phases. The hotel is being developed by another developer, and Crawford Hoying will sell them the land. They are selling off the for-sale home products (Block H on the east side) to another developer. The remaining blocks are all mixed-use blocks – first floor retail, mix of office and residential. There is a desired sequence of development and a need to balance absorption for leasing and rental rates. They want to control how the development occurs, ensuring it is stable as the blocks are developed. Based on the interest received to date, there is significant interest in future blocks and negotiations are underway for those.
- In terms of lender commitments, they have many lending partnerships used over the years. Some are local with offices in Dublin, and for them it is a signature product. FC Bank is doing Block C; Fifth Third is doing Bridge Park West – Block Z; and F&B Bank is doing Block B. For various reasons, these lenders were chosen as they provided the best terms.
- No one does more underwriting and due diligence than banks, based on the economic crisis that happened in 2008-2011. The underwriting commitments are in place for the development.
- In regard to market trends, they see this each day in the tenant meetings. Dublin is at the forefront of responding to the market trends. There are tenants coming to Bridge Park that otherwise would have left Dublin, based on direct conversations with them. Employees are seeking this type of environment.

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- Regarding Crawford Hoying's capacity in terms of scope of the project, they are at \$155 million of development, not including the land. There is total estimated construction debt of \$120 million and private equity of \$35 million. This is just for the first three Blocks. While it seems a lot to many, it is not based on Crawford Hoying's experience. In the last 36 months, they have financed values of \$280 million in property compared to \$155 million for Bridge Park; they have received \$218 million in loans versus \$120 million for Bridge Park; total equity return to Crawford Hoying in the last three years is \$77 million, much of which is used to fund the equity portion for this development.
- Much of the hard work has been completed for Bridge Park – assembling the land, with \$17 million purchased and closed; paid out nearly \$10 million in soft costs to date to top consultants in the area, including architectural firm Elkus Manfredi of Boston who has master planned these types of developments across the country; Moody Nolan who has offices around the country; and three years of effort by Crawford Hoying, involving many of their 180 employees. In addition, City staff have invested much time with them to align the visions. They have met over two plus years to ensure this alignment, and that the roads matched the development and vice versa; and to ensure their product met the City's expectations.
- They often hear a comment that Bridge Park is a very big development for Crawford Hoying. His response is it *is* a really big development for anyone. But he wants to make this investment in the City where he lives, where his office is located, where their headquarters will be located, where their vision and the City's is aligned in terms of their understanding of what is happening in the marketplace. All of the principals of Crawford Hoying are Dublin residents as well, and they believe in this project. They have had an investor group in place for 20 years, and most of them are Dublin residents who have lived in Dublin for many years. Not only is Crawford Hoying investing in this project, but local investor are doing so as well. They reviewed various lenders and equity firms, but felt it was important to have Dublin residents invested in this Dublin project.
- He addressed why the City needs to participate in the development. If the developer were to construct a dense, mixed-use project as proposed without structured parking, it would require nearly 30 acres of surface parking. That would not align with the City's vision of a walkable development. The alternative is to do structured parking, which is inherently more costly than surface parking. That is a main reason for City participation in this portion.
- The high quality street and street grid are more costly than what is typical in other developments. These include brick pavers, granite curbs, planters, etc.
- The general materials that Dublin is requiring warrant using financial tools. Because tools are available for use, it is possible to deliver a first-class product that would typically be built in a downtown market in terms of quality, but it will be in Dublin.
- The model being used is one used across the country and similar models have been used in their other developments. In this case, Crawford Hoying is repaying 100 percent while in most other models, it is not being repaid – they are contributing the funds to make the developments happen that would otherwise not happen.
- The tools to be used are the CRA, TIF and NCA, and it is important to note that the City will be repaid in full for the two garages and roadways with revenues generated from Blocks B, C and the hotel.

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- This development is designed to attract and retain employers and talent within Dublin. It also creates a first-class dining destination and an events center that will be attached to the hotel. This will accommodate weddings. The grocer understands the marketplace, which now includes four stories of residential units above the grocery store. This is happening across the marketplace.
- In terms of why the apartments are needed, they are critical to the future housing health of Dublin. There are not entry level rental units available. To attract someone to move to Dublin, it is important to have a price point appropriate for young professionals. It will help protect the housing values for others by providing future purchasers for existing homes in Dublin. In Bridge Park West, all but one are empty nesters, generally coming from homes in north Dublin. The apartments will provide an incubator to keep the housing market healthy.
- This development begins a catalytic trend and sets a transformative tone for Bridge Street as the first phase. It is a great start to this District. It is important to send a message to the region that Dublin is open for business and investing in the future. He noted that the review of a proposed project in Dublin is not easy, but there are benefits in the end – protected property values and other positive benefits.
- The public structured parking enables Crawford Hoying to create thousands of parking spots that will directly serve the riverfront parks, Historic Dublin, and the projects themselves. It is paid for by project taxes. If the City wanted to build a parking garage for the park, they would have to fund it and there would be ongoing maintenance needs for that garage. In this case, people will use the park and garage, and the maintenance costs will be covered for it, even though it is a public use.
- In terms of the establishment of the street grid, much of that was proposed prior to their involvement in development. Their product is a catalyst to facilitating the construction of these streets.

He offered to respond to any questions.

Ms. Chinnici-Zuercher asked Mr. Crawford to introduce the Crawford Hoying team.

Mr. Crawford introduced Matt Starr, Director of Development; and Nelson Yoder and Bob Hoying, principals of Crawford Hoying.

Mr. McDaniel added that Greg Daniels, Squire Patton Boggs is present tonight. He is the City's Special Counsel on this project and can also respond to questions.

### Public Testimony

Chris Amorose Groomes, 5896 Leven Links Court, Dublin commented regarding the economic development agreement under consideration. She is a firm believer in the vision of the Bridge Street District, although she does not support the manner in which it is being executed.

- The commitment of public funds to this project is unprecedented in this community. This is the largest financial endeavor the City has undertaken. It exceeds the funding the City provided for all eight phases of Emerald Parkway – from Tuttle to Sawmill. Emerald Parkway was an investment that took nearly 20 years to fund and construct. It has a very measurable return on investment, generating more than \$17 million per year. The success of Emerald Parkway is dependent on more than 100 companies that call it home.
- Conversely, the funding of the project contemplated tonight is outlined by the developer's publicized document. It is said to have a completion

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date of around 36 months. It is fast spending. The success of this agreement is dependent on a single, newly formed LLC.

- The public has not seen any documentation by the City of the community's return on this investment. It is that kind of speed that is of greatest concern to her. The over 200 pages of documents outlining this massive spending were made available to the public for the first time on Saturday morning – about 61 hours prior to this meeting. This level of spending with 61 hours to review the documents is unfair to the taxpayers of this community. One could argue this is just a first reading and a second reading will be held on August 10, and there is ample time to review this document prior to then. While that may be true, a larger problem has been set in motion. The opportunity for meaningful public debate has been reduced from two opportunities to one and a reduction in the public comment opportunity. The brevity of the review process given the magnitude of the decision is alarming. Furthermore, by declaring this an emergency tonight, it makes it impossible for the citizens of the community to petition for reversal of Council's decision, if they should choose to do so.
- The public will have no forum for redress, once the agreement is approved. In the rush to implement this project, City Council altered the public review process to give more weight to this body and less to the citizen-led appointed bodies.
- Public funds are being used to promote private development that does not have a clear return on investment.
- The public opportunity for debate has been effectively reduced by half, and the citizens have been denied their opportunity to petition by referendum their displeasure for this agreement.
- These are merely symptoms of the larger issue at hand – one that those who are not yet in our community are apparently more desirable to this body than those who already are.
- She asked that Council not pass Ordinances 44-15 and 45-15 as emergency.

Don Spangler, 3614 Jenmar Court indicated he will pass on testifying at this time.

Mayor Keenan invited anyone else in the audience to address Council at this time.

[No one came forward.]

### Council Questions

Ms. Salay noted she wants to address points made by Ms. Groomes. She wants to make sure that if Ms. Groomes has an opportunity, she would be willing to ask her questions – tonight or on August 10. It is really important to understand what Council is doing and not doing. She read an e-mail from Ms. Groomes' co-candidate, Mr. Walter, today. It was grossly inaccurate with lots of misstatements. Mr. Walter admitted that he was on vacation and did not have much time to look over the documents. As Ms. Groomes is now a candidate for City Council, she has a responsibility to the public to make sure that the information she delivers is accurate and factual. She is entitled to her own opinion, but not to her own facts. It does a huge disservice to the public when she misstates, misquotes, and does not provide information that is completely factual. It is really important, and it seems clear that she does not fully understand what is being proposed tonight. She needs to ask questions and make sure they are answered in order that she fully understands what the City is doing. That is her duty, and she owes that to the citizens of the community.

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Mr. Lecklider asked the Crawford Hoying representatives to speak to the apartment issue raised by some individuals in terms of their concept of apartments. His interest is in the public having a better understanding, for those who do not up to this point, of what is being proposed. This is not the traditional suburban apartment that exists in many parts of northwest Columbus and Central Ohio. What is proposed is something different, and the vast majority are one bedroom – not oriented to families. Crawford Hoying has experience with the projects they have built, and Council and staffed toured the project on Lane Avenue. Given the desire not to increase the property taxes that support the schools, how many units are in the Lane Avenue project that is completed, and how many schoolchildren reside in those units?

Mr. Crawford responded there are 108 units and six schoolchildren in the development. Of those six, five were already in the school district and one parent needs temporary housing in the same district. Apartment renters today rent by choice, instead of from need. The average income of those living in the Lane Avenue apartments is over \$100,000 per year, and they have the ability to purchase a home if they so desire. Some want to travel and do not want to own a home. The baby boomers are driving this trend. At Bridge Park, most of the inquiries relate to empty nesters leaving their homes, who desire walkability and flexibility. They are not deterring families from renting the apartments, but based upon the type of apartment and amenities, families are not attracted. There are studio and one-bedroom apartments to accommodate those who work in the District. The apartments have high quality amenities, such as granite and stainless appliances. Many just make the choice to rent.

Mr. Lecklider asked about the number of schoolchildren estimated in Bridge Park West, which consists of 40 owner-occupied units. Mr. Crawford indicated that the vast majority are empty nesters.

Mr. Crawford responded that there is one unit with a child. In addition, he will be moving there with his child who is a senior in high school. He estimates the average age will be 60 or over.

Mr. Reiner commented regarding the “fear and smear” tactics of certain personalities in the community regarding apartments. It is clear there is a change coming, with people wanting to rent versus own homes. Many are financially well off and able to make a choice to rent or own. Many of the 40 units already sold are his neighbors who no longer want to take care of yards. Are there statistics available about what percentage is senior citizens and what percentage is young professionals? Is there a ratio?

Mr. Crawford responded that, generally, in other developments they have done, and other existing ones, the transition has continued to happen, and the average age becomes older. He recalls that 40 percent of the Lane Avenue renters are over 60. There are quite a few renters in their 70s. Based on the information they have about these individuals, they are capable of owning, but are making the choice to rent. This is a trend occurring across America, and their company will develop to meet the marketplace needs.

Mr. Reiner commented that the City worked with three demographic firms studying this trend before the initiative was launched, and came to the conclusion that for future City success, these changes must be made.

Mr. Lecklider noted that Mr. Crawford mentioned his underwriting experience with traditional lenders. He asked him to elaborate, based on his experience pre-recession and now.

Mr. Crawford responded they have been in business 21 years with the same principal group. They are well over \$1 billion in transactions done. He has borrowed more than \$1 billion in the past 20 years, and he is quite familiar with

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debt underwriting and what it takes to finance and develop properties. They have taught a class at Ohio State on pro formas – how to develop them, how to understand them, what goes into them. They work in conjunction with their lenders and appraisers. If there is not comfort with the numbers, the loans will not be approved as the lender must be assured the debt can be refinanced. They also have an independent broker working with them who reviews the numbers as well. In addition, bank boards must approve these loans as well. It is far more difficult than in the past.

Mr. Lecklider stated that he believes those who understand the development business would not describe this as a risky venture – particularly in light of lending and underwriting requirements.

Mr. Crawford stated that this is the most conservative approach they have ever taken to financing in terms of the amount of debt they are taking on. Bridge Park is generally in that 60-70 percent range, where it is typically in the range of 83, 85 or up to 90 percent construction debt. They have taken this approach as it is a legacy deal for them. It must be successful, and by reducing the debt, it protects them significantly, protects the City, and ensures that the project is successful.

Mr. Reiner noted that Dublin was built on the concept of housing that would draw a CEO to Dublin, and that CEO, in turn, would lease the office buildings in Dublin. He recently has become aware that many CEOs are moving to the urban environment, taking them out of Dublin. Most CEOs desire a short commute to their offices. Are there any statistics on these individuals who have made Dublin financially robust and now are leaving for an urban, walkable community?

Mr. Crawford responded that he is aware that several business owners have sold and moved to the Short North, primarily because that type of housing does not exist in Dublin. A number of the depositors in the Bridge Park West project are significant business owners and they had planned to leave Dublin but for this new product with walkability, accessibility to restaurants, etc.

Mr. Peterson stated he has procedural and substantive questions for staff. He asked what process is done to advertise the legislation, in view of the fact only one speaker has testified tonight.

Mr. McDaniel responded that the meeting agendas are advertised at least one week prior to the meeting, including the titles of legislation. The packet of legislation typically is sent on Thursday evening or Friday morning and the materials are posted as soon as possible. In this case, the Special meeting materials were posted at 6 a.m. on Saturday morning. The Charter requires public notice of meetings and the titles of legislation to be considered.

Mr. Peterson asked if the posting indicates that public testimony will be taken at the meeting.

The Clerk responded that Council has a practice of taking public testimony at both first and second readings for legislation. The second reading is the formal public hearing, but because there are just two readings per the Revised Charter, Council has been receptive to and has a practice established of taking public testimony at both readings.

Mr. McDaniel added that, based on his history with the City, Council has always taken public testimony at Council meetings, and the only limitation has been on the time, in order to allow everyone the opportunity to speak. At work sessions, Council typically does not take public input, as these are designed as in depth studies of issues, which will later come to Council as legislation. As Council has done tonight, public comment has been taken at first reading; per the Charter, the second reading is the formal public hearing that is held before the vote on the legislation.

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Mr. Peterson noted that many work sessions were held on various aspects of the Bridge Street District development.

Mr. McDaniel responded affirmatively, adding that the negotiations for the development agreement have been ongoing, which is not unusual. Staff believes the development agreement at this point is in final form, and if there are any changes, the documents will be shared well ahead of the next meeting.

Mr. Peterson asked for confirmation that there has been nothing that has limited or short-circuited the review process or public participation.

Mr. McDaniel responded that staff has worked very hard with this developer to try to advance to Council the consideration of this agreement. Staff had hoped to have the legislation to Council by July 1, given the scheduled recess until August 10. Since that was not possible, staff requested a Special Meeting of Council for the first reading of the legislation. This schedule actually allows four weeks between first and second reading for the public to review the information. Staff will be available to anyone who wants to meet to review the details and make sure everyone understands what is being proposed, what the impacts are, etc. In fact, the input opportunities for this legislation have actually been extended because of this scheduling.

Mayor Keenan clarified that several iterations of the agreements were sent back for further review, and there have been several different scenarios. Council did not want to bring the agreements forward to the public until all were comfortable with the terms of the development agreement under negotiation.

Mr. Peterson asked for confirmation that the documents will remain on the City's website between now and August 10 for anyone to review.

Mr. McDaniel responded that is correct. If there are any changes prior to the second reading, staff will provide those to Council and the public as soon as possible.

Mayor Keenan added that this meeting is being livestreamed and will be available for review on the website as well.

Mr. Peterson asked about the reference made in testimony tonight about the review by the Planning and Zoning Commission. His understanding is that two of the blocks have completed the review, and the third is nearly complete. This review was completed by the Commission as has always been done.

Mr. McDaniel stated that the project has gone through significant review for all the blocks. The Commission has had this process review for all blocks throughout. There were some points where Council requested they review some portion, but this particular project has always been advanced to the Commission or to the Administrative Review Board. There is one block still under consideration, and it was reviewed on Thursday evening at the Commission. There are some remaining architectural issues that the Commission will review again on August 6.

Mr. Peterson asked for confirmation that all of those meetings are open to the public, are advertised and the materials posted online.

Mr. McDaniel confirmed this.

Ms. Salay added that, given the level of interest in the community, she was surprised that at the eight or more Commission meetings where the Crawford Hoying project was reviewed, there was no public testimony.

Mr. Peterson stated that as he understands, the City's participation would be in the first two parking garages and the road grid. After that, the investment made by Crawford Hoying for future public improvements will be \$61 million. Mr. McDaniel stated that is correct.

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Mr. Peterson asked if it is correct that 100 percent of the City's contribution is created by the development itself.

Ms. Mumma responded that is correct.

Mr. Peterson stated that, therefore, no taxpayer money is being diverted from any other City project, any taxpayer or any other project in the CIP to this project.

Ms. Mumma responded that is correct. The dedicated revenue stream from the service payments within Blocks B and C will fully fund the parking structures. For the roadway network, the remaining minimum service payments, should the TIF service payments not be sufficient, in addition to the TIF revenue received on the Cooker site is expected to fund it in full.

Mayor Keenan stated that to clarify, the roundabout is a separate project.

Ms. Mumma responded there are a number of public improvements that are not directly attributable to the Crawford Hoying project but have been contemplated by the City for many years. They have been in CIPs from years ago, and include the realignment of Riverside Drive and the roundabout.

Those were always anticipated to be funded through income tax revenues.

With any TIF created in the Bridge Street District, staff will look for opportunities to offset some of those expenses with TIF dollars or any other revenue sources available. However, those improvements are not in any way directly related to the Crawford Hoying Bridge Park development.

Mayor Keenan asked her to speak to the riverfront park.

Ms. Mumma responded that is a similar case.

Mr. Reiner stated that it is interesting there are so many misleading statements about how these monies are being spent. What he finds beneficial is that over the past 10-15 years, there has been interest in having a parking garage in downtown Dublin. It is interesting that the City now has a vehicle to build parking garages. He commends staff for this means to avert this expense for the taxpayers.

Ms. Mumma stated that as Mr. Crawford has indicated, parking garages are not uncommon improvements for City funding participation. They are commonly funded by public entities throughout the country in support of redevelopment.

Ms. Mumma clarified that when the City issues debt for a project, regardless of the fact that there will be a minimum service payment guarantee in place, the City will have a dedicated revenue stream. From a conservative planning standpoint, Council will see an allocation of income tax revenue to fund a portion of that. As explained during the presentation, that is simply for planning purposes to demonstrate to City investors and rating agencies that the City has done its due diligence and is conservative in its financial planning. There will be a reserve for this debt, but there will be revenues to offset that payment.

Mr. McDaniel stated that is a common practice for TIFs and the debt service structures in the past.

Mr. Peterson asked about the statement about Emerald Parkway and the income generated from it. Everyone agrees it was a wise decision and a brilliant investment and it worked. The TIF funds paid for the roadway, and the businesses came. Isn't that the same logic for this project?

Ms. Mumma responded it is no different – it is just a larger scale. For the Vrable development, they committed to building a certain level of structure and to minimum service payments, which are used by the City to reimburse the City for the roadway improvements. The same occurred for Emerald Parkway. When development occurs on Emerald Parkway, the City will establish TIFs throughout that area to repay the City for the roadway investment. For any

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TIF areas, where the City has fronted the payment for the infrastructure, the repayment comes back through the service payments by the property owners in lieu of property taxes.

Mr. Peterson asked for confirmation that all of the research and studies are consistent that this is what is necessary to maintain that kind of economic development.

Ms. Mumma responded affirmatively.

Mr. McDaniel noted that Emerald Parkway has served the City well, and Phase 8 has opened up another 100 acres of freeway frontage. Staff has been pushing that opportunity for development for 10 years. To date, there is not any building on that property. This is a great opportunity from a traffic management aspect, but there have been no new buildings on Emerald Parkway for quite a few years. The only exceptions would be Delta Energy and IGS Energy. However, supplying the future workforce to the businesses in Dublin is the key to future success for these areas. It is important to keep this in mind. These same workers will someday buy the single-family homes.

Mr. Peterson stated that, given the proximity of Phase 8 of Emerald Parkway to Bridge Park, it seems the potential for development of that 100 acres would increase significantly.

Mr. McDaniel agreed.

Mr. Lecklider followed upon on Ms. Mumma's comments with respect to her financial analysis and the rating agencies. Ms. Mumma has indicated to Council that her analysis and discussion with the rating agencies has resulted in them advising the City that the rating, currently at the highest level with both Fitch and Moody's will not change as a result of the City's participation in this project. Is that correct?

Ms. Mumma clarified that staff has not had discussions with the rating agencies. In fact, in the current climate, there is limited ability for discussion in advance of a rating. However, the experience of the City's financial adviser who is not present tonight, and who deals with economic development projects throughout the state of Ohio, indicates that he does not anticipate that the rating agencies will have any issue with what the City is proposing. As additional validation of that, she noted she has recently issued a request for proposal for underwriting services. Part of the response requested was to tell the City what they think the rating agencies will say about this level of a debt issuance. It is more debt than what has been issued by the City in years past, but none expressed concern about the City losing its rating. Staff has not engaged in conversations with rating agencies, but from a statutory debt limitation standpoint, this does not come close to touching the City's debt limits.

Mayor Keenan noted the City's reserves are significant, and the bonding capacity set by statute is still significant, even with this.

Ms. Mumma stated that in addition to the statutory limitations, the City has its own self-imposed limitations that are part of the CIP process that are reviewed each year. What is proposed still fits in with this. She added that the benefit of the proposal being considered is the minimum service payment guarantee that exists. It is an additional "backstop" should the TIF revenues not materialize as expected. This is a game changer in her opinion.

Mr. Lecklider summarized that the approach that she, Council and the Administration have taken is to design the City's participation such that the credit rating stays at the same high rating as it has been for many years.

Ms. Mumma confirmed that is correct.

Mr. Lecklider stated that it has been alluded tonight that, over the course of this negotiation, there have been different models and iterations considered.

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He asked that she comment, from her perspective as Finance Director, about why she feels most comfortable with the agreement brought forward tonight – where the City's participation is with respect to two parking garages and no future parking garages, which will be the developer's responsibility.

Ms. Mumma responded that at the public presentation in May, staff outlined the goals and objectives with respect to this agreement. While staff had a self-imposed July 1 deadline to present this to Council, the document in front of Council tonight is well thought out from every aspect, and is something that works for both the City and the developer. This particular model isolates the City's investment to Phase 1 only. The City's repayment for its contribution to this via the public improvements is not dependent upon any other future phases. That was important, because if the future phases did not happen, it would impact the City's ability to recover revenue. By isolating the City's participation into this first phase, and having a revenue stream dedicated that will repay, the City is in a better position. The time taken to review the incentive contingencies, to have an understanding about the lending, makes for a document that is supportable and is one that staff recommends adoption of for the betterment of the City of Dublin. In the past, there were concerns about the refinancing risk, but by isolating the participation to Phase 1 and the City alone doing those two garages and the Phase 1 streets, this concern is eliminated. The goals and objectives outlined, and the risks to be mitigated have all been accomplished in this document.

Ms. Salay stated she appreciates all of this explanation. This is basically a TIF, accompanied by some newer tools. In regard to the other five garages and other roadways in the future, those total \$61 million. So in effect, if things go as expected and Phase 1 is a success, the City has the absolute certainty that the debt would be repaid by the revenue from the TIF. Moving on, if the future phases occur, the private developer will invest \$61 million in public improvements.

Ms. Mumma stated that is correct.

Ms. Salay stated that there is discussion in the documents about the Wendy's site and if it were for sale, the developer has first right of refusal. She asked for further details.

Mr. Foegler responded that it is not unusual, given this level of investment by the developer, effectively creating the value, to bring something first to the developer if the City were to make that site available for private development. In recognition of the developer's over \$200 million of development on adjacent property, staff felt it was a reasonable commitment. The land would be purchased at a market price, if the City would decide to make that site available for private development.

Ms. Salay asked about the acreage remaining on the site after the City's needs are accommodated for the roundabout.

Mr. Foegler responded the developability is increasingly challenged, as that project continues to encroach more on the site. Staff will provide the best information available before the next meeting.

Mayor Keenan stated that it does not seem there will be much land remaining after the roundabout completion.

Mr. Foegler responded that it is difficult, and the only meaningful access would come from the site to the east going forward.

Mr. Lecklider asked Mr. Crawford to speak to pre-leasing in connection with lender requirements. To the extent anyone would view this as speculative, he asked him to speak to that.

Mr. Crawford gave the example of Lane Avenue development. At the outset, the project was zero percent commercially leased, which is not unusual. They

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leased throughout the construction project. In Dublin's project, given Crawford Hoying's confidence and what they were investing in the City's vision, they have been able to have tenants at the table ahead of time. Some of this relates to the way Dublin has developed. Many owners of businesses – both commercial office, retail, restaurant – have wanted to be in Dublin, but the opportunity has not presented itself. As soon as this was shown to them, they wanted to sign on. At this point, from a commercial perspective, they are at the 60 plus percent commercially pre-leased on Block C, which will be closed first in terms of the loan. Block B will follow thereafter, and that pre-leasing is also going well. The tenants are slotted in, based on when they want to open. The protection for the City is Crawford Hoying does not build a project that will not be occupied, as they will not be able to close their loans. Their equity must go in first -- ahead of the lender, and must be spent in full before the lender will release any funds. The \$30 million plus they will have invested will have been spent with construction costs before the lenders put their funds in.

Ms. Chinnici-Zuercher stated that Dublin is fortunate to have new residents in the City on a continual basis – whether corporate or residential. In addition, people do not generally become engaged or involved until something physically occurs that alerts them to a project, and that is what is taking place now. She reminded the public that this process for the Bridge Street began five years ago and the public was engaged heavily in that process. There were national speakers that presented, community town hall meetings, charrettes. Fortunately for Dublin, Crawford Hoying came forward and expressed their interest in this initiative. It could have been another developer, or more than one developer, but it was Crawford Hoying. They have been working with the City for an extended time to execute the vision contained in many brochures, on the website, and which was initiated five years ago. What is important to remember is that Council did not begin this process in a "vacuum" but from an educated, well-researched standpoint. It has continued to be reinforced across the country that this type of development is what both the next generation and the baby boomer generation want. This same trend is affirmed in the Columbus 2020, Insight 2050, and the Battelle Study – locally and in Ohio. Dublin, fortunately, many years ago recognized that the relationship between the corporate community and the residential community was critical in terms of funding the community – building the infrastructure and providing the services desired through income tax revenue. In order to continue this, the City needs to continue to make available both housing and corporate space for people to live in Dublin and to pay for the amenities that have attracted people to Dublin. This is simply a continuation of what has been done over past decades – meeting what the research has indicated is needed, both locally and nationally. This is a fantastic opportunity, and again Dublin has been listed in publications as a local community that is taking the opportunity to move forward in executing this vision. Hats off to Dublin in continuing the progressive approach that the community has had for 30 or more years throughout its development.

Vice Mayor Gerber stated that Ms. Chinnici-Zuercher is correct in that Dublin has been working on this for a number of years, yet people do not often pay attention until the project is imminent. He noted that he appreciates all of the efforts of Mr. McDaniel, Mr. Foegler, Ms. Mumma and Mr. Crawford. Many of his questions and comments have already been discussed this evening. He appreciates the fact that the first reading is being held tonight and that there are four weeks prior to second reading for further review. His background is in tax and finance, and he is interested in reviewing numbers. He assumes that many models have been run, based on various scenarios in the market. He would like to review the various models prior to the second reading.

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Where the document indicates "the City will review" or "developer will submit to the City for review and approval" – will that review be done by City staff?

Ms. Mumma responded affirmatively – the review would be done by staff for each block.

Vice Mayor Gerber asked to what extent Council will review items related to this agreement going forward.

Mr. McDaniel responded that this is a complex agreement, with many moving parts, and there will be a need internally at staff level to ensure the execution of this is closely monitored. In addition, the New Community Authority for Bridge Park will be in place as a separate entity, and that will require monitoring by staff as well.

Vice Mayor Gerber stated he does not believe it is the role of Council to necessarily micromanage aspects of this, but Council does need to be apprised of various aspects and may desire involvement in some aspects.

Mr. McDaniel stated that as Council reviews the document and if Council determines some decision points are more appropriate for Council than staff, Council can certainly bring those to staff's attention for further discussion.

Vice Mayor Gerber stated that on a Facebook posting today, he viewed a comment related to sales tax and other such items under the Bridge Park New Community Authority. He asked Ms. Mumma to respond regarding the purpose of the NCA, and what they may levy to ensure an adequate operating budget for the new facilities.

Ms. Mumma responded that the NCA has the power to levy a community development charge. It can be based on various things, including property valuations on top of the real estate taxes, which would be used to fund public facilities. In the case of the petition filed for the Bridge Park NCA, in addition to levying a charge based on the valuation of the properties, there is also the ability for the NCA to levy a charge based upon the gross receipts of any retail or restaurant establishment. They can also establish a charge on overnight stays. That is a decision made by the NCA Board, of which the City has appointed four members and the developer has appointed three. Those meetings are open to the public and anyone is welcome to attend. Staff will ensure that the meeting dates and times will be posted on the City website. There are limited uses for the dollars that result from the NCA charges. In particular, many of those charges will go to fund either operational and maintenance of the community facilities, or setting up a capital reserve or debt service reserve to fund those community facilities. Those funds cannot be used for private development purposes.

Mayor Keenan noted that those charges are capped in terms of percentage, correct?

Ms. Mumma responded that is correct.

Mr. Lecklider noted that any of these additional charges – to the extent of the examples given of restaurants or retail – are limited to the parcels that are part of this agreement.

Ms. Mumma stated that is correct.

Mr. Starr, Crawford Hoying added clarification. The petition excluded grocery, and therefore a grocery store would be excluded from that sales tax charge. Secondly, the sales tax on retail sales has not been modeled in the component for financing; the bed tax charge has been modeled, and it will likely be levied because it is typically paid by visitors to the community. He emphasized that the sales tax portion has not yet been modeled.

Vice Mayor Gerber stated that his understanding is that a sales tax would be utilized only if absolutely necessary, and is capped at a small percentage.

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Ms. Mumma stated that is correct.

Vice Mayor Gerber asked Mr. Crawford about the apartments, noting that many are being built around the Dublin area and some ask why the City needs other apartments. How would he respond to this question?

Mr. Crawford responded that in general, people are referencing the Tuttle Crossing area, which is not a walkable environment and attracts a different type of tenant. The City of Dublin, as a percentage of population as it relates to apartments, has the fewest number of apartments per capita of any residential community within the Columbus area. For this reason, Dublin wants to build apartments to attract young professionals. There are areas of Columbus where many apartments are being built, but they are leasing quickly and the market is far from saturation. Even with the apartments planned by Crawford Hoying, the market will be underserved in terms of what could be absorbed.

Vice Mayor Gerber stated that he has heard that some apartments are designed differently to attract a certain element of the market – such as young professionals and empty nesters. He asked Mr. Crawford to elaborate. When the term “apartment” is used, people often recall what was built in the 1970s or 1980s in the Columbus area.

Mr. Crawford responded that the units are designed to match what the market is demanding. If the market changed, they would have to adapt. However, this is a 30-year trend where single-person households – both empty nesters and young professionals – have triggered this demand. In the past, the young professional market drove the leasing rates, but now the empty nester group is seeking this product as well. The trend is expected to continue toward rental instead of home ownership. Therefore, they will build to match the market.

Vice Mayor Gerber asked about the parking garages. He is aware that some of the apartment residents will utilize those garages. He recalls mention of a potential for charging fees to park. He assumes those garages will be public facilities, and those who are renting an apartment will be paying some level of charge for the parking.

Mr. Crawford responded that is what is anticipated for the residential portion and is typical of the structured parking developments around Columbus. It is an important factor in the financial model of that. They have no anticipation of charging for the commercial parking, as the market is not supportive of that at this point.

Mr. Reiner asked about the anticipated construction schedule for some of these blocks.

Mr. Crawford responded that, assuming approval of the development agreement, they would begin construction rather quickly. The loan documents are being prepared in the hope and anticipation that would ultimately happen. Block B, as mentioned earlier, is under review for final approval, and they expect this approval will be secured. They would anticipate a groundbreaking for that block in September, which is also the anticipated closing of the loan. Block C, on the west side, has loan approval and is ready to move forward with approval of the development agreement. They expect that construction would begin within days thereafter. Preparations are being made in terms of buildings being taken down and other legally permitted items prior to the development agreement being approved and executed. This includes items such as ordering steel, and items that have a lead time. There are target dates for delivery for space for restaurants that desire opening in a certain timeframe. From a delivery perspective, they would be in the September-October timeframe of 2016 for Block C and end of 2016-early 2017 for Block Z. This is always dependent upon weather.

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Vice Mayor Gerber commented regarding the proposed hotel at the corner of Frantz and SR 161. During his Planning and Zoning Commission service, in particular, he recalls the importance of gateway features. He perceives that area as a gateway and he and others will likely want to see a special project in that location. He understands the needs of various hotels to build in conformance with their models and brand, but at the same time, this is an important gateway location for Dublin.

Mr. Crawford agreed, and noted he was not satisfied with the first iteration. There is an economic model involved of the room rate for nearby hotels, the average daily rate, what rate is feasible in this location, and what brands are a potential for this site. It is a fine balance. He agreed it is a gateway location.

Ms. Salay asked Mr. Foegler to comment regarding what is different about these apartments in terms of walkability.

Mr. Foegler responded that there are a series of developers doing this product for urban infill, including Casto, Crawford Hoying, Wagenbrenner, etc. It is consistent that these developments are not attracting households with children. The other key aspect is that over 80 percent of the growth in households for decades being one or two-person households without children. In this urban, walkable setting in particular, those products have seen very few school age children living in them. The amenities of restaurants, nightlife, and density all contribute to the attraction of the one or two-person households. With the type of tax increment financing being used for this district, however, there is the ability to convert apartments to condominiums, should the market emerge over time. By having the 40C TIF, which is scheduled for first reading tonight, there is flexibility in responding to market conditions in the future.

Ms. Salay noted what she references is the proximity to walkable destinations for Bridge Street versus the apartments in the Tuttle area or south on Riverside Drive that are not walkable.

Mr. Foegler responded that the demographics that are seeking these environments the most are the young professionals and the seniors because of the walkability to restaurants, parks, and exercise facilities. If the grocery portion comes about, the internal capture rates become even higher, given this type of housing in this environment. Those have not been environments that have attracted households with children.

Mayor Keenan stated that there will be additional opportunity for input at the second reading of this legislation. He summarized that there have been many engaged partners over this entire process, back to the fall of 2009 at the outset, including professional staff. It is noteworthy that there have been 12 Commissioners between P&Z and ARB involved in the process over the period of time, and 15 public officials who have engaged in this entire process – including five School Board members, seven Council members, 3 Washington Township trustees. In addition, there are strong community leaders who have been appointed by the City to the Bridge Park New Community Authority – Rick Schwieterman, A.C. Strip, Sheri Tackett and Lynn Readey. With this level of leadership involvement and engagement over this period of over five years, it speaks to the fact that there is a lot of support for this project. He is very excited about this project, as he is an empty nester who is looking forward to living in a rental or condominium in this area in the future.

There will be a second reading/public hearing at the Monday, August 10 Council meeting.

## **Ordinance 45-15**

**Creating a Tax Increment Financing Incentive District; Declaring Improvements to the Parcels within the Incentive District to be a Public**

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**Purpose and Exempt from Real Property Taxation; Requiring the Owners of those Parcels to Make Service Payments in Lieu of Taxes; Establishing a Municipal Public Improvement Tax Increment Equivalent Fund for the Deposit of those Service Payments; Specifying the Public Infrastructure Improvements that Benefit or Serve Parcels in the Incentive District; Authorizing Compensation to the Dublin City School District and the Tolles Career and Technical Center; and Declaring an Emergency.**

Mr. Lecklider introduced the ordinance.

Ms. Mumma stated this is a residential tax increment financing agreement, also known as an Incentive District. The boundaries of this TIF area are defined as the Bridge Park development. This particular TIF will only apply to the owner-occupied units. The benefit of setting the boundaries of this for the whole area is it does allow for future conversions of apartments to condominiums, if the market calls for that. As outlined in the staff memo, this TIF does require a statutory level of compensation to Franklin County for some of the social service levies unless a compensation agreement has been reached. Staff has reached tentative agreement with the county and staff expects to bring the agreement forward at an August Council meeting.

There was no public testimony and no further discussion.

There will be a second reading/public hearing at the August 10 Council meeting.

**Ordinance 49-15**

**Amending Chapter 35 of the Codified Ordinances to Revise the Schedule of Fees and Service Charges for City of Dublin Services, and Declaring an Emergency.**

Ms. Chinnici-Zuercher introduced the ordinance.

Mr. McDaniel stated that this legislation revises a single item in the 2015 schedule of fees and service charges. Typically, an annual update is done for fees. Staff is requesting this item be addressed as it would provide an opportunity to reduce the compressed natural gas (CNG) prices at the City's pumps, which affects the City's cost and the ability to push more volume at the pump. This will have benefit to the City. Staff is requesting that Council dispense with the public hearing and treat this as emergency legislation in order to take advantage of this pricing opportunity.

Ms. Chinnici-Zuercher moved to dispense with the public hearing and treat as emergency legislation.

Mr. Lecklider seconded the motion.

Vote on the motion: Mr. Lecklider, yes; Mayor Keenan, yes; Mr. Reiner, yes; Mr. Peterson, yes; Ms. Chinnici-Zuercher, yes; Ms. Salay, yes; Vice Mayor Gerber, yes.

Vote on the Ordinance: Ms. Salay, yes; Mr. Reiner, yes; Vice Mayor Gerber, yes; Ms. Chinnici-Zuercher, yes; Mr. Peterson, yes; Mayor Keenan, yes; Mr. Lecklider, yes.

**OTHER**

Mayor Keenan reported that because the City was awarded the *Pro Patria Award* by the Employer Support of the Guard and Reserve (ESGR), the City was nominated for the Secretary of Defense Freedom Award. This award is the highest recognition given by the U.S. government to employers for the support of their employees who serve in the Guard and Reserve. While the City did not receive a Freedom Award, the certificate recognizes the City's nomination. This year, 2,960 employers were nominated and only 15 were selected. He announced that Cardinal Health will be one of the 15 recipients of the Freedom Award on August 21 at the Pentagon. The City of Dublin has been invited by

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the Ohio ESGR State Chair to attend this event to witness the Secretary of Defense's presentation of the award to Cardinal Health. Mayor Keenan noted he will be out of the country at that time and has requested that the Vice Mayor represent the City. Mr. McDaniel added that he will coordinate this with Vice Mayor Gerber.

**STAFF COMMENTS**

Mr. McDaniel noted that on the dais tonight is an announcement from Washington Township regarding the Citizen Fire Academy. Information is posted on both the Township's website and the City's website. The City has had great success with its own Citizen Police Academy and Citizen University. The Washington Township Citizen Fire Academy is designed for adults 18 years and older. There are some fitness requirements, and it will be held on Wednesdays for six weeks beginning September 2 through October 7 from 6-9:30 p.m. at the 6200 Eiterman Road location. Interested residents need to apply by July 31. Mayor Keenan stated that this will be a very interesting and worthwhile program.

**ADJOURNMENT**

The meeting was adjourned at 9:30 p.m.

\_\_\_\_\_  
Mayor – Presiding Officer

\_\_\_\_\_  
Clerk of Council