

Task 3

Task Three includes a list of developers who may have an interest in participating in the Town Center project with the City of Union and Boone County. Provided are company names and contact information. When applicable, we have provided additional information that we received during recent conversations with company representatives. Some company officials had prior information or experience with the Town Center plan, which has been indicated for future reference.

To complete Task Three, several meetings were conducted among Pizzuti associates from development, leasing, construction and the Solutions team. Individuals from other companies with whom we have interacted in the past were identified as first points of contact.

We consulted with several of the professional organizations of which we are members, including ICSC (International Council of Shopping Centers), NAIOP (the National Association of Industrial and Office Properties), etc., to include other companies that may have expressed interest in town center projects.

At the time of contact, we informed development representatives that we were consulting with the City of Union and the Boone County Planning Commission on the Town Center project, to help identify development issues, complete a market analysis, and create a list of prospective development partners. Many company representatives expressed a desire for additional information and we indicated it would be available in the near future.

Several company officials noted that they were researching new projects, but were only considering those projects that provided true partnership with a local government entity. Several officials indicated that 'partnership' meant financial participation. None of the developers with whom we spoke indicated

Even in this challenging economic climate, there are many qualified developers who would be interested in investigating the Town Center project.



that they would purchase a site as large as 100 acres for development, and all noted that current economic conditions have caused them to be more cautious about the projects they choose.

In several instances, developers indicated that they were familiar with the Union project – and two even mentioned talking to representatives from the City or County some time ago. In these cases, there was concern noted about the size of the project, as well as roadway issues (the Mt. Zion Road relocation was specifically mentioned).



Freemont, Calif.

During these conversations, it was conveyed to the contact that we understood their concerns and we assured them that the City and County were taking steps to phase the project, create more specific plans, and address development issues.

During the process of contacting the developers, we conducted internal meetings to examine ways Boone County and the City of Union could work together in partnership with the developers interested in this project. Some of our viewpoints are similarly highlighted in the February/March 2009 issue of Area Development Magazine titled “Shovel-Ready” Projects All the Rage. The article by Editor Geraldine Gambale discusses the importance of making sites more marketable and the need to make these properties available for very quick development and job growth.

This article offers ideas such as pre-permitting, pre-zoning, infrastructure development, community pre-approval and fast track permitting. In order to attract developers, Boone County and the City of Union must explore methods to create a site that is ‘shovel ready.’ Concepts must be manageable in size and already approved for development; incentives must be decided in advance; and a partnership attitude needs to prevail from the beginning.

There are other ways in which communities are working with developers to invite development. We offer some examples of activities undertaken by communities across the country to energize local development and job creation. We are not recommending Union or Boone County adopts any of the following ideas, but only present them as examples of how creativity is being utilized on the local level.

In an article titled “Tapping the Fiscal Stimulus Next Door,” Shopping Centers Today magazine (a publication of ICSC) discusses the benefits communities are realizing when they create homegrown programs that use local funds to jump-start their economies and attract developers/development.

The community of Danville, California has created a grant program that awards up to \$2,000 for merchants to improve their marketing and up to \$7,500 for retailers to analyze and upgrade their store facades. In addition, Danville employs fast-tracked building permits approvals, waives certain fees, relaxes rules on outdoor seating and permits temporary promotional signage.

Danville also offers business workshops to retailers and has created a new website that lists every business in the community. Having programs such as these not only is attractive to interested businesses, but it sends a message to developers that the city, county, and residents are focused on efforts to increase opportunities for success.

In Fremont, California, City Council approved a stimulus package that reduces development impact fees by 10% in the city and 25% in the central business district. In addition, they offer free advertising on their website and free design services for merchant coupons.

Lafayette, California has a stimulus plan that waives sign-permit fees, and reimburses developers for planting trees and improving downtown sidewalks. In the City of Placentia, California, the city sent \$5 coupons to random residents for use in local stores to encourage residents to shop and spend more locally.

And in Beaumont, California, officials have approved a plan to cut development fees that could cost the city as much as \$10 million. However, officials believe that the tax revenue from generated jobs will offset the lost revenue.

Another creative example of local government partnering with businesses and developers comes from South Yorkshire, England. There, town officials have created a plan that pays as much as 50% of the first year's rent for independent retailers opening in town and up to 25% offered the following year.



Lafayette, Calif.

In Gahanna's Creekside, a mixed-use redevelopment project in the heart of old Gahanna that City of Union and Boone County officials are very familiar with, a public-private partnership was definitely at the core of this project concept. A developer and design architect worked closely with the City of Gahanna to develop this concept that is a focal point in the historic part of the City and often hosts community wide events and utilizes public areas that emphasize the natural resources that surround it. The City of Gahanna used tax increment financing (TIF) revenues to build the parking garage on site, and has directly invested between \$18-20 million of local funding to help make this concept a reality. While the City is struggling with high vacancy rates in the Creekside development, they are trying to find creative solutions to fill the vacant residential and are looking for other sources of tenants.

Two projects that Pizzuti has been involved with also highlight the benefits of public-private partnerships. First is Dunedin, Florida, a community outside of the Tampa area that Pizzuti has been working with for the past few years. Pizzuti Solutions answered an RFP to design a mixed-use project just outside of the downtown area, and across the street from a large hospital. Pizzuti Solutions and team members conducted public workshops, talked to local stakeholders, and designed a project

that not only connected with the downtown and the hospital, but one that incorporated pedestrian friendly amenities and public spaces for everyone to enjoy.

The City is a partner in this project, providing \$1 million in off-site improvements along the corridor adjacent to the project and demolishing old buildings that were onset. In addition, the City is considering a master lease within the project, becoming a tenant and helping to meet the requirements of the lender. This not only helps the City find needed space, it helps in advancing the project and therefore the community. Pizzuti works closely with Dunedin officials in understanding the county and state incentives that also might be available to the project.



Dunedin, Fla.

Pizzuti also worked very closely with officials in Orlando, Florida on a very unique and creative partnership in the heart of downtown. This partnership involved building a new fire station, creating office space above the fire house, supplying much needed workforce housing and constructing a new parking garage that would support not only the new development but the entire City as well. The public-private partnership included air rights agreement with the city and provided financial benefits to the city and a new firehouse that brought value to the downtown community. The investment leveraged for the new fire station would also serve as a catalyst for additional private development, bringing more value into the area. While this is a much more complex example of public-private partnerships, it highlights the creativity sometimes needed and the benefits that can bring.

Again, we are not suggesting that the City of Union or Boone County undertake these specific examples, only to think creatively about what might be possible, and how attractive an attitude like that can be to a developer.

A variety of incentives which create a spirit of partnership and cooperation sought by businesses and developers alike, should be reviewed as one of the next steps for creating developer interest in future concepts.

Even in this challenging economic climate, there are many qualified developers who would be interested in investigating the Town Center project. Despite the challenges of the current economy, the community must begin reaching out to these firms. We believe that by following the recommendations in this report the community will be further ahead than their competitors when new investment is advanced.