

# VORYS

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October 10, 2007

## VIA HAND DELIVERY

Boyce Safford III, Director  
Department of Development  
50 West Gay Street  
Columbus, OH 43215  
Attention: Donna Hunter

Re: Nationwide Children's Hospital  
Request For Conveyance of Rights of Way

Dear Director Safford:

This letter is to further explain and to add to the mitigating factors described in my September 14 letter to you requesting that the purchase price for the conveyance of the following street rights of way (the "Requested Rights of Way") to Nationwide Children's Hospital ("Children's") be reduced to \$0:

- a. All of Children's Drive;
- b. All of Children's Drive West, together with the release of the easement granted to the City for sidewalk purposes adjacent to a portion of that street in Instrument No. 200701120007449 in the office of the Recorder of Franklin County, Ohio;
- c. Ann Street from Livingston Avenue to Children's Drive; and
- d. All of Kennedy Drive.

Listed below are four mitigating factors which alone demonstrate that the City is receiving, many times over, the value of the Requested Rights of Way. For your convenience, I have set forth in boldface, at the beginning of each of the factors, the criteria established and published by the City for determining mitigation which that factor satisfies.

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1. **The value of improvements undertaken by Purchaser upon property of the City which further the interests and welfare of the public.**

Children's is paying the City \$2,819,000 for the City to improve the portion of the City's electric distribution system served by the City's South Substation. For that payment, Children's will receive the South Substation property, which is valued by the County Auditor at \$181,500. As a result, Children's is paying for **\$2,637,500** of improvements to the City's electric distribution system in excess of the \$181,500 value of the property which Children's is receiving in exchange. Children's does not and will not receive service from that portion of the City's electric distribution system which is being improved and, therefore, receives no benefit from those improvements. Rather those improvements will only benefit the City. The improvements to the portion of the City's electric system which is currently served from the South Substation are generally (a) to upgrade it from 7.2 KV to 14.4 KV, which will cause it to be compatible with most of the remainder of the City's electric distribution system and will result in the installation of 187 new pole-mounted and 2 new pad-mounted transformers for the City, and (b) to connect that electric distribution system to the City's Dublin Road electric substation. (In the Agreement Concerning South Substation between the City and Children's, the City acknowledges the benefit to the City provided by those improvements.) The costs of those improvements which Children's is paying are (i) \$2,741,000 which has been paid to the City for all of the costs of the construction/installation of those improvements, the cost of preparing the plans for a portion of those improvements and a 5% contingency reserve, plus (ii) \$78,000 paid by Children's for the preparation of the plans for the remainder of those improvements. The \$2,637,500 which Children's is paying in excess of the value of the land and building it is receiving is more than 5 times the value which the City has placed on the Requested Rights of Way.

2. **The identification of improvements that further the general welfare of the City through significant improvements to the physical environment.**

Children's will spend **at least \$2,000,000** (and, most likely, somewhat more) for landscaping, lighting, walkways and other amenities in the approximately six acres of park which Children's will develop on the north side of Livingston Avenue between Ann Street and Parsons Avenue and extending up the east side of Parsons Avenue to Mooberry Street. That \$2,000,000 does not include either the value of the land or the cost of the storm water drainage and other underground utility improvements which may be installed to serve the medical and research facilities on the adjacent hospital campus. Children's has already arranged with the City's Department of Recreation and Parks for the preparation of a master plan covering both that six acres of park and the City's Livingston Park in order to provide a unified appearance and a coordination of active and passive uses throughout both parks. A goal of that plan is for the two to function as, and have the appearance of, one continuous park. That master planning process will be led

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by the Department of Recreation and Parks with outside professional assistance provided by MSI Consultants, whose fees will be paid by Children's. At the request of both the Department of Recreation and Parks and Children's, that master planning process will have a very significant community input component. As a result, the improvements to the approximately six acres of park by Children's will be significant and will clearly benefit the general welfare of the City. Even using the absolute minimum cost of \$2,000,000 for those improvements, the cost is more than 4 times the value placed on the Requested Rights of Way by the City.

**3. The value of land donations or other services being made to the City by the purchaser,**

or

**The identification of improvements that further the general welfare of the City through significant improvements to the physical environment.**

Because of the commitments which Children's is making to keep Ann Street and Children's Drive between Ann Street and Eighteenth Street open for public access by vehicles and pedestrians and to maintain an improved public parking arrangement along Children's Drive, those two rights of way have no value, notwithstanding that the City has valued them at a total of **\$188,728** (67,403 square feet of land, as determined by a survey prepared by EMH&T, Inc., multiplied by the value of \$2.80 per square foot established by the City Attorney). Children's has agreed that it will maintain access for the public to Livingston Park along the north and west sides of Livingston Park generally over the former rights of way of Children's Drive and Ann Street after those rights of way are conveyed to Children's. Additionally, Children's has committed to providing a minimum of 25 parking spaces on or in close proximity to those former rights of way and to working with the City to develop a plan to try to make those parking spaces more available to the general public than the parking spaces on Children's Drive have been in the past. By making those commitments, Children's has caused those two rights of way to be unusable for development and, accordingly, has given back to the City all of the value of those two rights of way. The reasons that Children's has requested these two rights of way are simply to facilitate minor realignments of those two streets and to install, operate and maintain, at the sole cost of Children's, street improvements and street lighting which will be consistent with the street lighting and paving within the remainder of the hospital campus.

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**4. The value of land donations or other services being made to the City by the purchaser.**

In order to facilitate the making of the improvements to Parsons Avenue and Livingston Avenue, which are shown on the master plan prepared by Children's, Children's will dedicate to the City, at no cost to the City, the additional right of way along Parsons Avenue and Livingston Avenue that is owned or leased by Children's and required for those street improvements. Although final engineering has not been completed, preliminary engineering studies indicate that the additional right of way needed for those street improvements is a total of approximately 30,894 square feet of additional right of way along the west side of Parsons Avenue north of Livingston Avenue and along the north side of Livingston Avenue west of Parsons Avenue. Multiplying the per square foot value of land which the City Attorney estimated for the Requested Rights of Way on the west side of Parsons Avenue (\$2.28) by the estimated square feet of additional right of way which Children's will dedicate establishes a total value of **\$70,438**. It should be noted that the right of way referred to in this item 4 is in addition to the right of way which Children's already agreed to dedicate in connection with the amendment of the hospital campus zoning last year.

In addition to the four factors described above, which clearly demonstrate mitigation far beyond the value of the Requested Rights of Way, the following also bear some consideration by the City as mitigating factors:

**A. The value of improvements undertaken by purchaser upon property of the City which further the interests and welfare of the public.**

1. Children's is constructing a 24" waterline (reducing to 12" east of a point between Parsons Avenue and Ann Street) along Livingston Avenue from 180' west of Kennedy Drive to the hospital, with an extension of that waterline south along Parsons Avenue to complete a loop system. Because construction is not yet complete, the final exact cost is not yet known. However, it is estimated that the total cost will be approximately \$1,257,099. While Children's will initially be the only customer on that waterline, that line will be available to be tapped by any City water customer, and at the City's request Children's included a stub at Ann Street to be used by the City when the City replaces or upgrades its waterline extending south in Ann Street.
2. Children's has obtained a capital improvements grant in the amount of \$1,000,000 from the State of Ohio for cultural improvements. Children's intends to use that grant for improvements to Livingston Park. The precise nature of those improvements will be determined in the course of the master planning process described above for Livingston Park and the park owned by Children's.

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3. When Children's planned the construction of its new parking garage on the south side of Livingston Avenue, it planned to add a right turn lane into the garage in Wager Street and then resurface Wager Street from Livingston Avenue to Jackson Street. However, the City required Children's to reconstruct Wager Street between Livingston Avenue and Jackson Street and to line the sewer under that portion of Wager Street. The total additional cost for that additional work required by the City was approximately \$90,000.

**B. The value of improvements undertaken by purchaser upon property of the City which further the interests and welfare of the public,**

or

**The value of land donations or other services being made to the City by the petitioner.**

For a number of years, Children's has performed lawn mowing, snow removal, landscaping and other repair and maintenance services upon, and has made other improvements to, Livingston Park. Although no formal agreement for those services and improvements has been in place in the past and none exists now, Children's anticipates that this arrangement will continue. Children's currently estimates that it will spend approximately \$175,000 on those services and improvements to Livingston Park during 2008. As noted above, it is likely that those services and improvements will continue in the future beyond 2008.

**C. The willingness of the purchaser to absorb the cost of utility relocation from the property being purchased if not discounted in the fair market value of the property.**

Children's does not know whether the value estimated by the City Attorney's office for the Requested Rights of Way has been discounted for the numerous utility lines which are located in the Requested Rights of Way. Children's will accept the Requested Rights of Way subject to those utility lines. Therefore, the value should be discounted for those utility lines if it has not been already.

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For the foregoing reasons, Children's respectfully requests that you recommend to the Land Review Commission that the price to be paid by Children's for the requested rights of way be reduced to \$0. Children's and I thank you very much for your consideration of this request.

Yours very truly,



Daniel H. Schoedinger

DHS/bja