



Economic Development Plan
for the
Brewery District Incentive District

Prepared by:

Planning Division

Department of Development

City of Columbus

August 18, 2005

Introduction

Section 5709.40 of the Ohio Revised Code authorizes the legislative authority of a municipal corporation to create, by ordinance, an incentive district and declare improvements serving the district to be a public purpose. Improvements are defined as increases in assessed values of properties that occur after adoption of the ordinance that created the district.

To be eligible for establishment, an incentive district must be enclosed by a continuous boundary, contain no more than three hundred acres, and have one or more distress characteristics defined by the Code. Distress characteristics include (but are not limited to) blighted property, high unemployment rates, and above-average poverty rates. In the absence of these characteristics, or in addition to them, evidence that the public infrastructure serving the district is inadequate to meet development needs may be presented, in the form of an economic development plan. The plan must be adopted by the corresponding legislative authority and certified by the municipal corporation's engineer.

In accordance with the above, this Economic Development Plan was created to document the public infrastructure needs of the Brewery District planning area. Certain employers within the planning area are expected to expand their facilities and hire additional employees over the next few years, and, as a result, public improvements will be necessary to ensure that those businesses are adequately served by utilities, roadways, and other forms of infrastructure. The establishment of an incentive district will enable the City of Columbus to pay for this infrastructure and thus meet the planning area's current and future development needs.

Planning Area

Generally, the planning area consists of the northern, transitional, and southern tiers of the area known as the Brewery District. It consists of 196 parcels and contains approximately 44 acres of land (excluding city owned right-of-way). The perimeter of the planning area is irregular but generally bounded by Livingston Avenue to the north, Pearl Street to the east, Whittier Street to the south, and Bank Street to the west. The planning area also includes properties fronting on Liberty Street and several properties west of Front Street, east of Second Street.

South High Street, the planning area's principal north-south thoroughfare, serves as an important physical link to the Columbus downtown. This arterial roadway also provides access to some of the Brewery District's largest employers. Other principal roadways within the planning area include South Front, Liberty, Sycamore, Frankfort, Kossuth, and Whittier Streets.

Generally, the land west of Wall Street is zoned M (Manufacturing), though several parcels south of Livingston Avenue were rezoned to a CPD (Commercial Planned Development) classification in 1989. Most of the properties fronting South High Street have retained their original C-4 (Commercial) designations and continue to be occupied by office and retail uses. A single .40-acre parcel south of Kossuth Street was rezoned to an ARO (Apartment Residential) classification in 1984.

Current county auditor records indicate that no one landowner controls more than 6% of the planning area. Liberty Place LLC, The Elford Land Company, The Wasserstrom Company, Ice House Ventures LLC, 503 South Front Street LP, The Salvation Army, and 500 South Front Street LP are among those who own the most acreage.

Proposed Development

Grange Mutual Casualty Company (“Grange”), located adjacent to the planning area at 650 South Front Street, has expressed a desire to significantly expand its facilities and workforce over the next 10 to 20 years. Assuming all necessary approvals are obtained, Grange will enlarge its corporate headquarters with a new office tower (containing approximately 200,000 square feet of floor area), build a new 1,000-space parking garage and will renovate its existing office building. The total cost of the Grange project for new construction, machinery, equipment, furniture, fixtures and infrastructure is estimated to be between \$72.8 million and \$85.8 million. The expansion, necessary for Grange to meet its current and future operations requirements, will preserve more than 1,000 jobs and \$60 million of annual payroll, and the expansion will add another \$55 million of annual payroll. The office tower will enable Grange to add another 800 employees to its workforce over the next 20 years.

The Grange development is expected to benefit the planning area in a variety of ways. The parking garage will be made available to the public, as well as Grange employees, and it will help to reduce congestion evident in many of the nearby surface lots. The parking structure will also support other Brewery District businesses by creating additional parking capacity at an accessible and convenient location. Over time, as Grange hires additional employees, some secondary benefits may be realized by area restaurants and retail establishments. Demand for additional housing is less predictable, but could materialize as the local workforce expands. Individually and in combination, these impacts are highly desirable. The Grange development will help to preserve and increase the city’s tax base, strengthen the economy of the Brewery District, and enhance both the function and character of the area’s built environment.

Infrastructure Needs

Significant improvements and additions to public infrastructure, including the local streets and sidewalks and sanitary and storm sewers, will be necessary to meet the planning area's development needs. The Grange office tower and parking garage, alone, are expected to increase the area's current level of vehicular and pedestrian traffic significantly. Consequently, several large infrastructure projects are now under consideration. Completion of the Short Street-Sycamore Street connector is perhaps the highest priority, as it will link two local streets that terminate into dead-ends. Eventually, Short Street will also be widened and resurfaced to accommodate additional traffic and Short Street hopefully will be connected to the I-70/I-71 improvements. The City will also have to provide access to and from the Whittier peninsula for its future development. Curbs and gutters, sidewalks, underground drainage improvements, and provisions for sanitary sewer service may also be necessary, pending further study. Other desired improvements may include connections to water, electric, and/or natural gas lines.

Collectively, these necessary upgrades and additions will ensure safe and efficient traffic movement, allow for the delivery of city services, and preserve opportunities for continued growth and redevelopment.

Economic Impact

By ensuring that Grange will remain at its present location, the following taxes will be preserved: (a) State of Ohio taxes of all kinds, approximately \$6 million; and (b) City and Property Taxes of approximately \$1.6 million. These taxes will increase significantly with the expansion and creation of new jobs. Moreover, the current Grange payroll for existing and transferred employees of approximately \$67.5 million per year is expected to grow to \$115

million within 20 years. The \$50 million increase will not only generate additional taxable income for the City of Columbus, it will help to support the district's other businesses as well - restaurants and retail establishments in particular. Indirect benefits are more difficult to predict and quantify, but several will be realized: the creation of construction-related jobs, the continued appreciation of real property (resulting in additional property tax revenue), and a probable demand for more local housing. The Grange project will also help address the current shortage of parking and, with the associated infrastructure improvements in place, improve the appearance and function of the built landscape.

Supporting Policies

The Columbus Comprehensive Plan states:

“Infrastructure is necessary whenever development and redevelopment occur. When adequate public infrastructure investments are planned and programmed to accompany development activities of the private sector, ‘growing pains’ can be minimized. It is one of the principal aims of this Plan to ensure that the City of Columbus coordinate and plan infrastructure investments, as well as investments in other municipal functions and services, to meet the needs of this growing community and enhance the quality of life for all.”

Similarly, the Principles of Progress contained in the Columbus Covenant 2000 recognize that provisions for adequate infrastructure are essential for economic growth and job creation. The Covenant also notes that the efficient delivery of services contributes to quality of life and helps to promote “strong, distinct and vibrant neighborhoods”.

The Brewery District Plan, germane to the area described in this Plan and adopted as policy by the Columbus City Council in 1992, notes that roadway improvements, upgrades to

pedestrian facilities, and additional capacity in utilities will be necessary for the planning area to accommodate additional growth. Recommendations of the plan include:

“Provide sufficient parking for planned uses on an area wide basis rather than site by site.”

“Improve Short Street to accommodate the increased parking activity.”

“Liberty Street should be developed with pedestrian sidewalks and lighting.”

“Provide well-delineated walkways through major parking areas...”

Recently, the Brewery District Design Committee developed an Action Plan to build upon this vision and generate a more specific list of recommended improvements. The projects proposed by the Committee include:

- completion of the Short Street to Sycamore Street connection
- upgrades to Short Street, including a resurfacing, sidewalks, and storm sewer improvements
- the installation of sidewalks, crosswalks, lighting, and signage throughout the district

Public Process

As noted above, the public infrastructure needs anticipated by this Economic Development Plan have been documented in various policy documents. Many of these documents, in accordance with city code, incorporated public review and comment as an integral part of the adoption process. Opportunities for additional public scrutiny will emerge as this Economic Development Plan is submitted to City Council for review and consideration, and a public hearing is held concerning the creation of the §5709.40 Tax Increment Financing District on August 29, 2005 at 5:30 p.m. at the Grange headquarters at 650 South Front Street, Columbus, Ohio 43206.

In addition, applications made by Grange for building permits for the office tower and/or parking garage will be made public through mailings to adjoining property owners, an advertisement in the Columbus City Bulletin, city staff reports, and announcements at public hearings. Building permit applications, upon receipt, will be made available for public review at the offices of the city's Building and Development Services office.

Conclusion

The expansion of the Grange headquarters and the construction of a new parking garage adjacent to the planning area will contribute to the economic and physical growth of the Brewery District specifically, and the City of Columbus as a whole. Though desirable, these new facilities must be served with adequate public infrastructure - at significant expense. The creation of an incentive district will help the City of Columbus provide this infrastructure and accommodate the anticipated job growth, while providing for the safe and efficient delivery of public goods and services.

Attachments

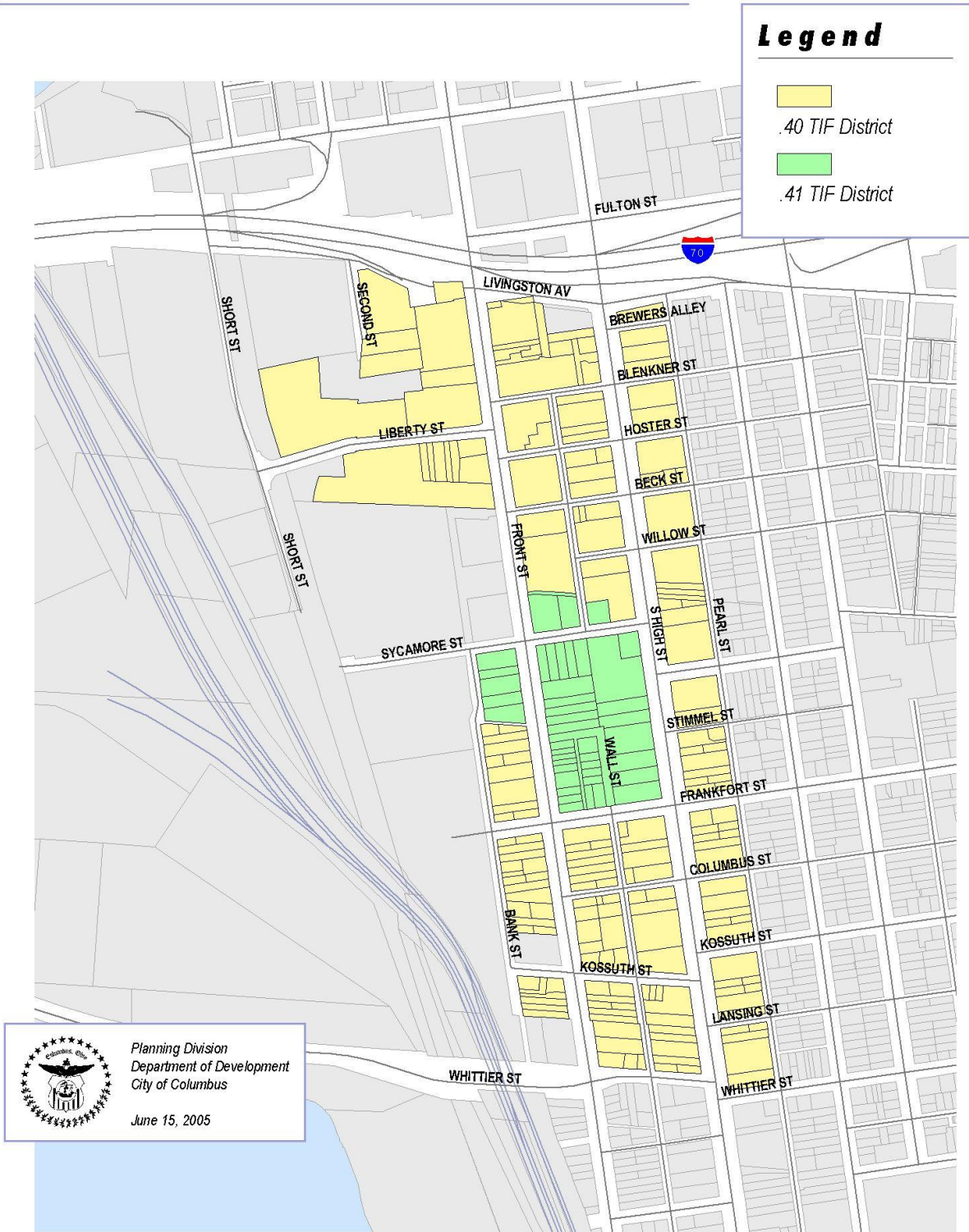
Attachment A: Proposed Boundaries

Attachment B: Current Zoning

Attachment C: Existing Buildings

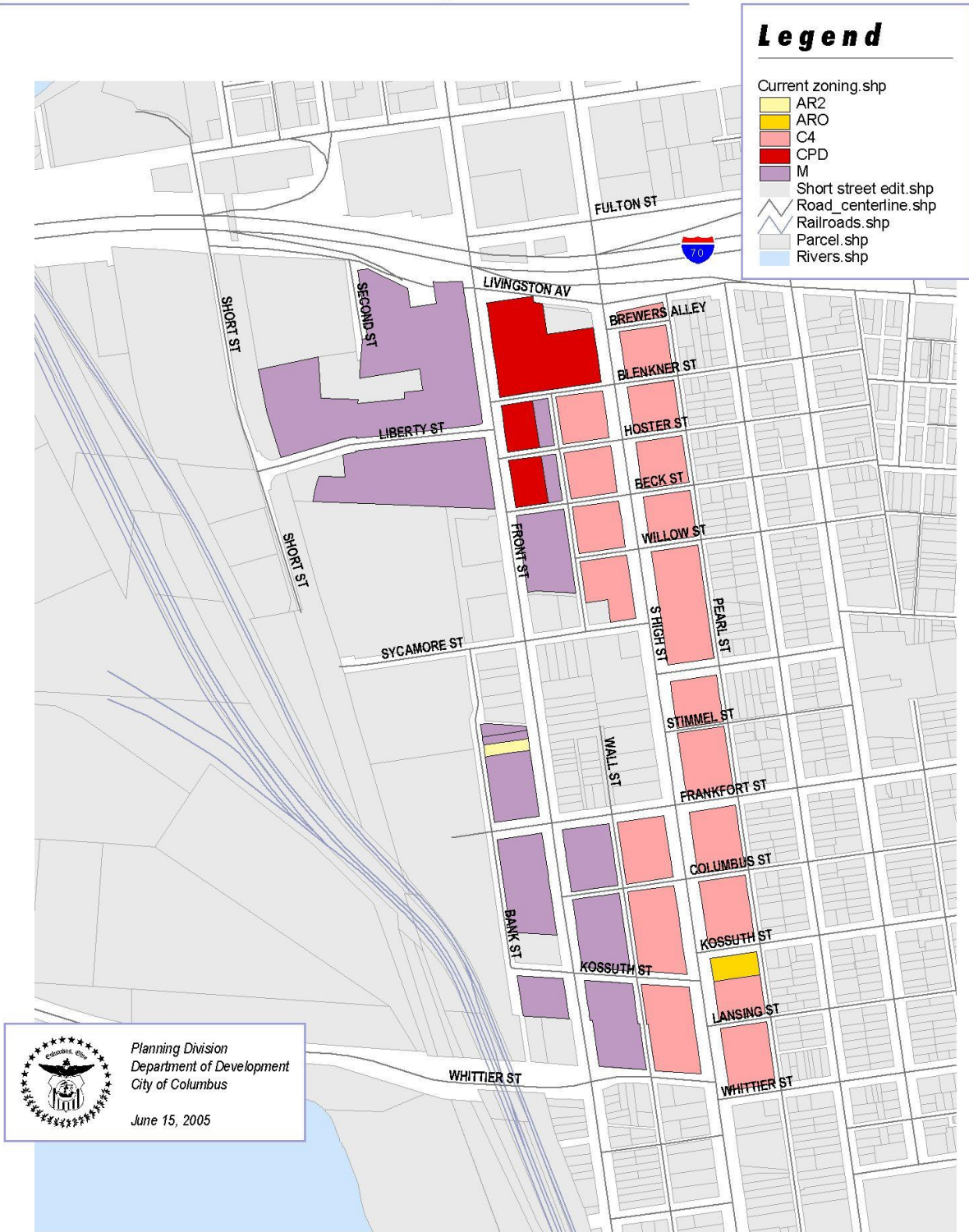
Attachment D: Certification of City Engineer

Brewery District TIF - Proposed Boundaries



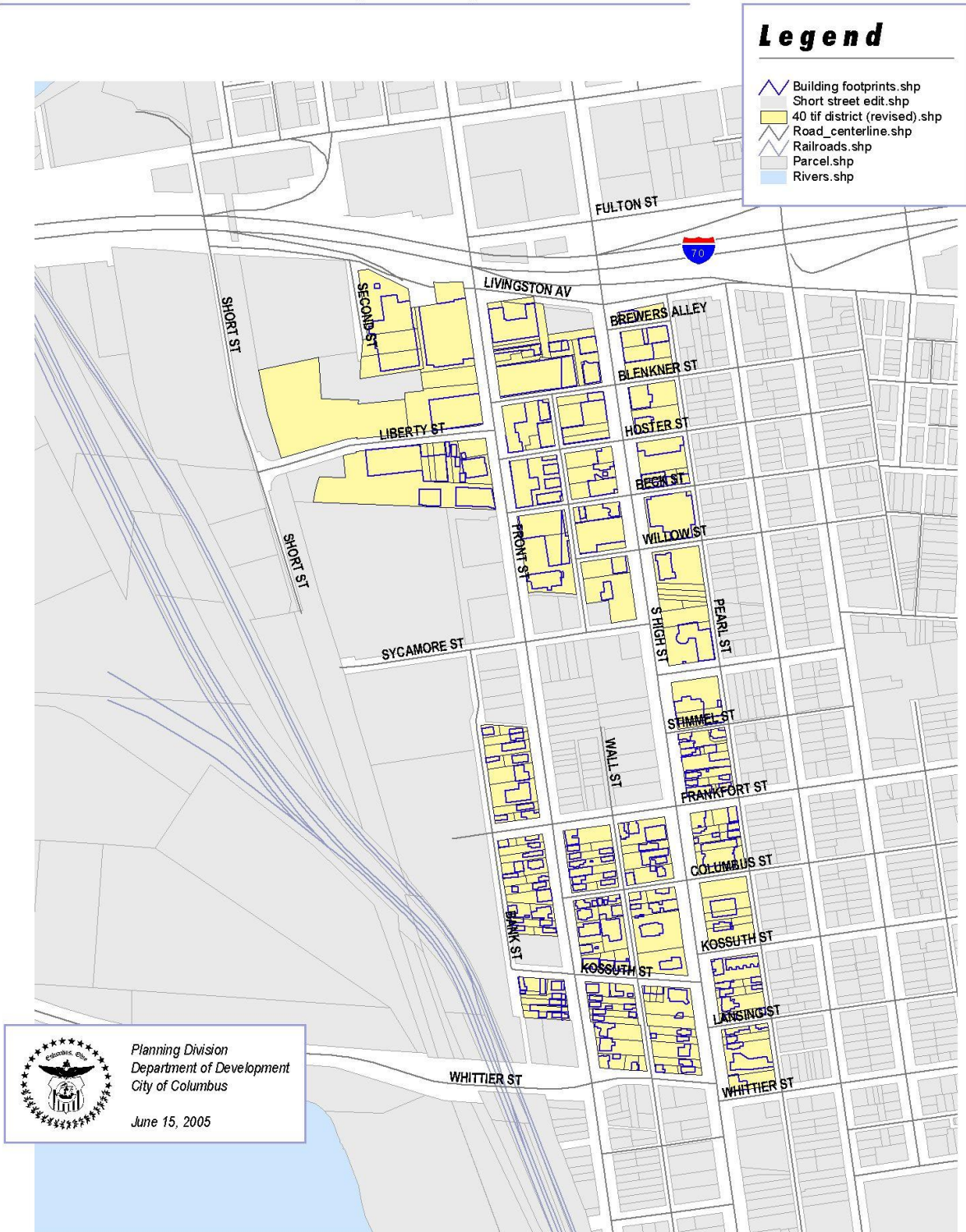
ATTACHMENT A

Brewery District TIF - Current Zoning



ATTACHMENT B

Brewery District TIF - Existing Buildings



ATTACHMENT C

CERTIFICATE OF ENGINEER FOR THE CITY OF COLUMBUS, OHIO

This certificate is given by the undersigned, the Engineer for the City of Columbus, Ohio (the "City"), in connection with the establishment of a Tax Increment Financing District, which is an "Incentive District" as defined in Ohio Revised Code Section 5709.40(A)(5), meaning an area not more than three hundred acres in size, enclosed by a continuous boundary and as further described in Attachment A to the Economic Development Plan for the Brewery District Incentive District (the "Plan").

In accordance with the requirements of Ohio Revised Code Section 5709.40(A)(5)(f), the undersigned hereby certifies that:

- (1) The specific parcels of real property described and depicted on Attachment A to the Plan (the "Property") are located in the City and the County of Franklin, Ohio, and
- (2) The Property is less than 300 acres in size, and
- (3) The Property is enclosed by a continuous boundary, and
- (4) The public infrastructure serving the Property is inadequate to meet the development needs of the Property as evidenced by the written Plan for the Property that was adopted by City Council.

The date of this Certificate is _____, 2005.

THE CITY OF COLUMBUS, OHIO

Name: _____

Title: City Engineer

ATTACHMENT D