

LC-Worthington Project Update

for

City of Worthington Officials

01/07/21

PRESENTATION

- **Introductory Remarks**
- **Understanding Economic Impact**
- **Leveraging Development for Community Needs**
- **Discussion and Next Steps**

UNDERSTANDING ECONOMIC IMPACT

Lifestyles Communities (LC) commissioned an economic impact analysis, breaking out its proposal as follows:

- **Real Estate Investment**- by subarea, phase, number, type, and value of units, and total investment value
- **Jobs and payroll**- number of direct construction jobs, commercial and medical jobs, wages, and total payrolls
- **Local taxes**- income and property tax revenues for the city, schools, library, and other recipients

The following slides share some key numbers from the analysis.

REAL ESTATE INVESTMENT, JOBS, AND PAYROLL

Residential and Commercial Investment, Green Space

- Provides 730 single family homes, townhomes, High Street corridor units
- Commercial & Medical offices (60K & 25K sq.ft) and 2 parking garages
- Protects over 6 acres of green space along Tucker Creek
- Total value of these investments is nearly \$200 million

Jobs and Payroll

- 801 direct construction jobs and \$51 million in payroll over 4 years
- 145 commercial and medical jobs with initial payroll of \$11 million/yr
- Total commercial-medical payroll is nearly \$450 million over 30 yrs

GENERATING LOCAL TAX REVENUES

CITY INCOME TAXES

- As construction begins, jobs provide about \$300,000 in annual tax revenue for 4 years
- At build out, annual tax revenues from medical and commercial jobs rise from about \$300,000 a year to \$500,000 a year over 30 years
- **City will collect \$12.5 million in tax revenues over 30 years**

PROPERTY TAXES

- The development will generate over \$220 million in tax revenues over 30 years.
- **City will collect \$11 million in tax revenues over 30 years**
- Other recipients:
 - Schools: \$162 million
 - Library: \$9.75 million
 - County and township levies: \$40.6 million

LEVERAGING MIXED-USE DEVELOPMENT TO MEET COMMUNITY NEEDS

- Central Ohio is a growing region and municipalities are tremendous growth issues that divide their communities.
- Recent housing studies, by the business community (2018) and MORPC (2020) identify a shortage in new housing and a need for a strong building pipeline for the next 30 years.
- Neighboring municipalities are embracing mixed-use development as a way to partner with developers to address growth by:
 - Redeveloping tired areas
 - Offering housing choices
 - Creating job
 - Meeting Community needs
 - Stimulating vibrancy

NOTABLE MIXED-USE DEVELOPMENTS

	Dublin Bridge Park	Upper Arlington Kingsdale	Grandview Heights Grandview Yard	Bexley Main Street Corridor	LC Proposal
Acreage	30	6.23	90	3.6488	37.8
Office/Medical sq ft	840,000	50,000	935,266	22,394	85,000
Commercial/Retail	195,000	6,000	157,500	40,164	0
Hotel (Keys)	295	No	262	No	No
Conference Center	Yes	No	Yes	No	No
Apartments	720	438*	1,008	0	612
Senior Living	0	104	0	0	0
Condo	150	0	272	34	94
Single Family	0	8	186	3	24
Park Acreage	16.61	0	0		0
Community Facility	No	Yes*	No	Yes	No
Structured Garage	Yes	Yes	Yes	No	Yes

MUNICIPAL INCENTIVES

City Participation	Bridge Park	Kingsdale	Grandview Yard	Bexley Gateway
CRA Tax Abatement	Yes	No	Yes	Yes
Tax Increment Financing	Yes	Yes	Yes	Yes
New Community Authority	Yes	No	No	No
Development Grant	No	No	No	No
Land Acquisition	Yes	No	No	Yes
Land Donation	Yes	No	No	Yes
Income Tax Rebate	No	No	Yes	No
Lodging Tax Rebate	No	No	Yes	No

ESTIMATED PUBLIC AND PRIVATE INVESTMENT

Project Investment	Bridge Park	Kingsdale**	Grandview Yard	Bexley Gateway
Public Investment	\$ 152.5 M	\$50 - \$75 M	\$ 145,000,000	\$ 1,356,775
Private Investment	\$ 402 M		\$ 460,000,000	\$ 35,750,500
Job Creation	796	200	4,774	117
Payroll	\$8.2 M*	\$ 18 M	\$ 312,278,440	\$ 7,598,667

*Payroll only for Conference Center; **Investment still under negotiation;

DISCUSSION AND NEXT STEPS

- Areas of Concern and Promise with LC Proposal
- Elements of Mixed Use Projects in Region that are Desirable
- Use of Economic Incentives with mixed-use development to:
 - Encourage land uses and development features
 - Fund mutually desired public infrastructure
 - Address community needs not met due to budget constraints
- Views on NCAs as a community development tool
- Next Steps on project development and community engagement

ECONOMIC IMPACT ANALYSIS NOTES

- The economic impact analysis was prepared by North Star Policy and Project Development, LLC with the assistance of AJC Solutions, LLC.
- Residential and commercial investment values and build out information provided by Lifestyles Communities.
- Tax revenue was calculated from current local income and property tax rates.
- Property taxes are estimated to increase by 2% for the Franklin County Auditor's Triennial Reappraisal Update and 4% for the Franklin County Auditor's Sexennial Reappraisal Update
- Wage increases are estimated to increase by 2.5% annually over the next 30 years which was the average annual increase in Bureau of Labor Statistics Wage Index from 2000-2019
- Employment and Wage impacts from constructing residential units were obtained from the National Association of Home Builders 2020 Housing Impact Model.
- Employment and Wage impacts from constructing commercial square footage were obtained from the Bureau of Economic Analysis Regional Input-Output Modeling System II (RIMS II).
- Employment and Wage estimates for the commercial and medical space were collected from the U.S. Energy Information Administration Commercial Buildings Energy Consumption Survey (CBECS) and the Bureau of Labor Statistics Occupational Employment and Wage Survey (OES).