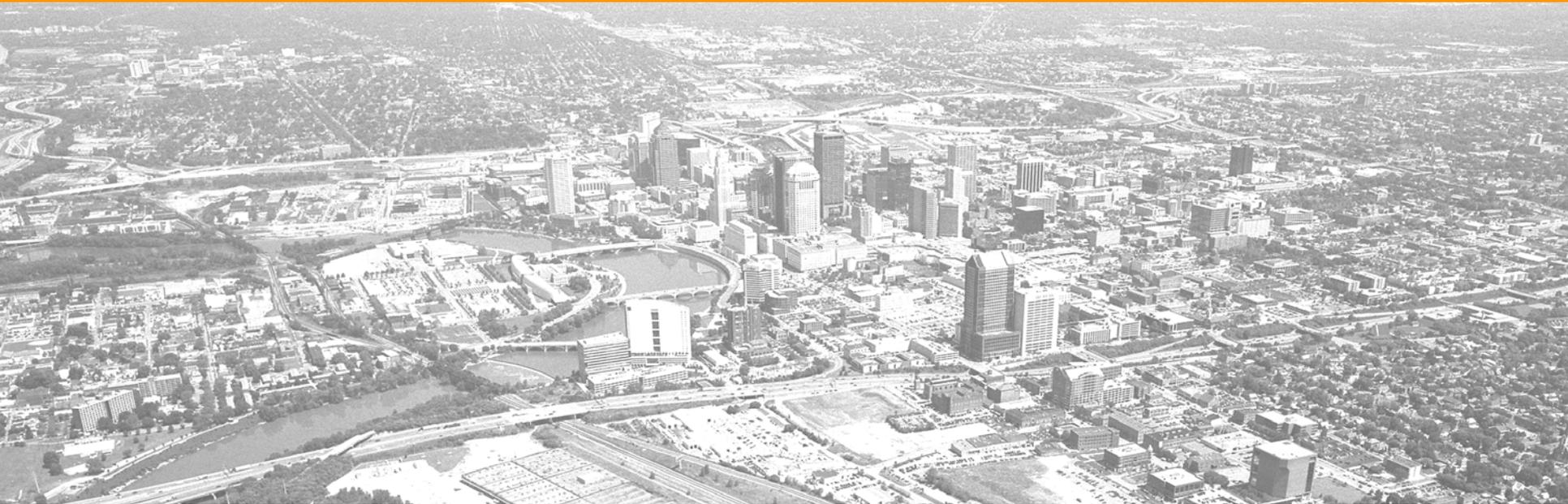


Ohio Brownfield Conference 2010



SUPER PLAN:

Elements That Could Change How You look at Site Regeneration Practices



Craig Gossman, AIA, Principal



Steve Armsey, LEED AP, Principal



Aaron Whittaker, CRE, Principal





Introduction



Craig Gossman, AIA, NCARB

KKG considers the environmental, financial, and human impacts of design & development decisions. Specialized strategic planning, urban design and economic solutions can set the stage for **livable communities and neighborhoods.**



Steve Armsey, LEED AP

Resurgence Group is a real estate consulting firm specializing in urban redevelopment management. We engage both public and private entities in the **revitalization of underutilized properties** using a systematic approach to resolve ownership, environmental, and funding issues that obstruct redevelopment opportunities.



Aaron Whittaker, CRE

FSA recognizes successful projects require a development approach where each step of the planning and design process is rooted in an understanding of **successful development models** AND the **realities of the competitive market place.**



Smart Growth:

Problems with conventional development patterns/sprawl-

- Environmental degradation
- Fiscal concerns
- Traffic
- Demographic changes

Environmental benefits-

- Improved air quality
- Improved water quality
- Brownfield redevelopment
- Open space preservation



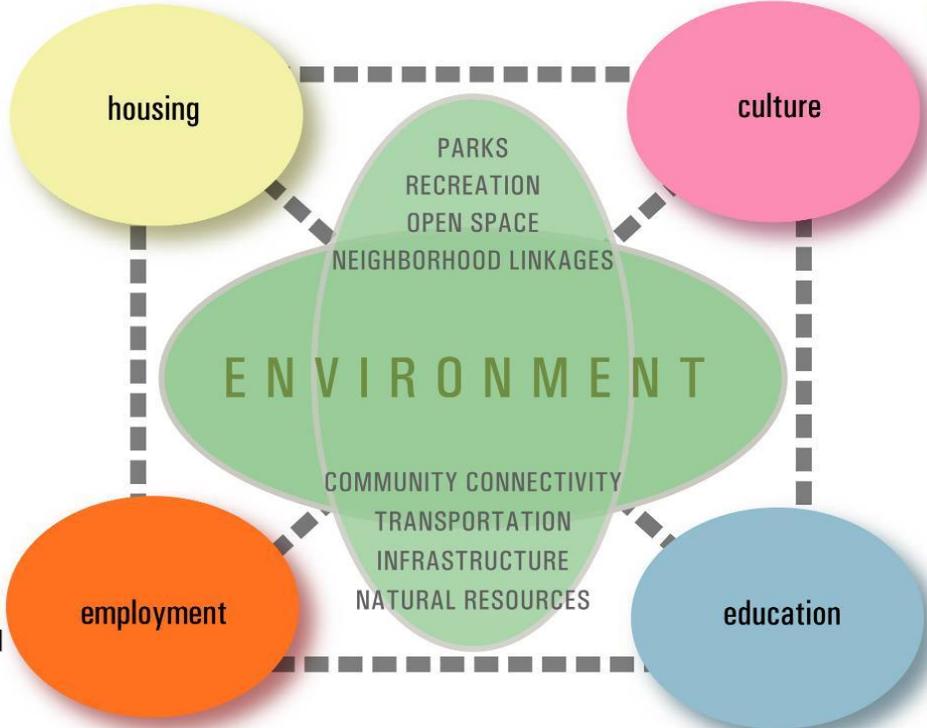
Healthy Communities:

- Diverse Housing Stock
- Clean & Safe Neighborhoods
- Integrated Neighborhoods
 - Ethnically
 - Spiritually
 - Socio-Economic
 - Social Diversity

- Arts
- Entertainment
- Religious Diversity
- Historic Resources
- Sports

- Skilled Jobs
- Service & Industrial
- Regionalism
- Economic Diversity
- Incubator

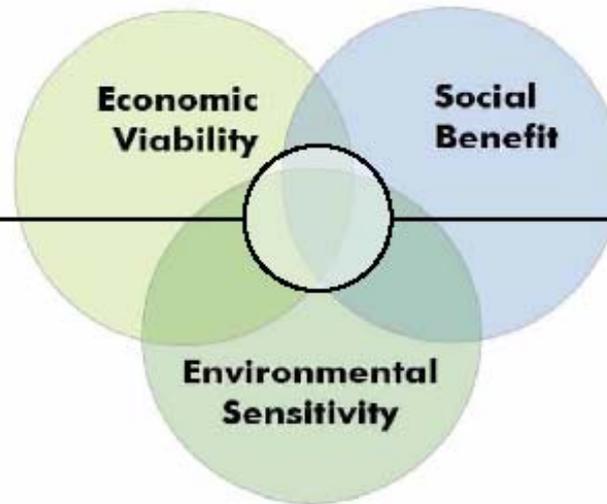
- K-12 Schools
- Higher Education
- Technology
- Job Ready Training





Triple Bottom Line:

Projects should strive to achieve a balance between goals



Projects can be measured with a "Triple Bottom Line"



Definitions:

Revitalization-

making restorative improvements in an existing community that enhance the quality of life for residents and support progressive economic development

Brownfields-

real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant





Prioritizing Sites:

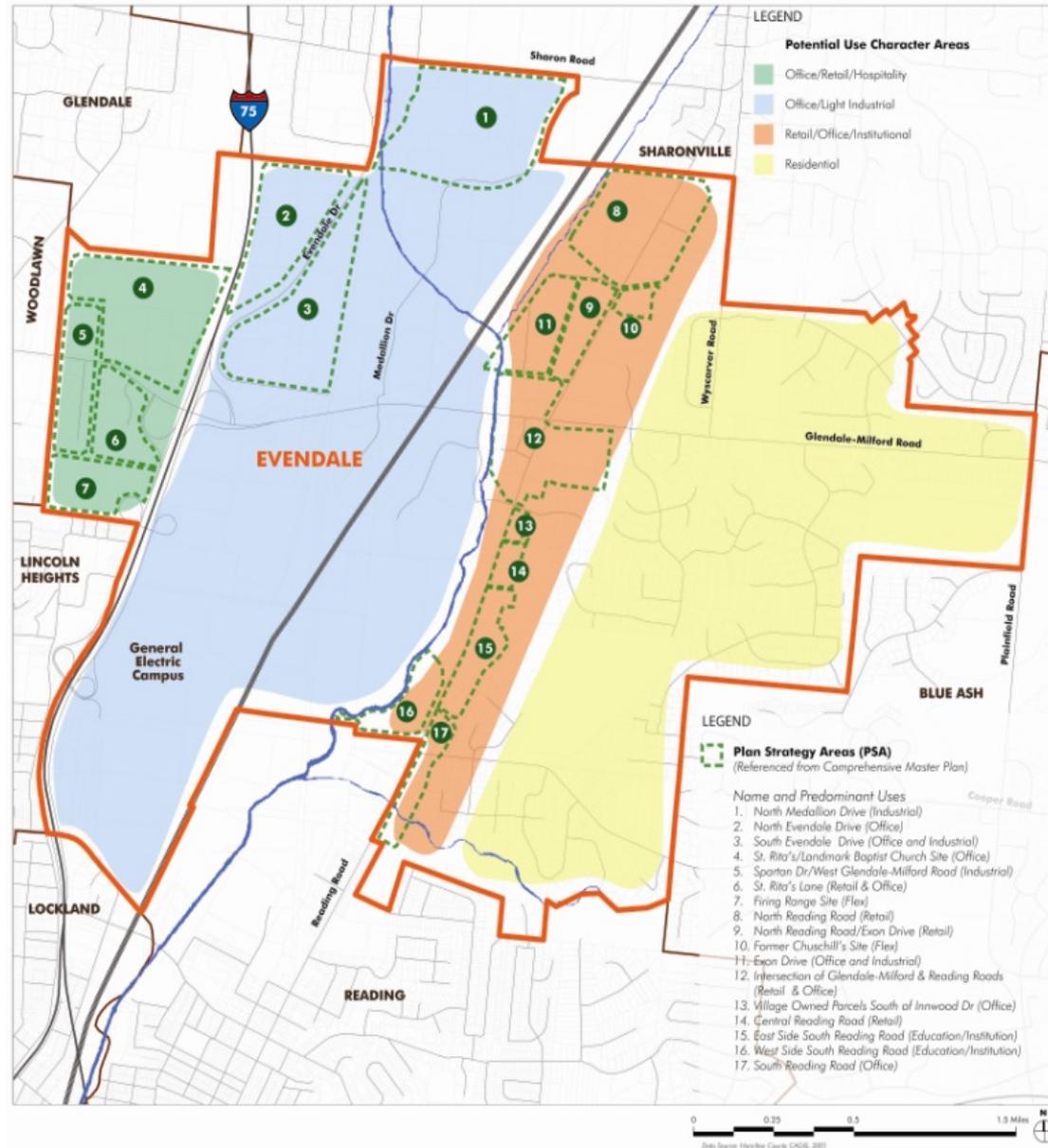
- The **IMPORTANTANCE**
- Establishing redevelopment **GOALS** and **OBJECTIVES**
- Balancing **DREAMS** and **REALITIES**

Potential

High

- PSA #12 - Intersection Glendale-Milford and Reading
- PSA #6 - St Rita's Lane
- PSA #10 - Former Churchill Site
- PSA #13 - Village Owned Parcels South of Inwood Dr
- PSA #4 - St Rita's / Landmark Baptist Church
- PSA #7 - Firing Range Site
- PSA #8 - North Reading Road
- PSA #2 - North Evendale Drive
- PSA #16 - West Side South Reading Road
- PSA #9 - North Reading Road / Exon Drive
- PSA #5 - Spartan Drive / West Glendale-Milford Rd
- PSA #11 - Exon Drive
- PSA #15 - East Side South Reading Road
- PSA #14 - Central Reading Road
- PSA #17 - South Reading Road
- PSA #1 - North Medallion Drive
- PSA #3 - South Evendale Drive

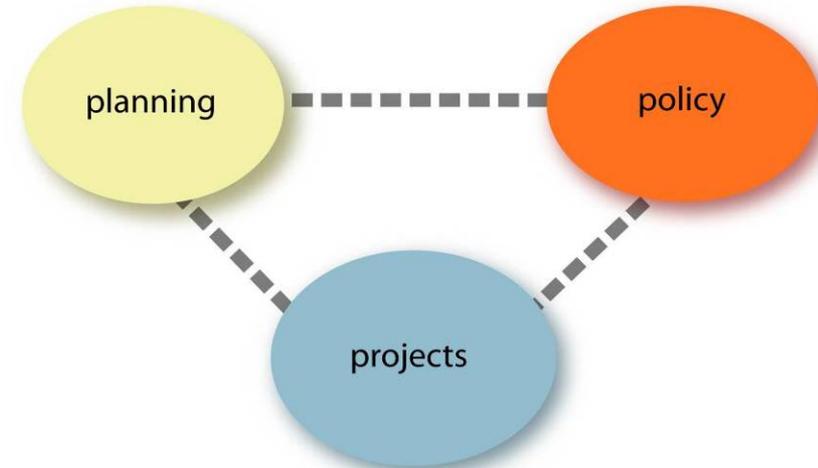
Low





Establishing Regeneration Goals at Outset

- “Found Ground”
- Revitalization – Economic Lift
- Market Driven
- Quality of Life
- Implementation of development vision as defined by the community
- Preservation of cultural assets and reinforcement of sense of place
- Context appropriate high quality development
- Consideration of adjacencies and regional Influences
- Promote environmentally and economically sustainable solutions
- Design and Development Guidelines





Identify/Assemble Key Team Participants & Stakeholders:

- Be ***PROACTIVE*** not reactive
- Act ***SOONER*** rather than later
- Involve ***COMMUNITY***
- Involve ***MUNICIPALITIES, ECONOMIC DEVELOPMENT*** and other ***PUBLIC ENTITIES***
- Involve ***CONSULTANTS*** and ***CONTRACTORS***



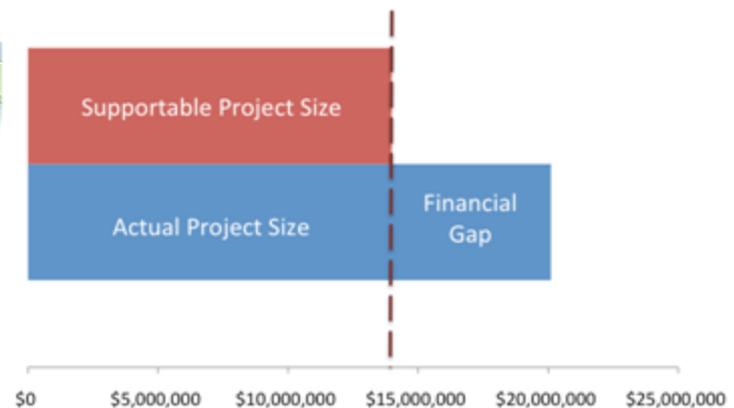


Establishing The Role of The Economic Development Professional:

- **MARKET DRIVEN**
- **ECONOMIC STRATEGIES**
- Critical to **CONVERTING LIABILITIES INTO ASSETS**



Project Summary





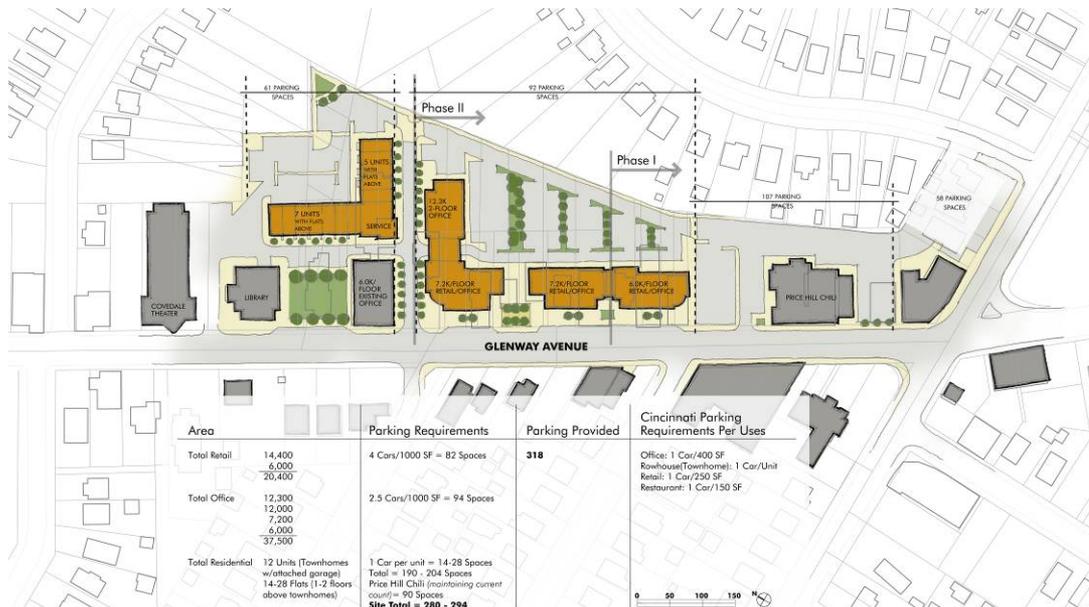
Competitive Choices:





Controlling and Consolidating Land:

- Multiple parcels mean **MULTIPLE OWNERS**
- Barriers to **LAND CONTROL** and **ACQUISITION**
- Public **ASSISTANCE**





Preliminary Proforma:



Project Scaling: Full

Preliminary Revenue Estimate

Use	Size	Lease Rate	Annual Revenue
Retail	21,600	\$12.50 / sf	\$270,000
Office	38,100	\$12.50 / sf	\$476,250
Townhomes (1,800 sf)	18	\$1,200 / mth	\$259,200
Flats (900 sf)	28	\$750 / mth	\$252,000
Total Ongoing Revenue			\$1,257,450

Estimated Rough Expenses

Operational Costs - Rentals (\$2,000/unit per yr)	\$92,000
Retail / Office (\$1 / sf)	\$59,700
Vacancy Allowance (7% of gross)	\$88,022
Total Expenses	\$239,722

Net Operating Income (NOI) **\$1,017,729**

Project Value (7.0 CAP Rate) **\$14,538,979**

Maximum Supportable Debt.* **\$11,860,184**

Project Size (70% LTV): **\$16,943,120**

*Assumptions - Maximum supportable debt after operating costs.

Rate	7%
Term (years)	25

Vertical Construction Costs

Use	Build Cost	Built Cost
Retail	\$125.00 / sf	\$2,700,000
Office	\$125.00 / sf	\$4,762,500
Townhomes	\$110.00 / sf	\$3,564,000
Flats	\$90.00 / sf	\$2,268,000
Total		\$13,294,500

Cost Summary

Item	Cost
Land Acquisition	\$100,000
Demo/Site Work/Prep	\$1,088,500
Vertical Construction	\$13,294,500
Soft Costs	\$2,667,395
Project Total	\$17,150,395

Site Work / Development Prep

Item	Cost	Qty	Total
Demolition	\$8.00 / sf	15,000	\$120,000
Parking	\$2,000 / space	318	\$636,000
Earth Work			\$150,000
Green Space			\$50,000
Signage			\$7,500
Landscaping			\$25,000
Utilities Work			\$100,000
Totals			\$1,088,500

Site Work / Total Project SF **\$9.28**

Soft Costs

Item	Estimate
Construction Mgmt Fee (3% vertical costs)	\$398,835
Architect / Engineering (5%)	\$664,725
Legal and Prof Fees	\$50,000
Development Fee (3%)	\$398,835
Advertising and Mkt	\$5,000
Leasing Fees (estimate)	\$50,000
Finance Fee (estimate)	\$100,000
Construction Loan Interest (estimate)	\$1,000,000
Total	\$2,667,395

Soft Costs / Total Project SF **\$22.74**



Getting Developers Involved:

- Valuable input to the **PLANNING** process
- Identified **END USERS**

Community Engagement Toolbox

Visioning/Gathering

- + Workshops
- + Charrettes
- + Open House

Facilitation

- + Active Listening
- + Brain Storming
- + Break-Out Groups
- + Stakeholders

Decision Making

- + Community Input
- + Consensus Building
- + Goal/Priority Setting
- + Vision Creation
- + Visual Preference Survey
- + Landuse
- + Advisory Groups
- + Steering Committee

Organization

- + Task Forces
- + Partnerships





Project Modeling:



Site P: Newtown Pike and Main Street

Potential Costs and Revenues

Such an important gateway into Downtown Lexington deserves appropriate focus. As such, the size of the redevelopment concept is significant. Over 800,000 square feet of new construction is planned over the 23-acre site. The costs are estimated to exceed \$120 million or \$180 per square foot.

Sales of residential units could exceed \$90 million and a hotel user land deal might generate \$4 million or more.

On an ongoing basis, the leased mixed-use office and retail space could generate in excess of \$6 million annually.

Newtown Pike Buildout

Building	Use	Level	Gross Area
1	Mixed Use Under Office	2 Levels	31,800 sf
2	Mixed Use Under Office	2 Levels	18,000 sf
3	Mixed Use Under Office	3 Levels	73,500 sf
5	Mixed Use Under Office	3 Levels	78,375 sf
6	Residential	3 Levels	36,000 sf
7	Residential	5 Levels	170,000 sf
8	Residential	3 Levels	36,000 sf
9	Mixed Use Under Office	2 Levels	51,720 sf
10	Hotel	5 Levels	108,000 sf
11	Mixed Use Under Office	3 Levels	52,200 sf
12	Residential	3 Levels	82,800 sf
13	Residential	5 Levels	43,200 sf
14	Residential	5 Levels	36,000 sf
Parking			1014 spaces
			817,595 sf

Newtown Pike Preliminary Project Costs

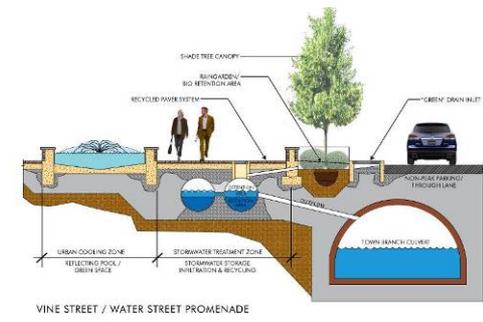
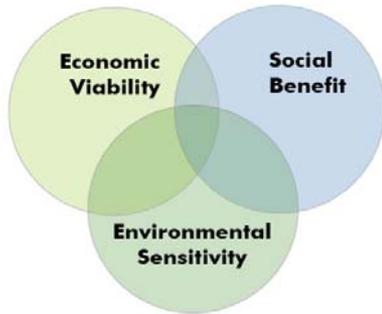
Project Costs	Amount	Cost Per	Total
Site Acquisition Costs	23.0 ac.	\$250,000	\$5,750,000
Demo / Site Prep	178,000 sf	\$5	\$890,000
Mixed Use Construction	305,595 sf	\$140	\$42,783,300
Residential Construction	404,000 sf	\$130	\$52,520,000
Parking / Paving	1014 spaces	\$1,000	\$1,014,000
Soft Costs / Contingency	25%		\$24,301,825
Acquisition and Build Costs			\$127,259,125
Total Project Cost Per Square Foot:			\$179.34

Newtown Pike Revenue Potential

Use	Gross Area	Lease Rate	Annualized Revenue
Mixed Use Under Office	305,595 sf	\$20.00 / sf	\$6,111,900
On-going Lease Revenue	305,595 sf		\$6,111,900
One Time "For Sale" Transactions			
Residential Sales	404,000 sf	\$225.00 / sf	\$90,900,000
Hotel Land Deal	3 acres		\$4,000,000



Sustainable Development



- Green Building Practices / LEED-ND
- Sustainable Site Development Practices
- Brownfield Redevelopment
- Conserving Energy
- Tree Planting & Management
- Trails & Linkages
- Stream Buffers
- Connectivity Walking Trails/Bike Paths
- Improving Air Quality
- Rain Gardens/Storm Water Runoff
- Low Maintenance native plantings
- Managing Growth & Development Patterns





Identifying Funding Sources at all levels:

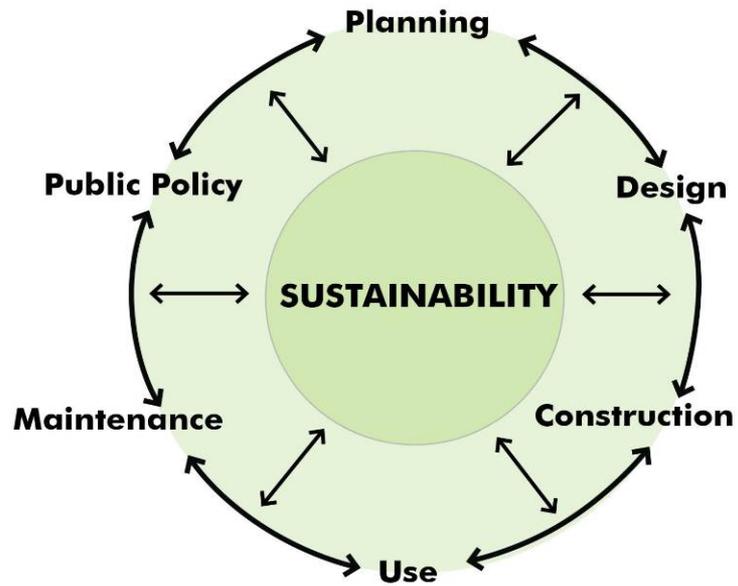
LOCAL + STATE + FEDERAL

- Job Ready Sites (JRS)
- Enterprise Zones
- Establishment of TIF Districts
- Enterprise zone tax abatements to offset business operating costs to incentivize development
- Job Creation Tax Credits
- Clean Ohio – Brownfield Sites
- Ohio Enterprise Bond Fund
- Transportation related grants
- Direct allocation of district generated sales tax through State and County legislation
- ODOD additional development & business incubation programs

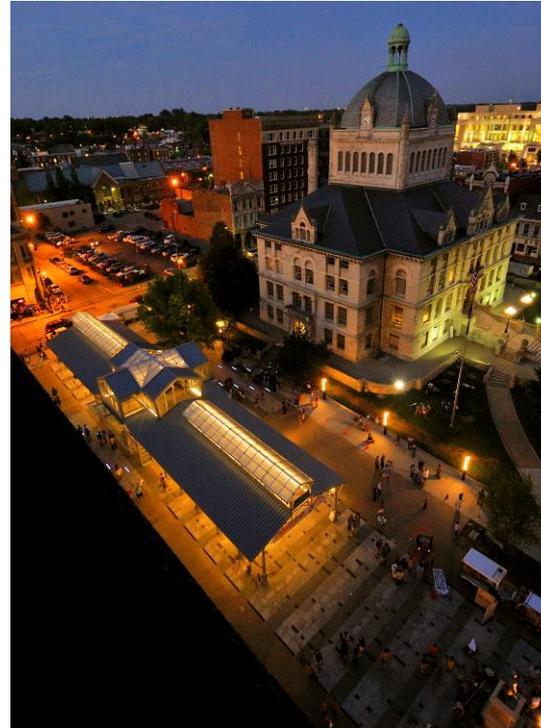




Creating Place:



Achieving the goal of sustainability goes beyond the planning and design process





Stories of Place – Brookville, PA

Remediation grant funded by PA Department of Environmental Protection
Storage Tank Cleanup Program

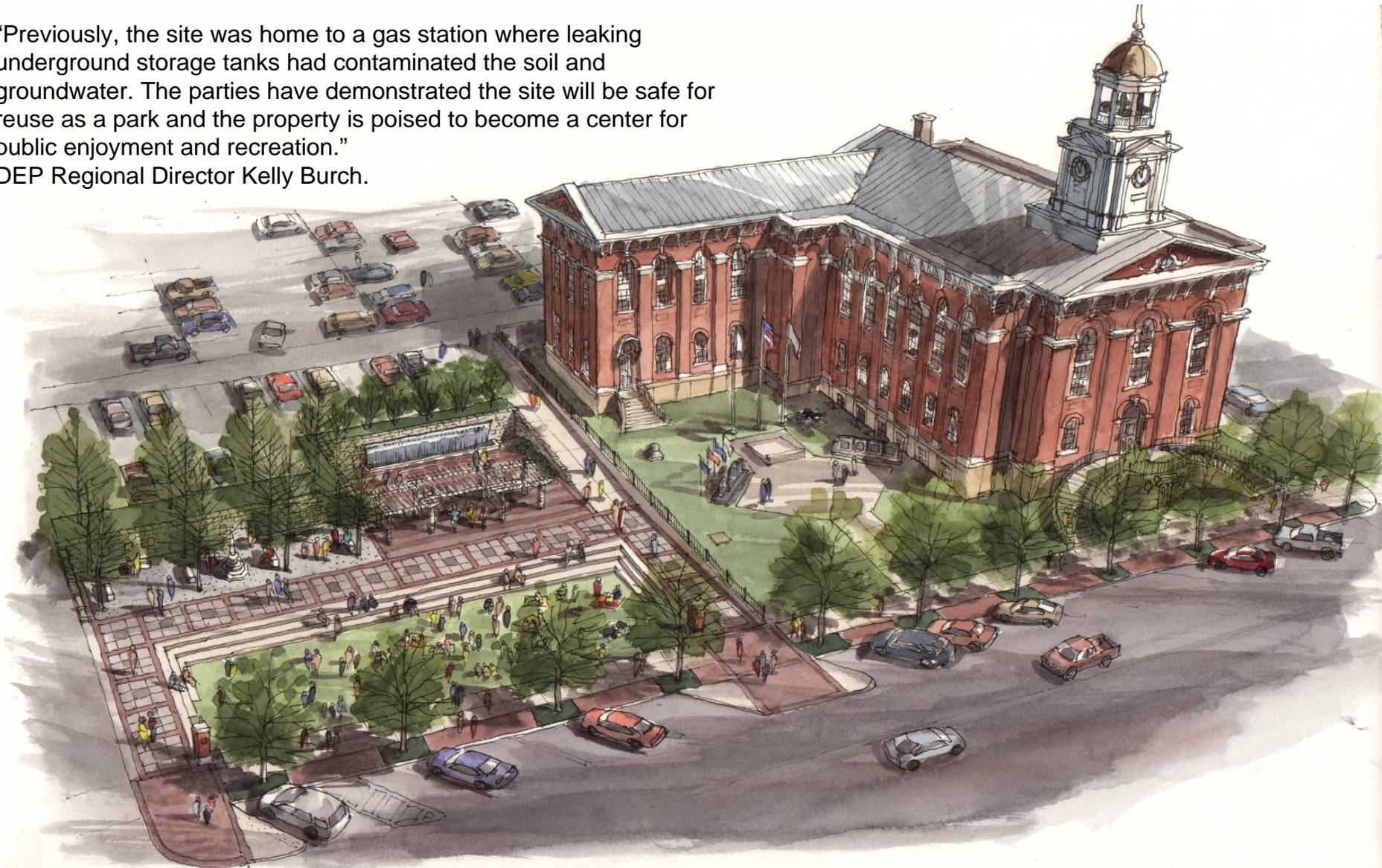




Stories of Place – Town Center, Brookville, PA

“Previously, the site was home to a gas station where leaking underground storage tanks had contaminated the soil and groundwater. The parties have demonstrated the site will be safe for reuse as a park and the property is poised to become a center for public enjoyment and recreation.”

DEP Regional Director Kelly Burch.





Stories of Place – Cambridge, OH





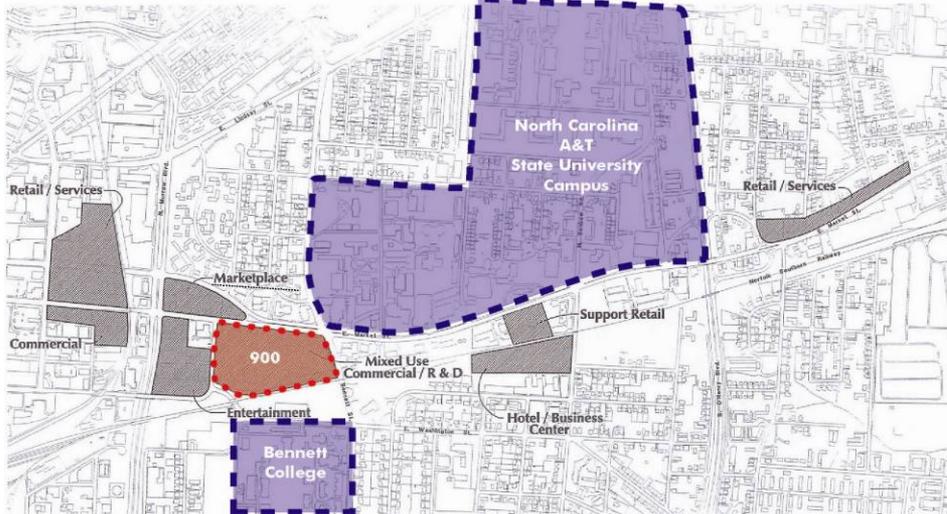
Stories of Place – Economic Lift, Cambridge, OH





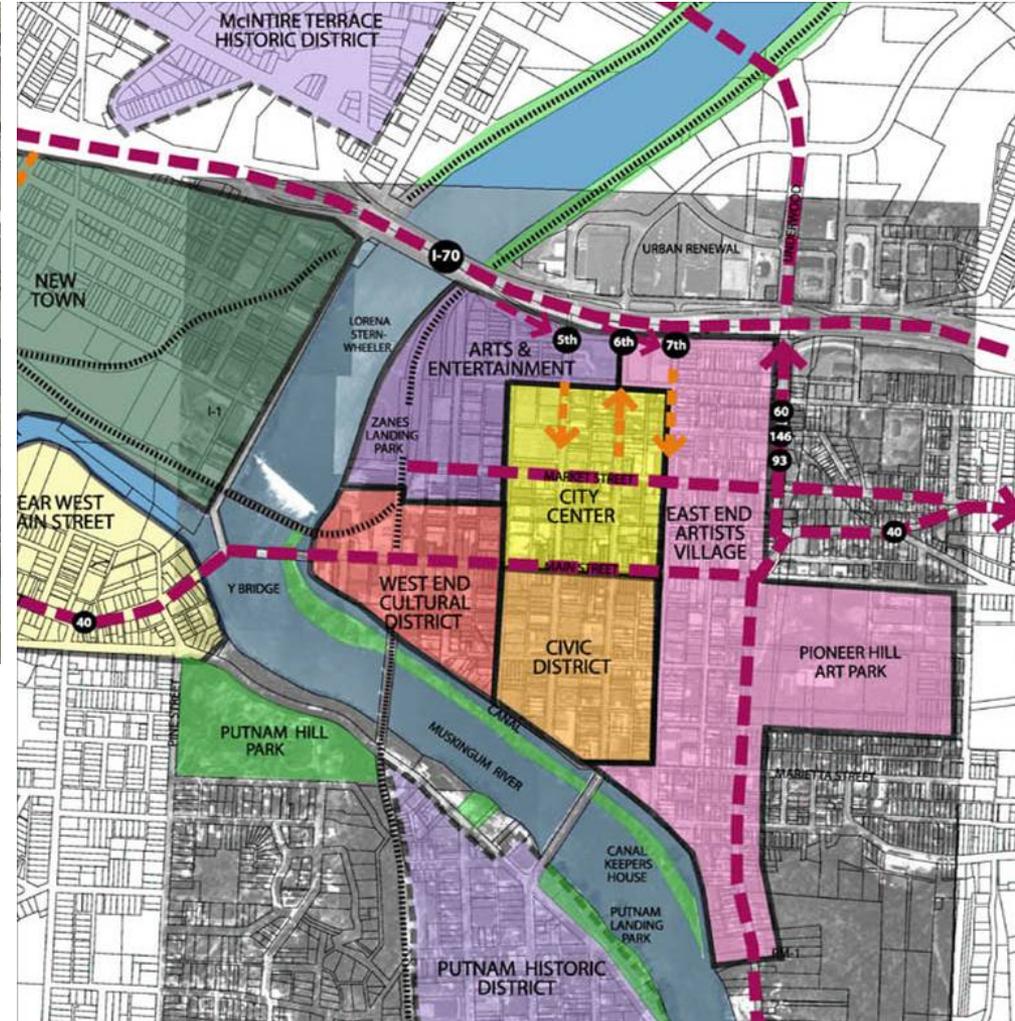
Stories of Place – Campus Connections & Neighborhood Serving

East Market Street, Greensboro, NC





Stories of Place – Multi-Site Districting Strategy, Zanesville, OH





Stories of Place – Zanesville, OH





Stories of Place – Brownfields to Greenfields, Whittier Peninsular

\$750,000 Clean Ohio Assistance Fund (COAF) grant for a former warehouse located in the Whittier Peninsula Park Redevelopment Project Area. The grant was used for demolition and asbestos abatement of the warehouse.

\$750,000 Brownfield Cleanup Revolving Loan Fund (BCRLF) from the Ohio Department of Development for remediation of subsurface impacts in the Whittier Northern Tier parcels.





Stories of Place – Brownfields to Brightfields, Whittier Peninsular, Columbus, OH





Stories of Place – Community Park, Blue Ash Airport Redevelopment

Nov 19th 2010

**\$1,087,500 Clean Ohio Revitalization
Fund grant to complete remediation
activities prior to redevelopment as park
and performance venue**



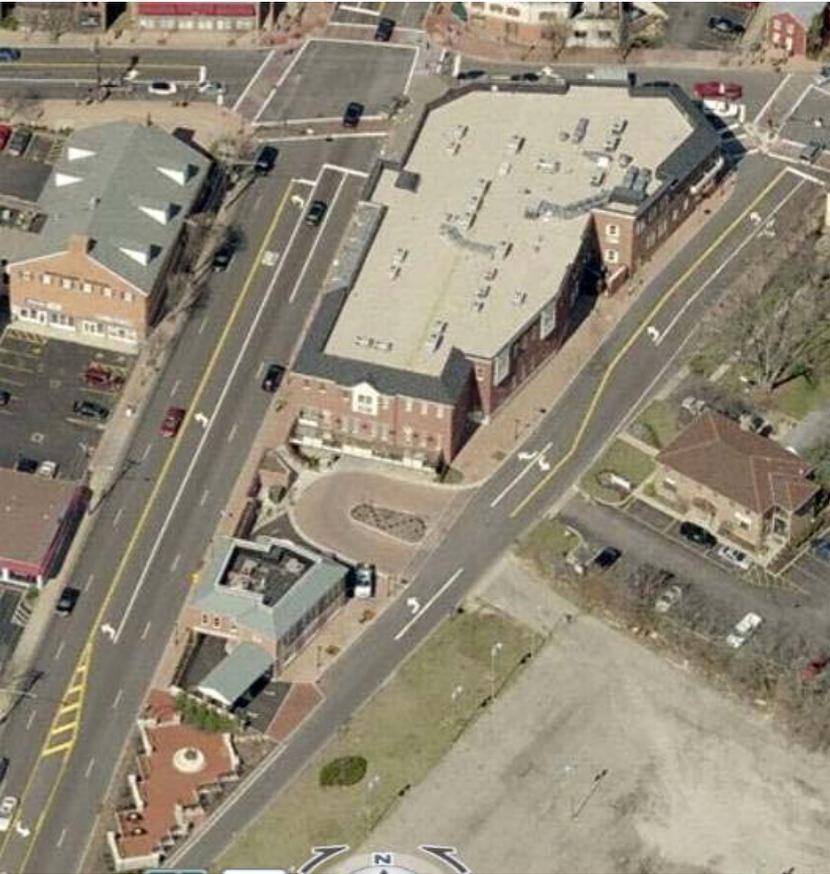


Stories of Place – Restoration of Historic Context, Montgomery, OH





Stories of Place – Restoration of Historic Context, Montgomery, OH





“Cleaning brownfields is one of the best ways that government can aid the revival of cities.”

. . . Hartford Current

“Smart growth is about creatively reusing the built infrastructure.”

. . . Connecticut State House Speaker James Amman

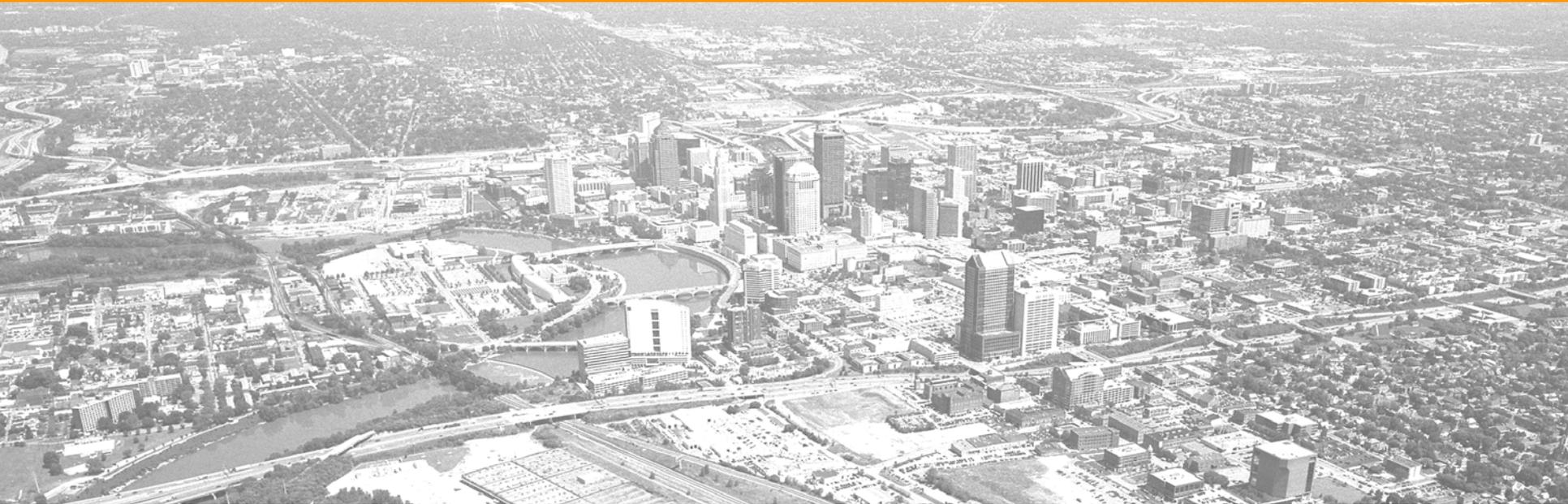


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