




**Bridge Street District
Cooperative Agreement**

Developing the Bridge Street District
To Ensure Dublin's Future Economic Competitiveness

OSBA School Law Workshop
Tuesday, November 10, 2015

Bridge Street District Cooperative Agreement

Speakers

Dublin City Schools
Stephen Osborne – Treasurer
Matt Stout – Legal Counsel to the School District

City of Dublin
Angel Mumma – Director of Finance



Bridge Street District Cooperative Agreement

Dublin City School District

Premier central Ohio school district; One of the fastest growing


- Three high schools (Coffman, Scioto, Jerome)
- Four middle schools
- 12 elementary schools
- Adding 22 classrooms with proceeds from 2008 bond issue

Serves over 15,500 students

2015 Collection Year Assessed Valuation - \$2,977,295,270

Approved four voted bond issues for building projects in excess of \$182,000,000 since 2000

Approved continuing operating levies (2004, 2008, 2012) totaling 22.2 mills in the last ten years



Bridge Street District Cooperative Agreement

City of Dublin

Premier central Ohio suburb founded in 1810

Population – 43,607 (2013 US Census estimate)

2014 Collection Year Assessed Valuation - \$2,003,415,640

Home of The Memorial Tournament (PGA Tour Golf Tournament)


Home of the Dublin Irish Festival



Bridge Street District Cooperative Agreement

Discussion

- Fundamentals of TIF Law
- The Bridge Street District
- Financial needs within the Bridge Street District
- Partnership between Dublin City Schools and the City of Dublin
- Negotiations
- Bridge Street District Cooperative Agreement
 - Legal aspect
 - Mechanisms of the agreement
- Bridge Park Development
- Questions




Bridge Street District Cooperative Agreement

Basic Fundamentals of TIF Law

How a TIF Works

- TIF allows the capture of the tax "increment" generated from economic development
- Example for a municipal TIF:
 - Base property taxes on undeveloped land = \$1,000
 - Tax "Increment" from development = \$100,000
 - School District's share = \$60,000
 - City's share = \$5,000
 - County's share (incl. agencies) = \$25,000
 - Township's share = \$10,000




Bridge Street District Cooperative Agreement

Basic Fundamentals of TIF Law

How a TIF Works

All of the "Increment" goes into TIF Fund:

- Can only be used to pay for public infrastructure improvements (or housing renovations = RIDs), or
- Pay compensation to the School District (and JVS), or
- **Exception:** – Compensation to county/township (for a Residential Incentive District)




Bridge Street District Cooperative Agreement

Basic Fundamentals of TIF Law

How a TIF Works

- Municipalities, Counties, and Townships all have TIF authority
- Use property taxes that would otherwise have been paid by a property owner with respect to improvements to real property to pay for infrastructure improvements that benefit the property.
- PILOTs (Service Payments in Lieu of Taxes)
- Real Property Tax Exemption (but not an exemption from paying PILOTs)




Bridge Street District Cooperative Agreement

Basic Fundamentals of TIF Law

Types of TIFs

- Commercial / Parcel TIF
- Special Municipal TIF (41 TIF)
- Incentive District ("RID")




Bridge Street District Cooperative Agreement

Basic Fundamentals of TIF Law

Terms of TIF Exemption

- Period – Up to 30 years
- Percentage – Up to 100%




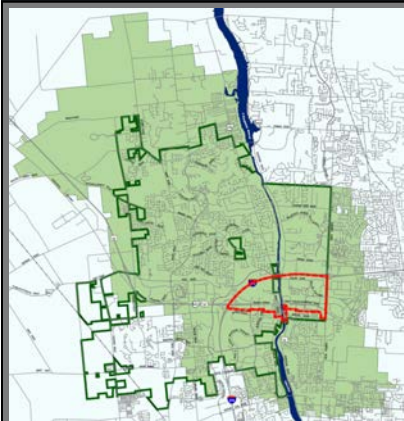
Bridge Street District Cooperative Agreement

Basic Fundamentals of TIF Law

Involvement of the School District


- Exemptions of up to 75% or a term of up to 10 years
 - No school district approval required
- Exemptions of over 75% or a term over 10 years
 - School district approval required
- Non-school TIF (school district receives 100% of what it would have received)
 - No school district approval required

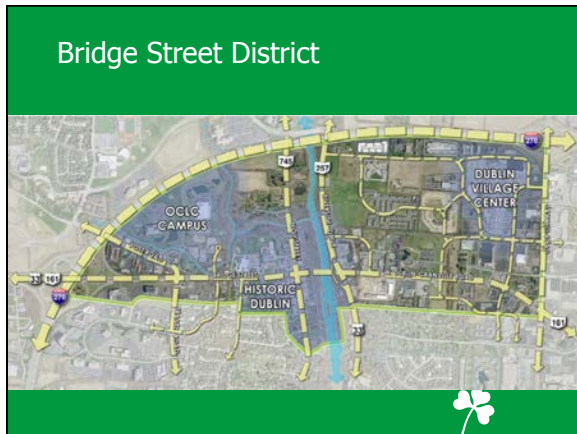




Bridge Street District

- **Area**
Approx. 1,200 acres
(2 square miles)
- **6% of Dublin's Land Area**
- **Boundaries**
1-270, Sawmill Road, SR 161/Bridge Street, including the Historic District

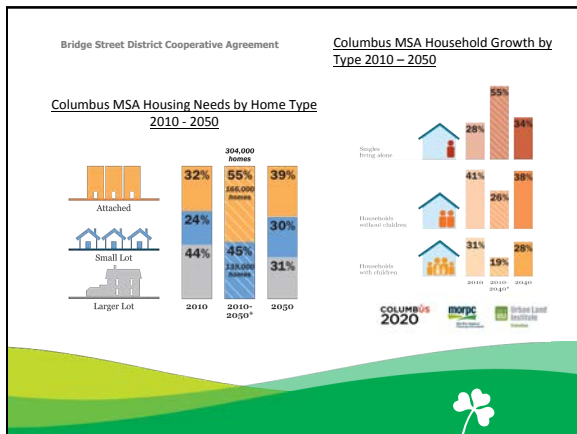




Bridge Street District Cooperative Agreement

Rationale for the Bridge Street District Development


- Enhances City's near and long term economic development competitiveness
- Talent attraction and retention
- Growing demand for creative office environments
 - Market trends - less new suburban office construction
- Financial benefits
 - More sustainable development pattern - more efficient use of land
 - Targets long-standing underperforming areas within the District
 - Increased value throughout City
- Changing demographics

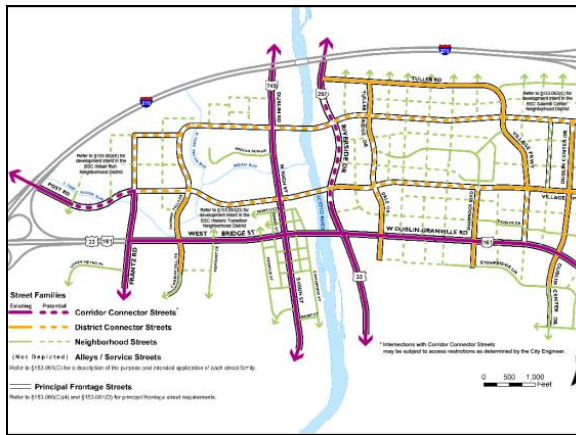


Bridge Street District Cooperative Agreement

To Achieve the Desired Densities, Requires:

- Much higher development costs resulting in substantially higher investment
 - Structured/podium parking facilities
 - "Grid" of roadways
- Supportive infrastructure improvements, including major public investments in transportation, public spaces, parks, and other civic improvements to "amenitize" the District






Bridge Street District Cooperative Agreement

Financial Needs of the City

- Substantial public infrastructure needs
 - Estimated to cost over \$400 million over a 30 year period
 - Transportation grid network
- Contribution toward private improvements
 - Structured parking
 - Write down of land costs

Resources would not be sufficient with income tax and property tax revenue alone; TIF revenue would be needed in order to fund the gaps that will exist



Bridge Street District Cooperative Agreement

Negotiations – Dublin School’s perspective

- Recognition that the City can’t proceed with this development without the support of the school district
- Concerns over increases in student population by this development
- Dedicated revenue stream for the district
- Resident’s concern and understanding regarding future school levies
- Compliance with ORC, legal implications



Bridge Street District Cooperative Agreement

Negotiations – City’s perspective

- Recognition that the City’s success is dependent on Dublin School’s success
- City’s belief that there would be minimal impact to DCS in terms of student population
- Necessary to have predictability for the benefit of the development community
- Flexibility in incentive types
- Compliance with ORC, legal implications
- Manageability of the agreement



Bridge Street District Cooperative Agreement


The Cooperative Agreement

Dublin City Schools receives \$50 million over 33 years

- \$1.5 million annually from 2014 – 2046
- \$2 million in 2047
- No additional compensation during term of agreement

City has the ability to create Tax Incentive Districts within the BSD area during the 33 year term

- For each TIF created:
 - Years 1 – 15 City receives 100% of the service payments generated (Straight TIF)
 - Years 16 – 30 DCS receives 10% of the amount they would have received; City receives the remainder



Bridge Street District Cooperative Agreement

The Agreement – Legal Issues

School District Approval – When is it Required?

School TIF vs. Non-School TIF


- 10 Year / 75%
- 30 Year / 100% Non-School
- Hybrid Agreement

School District Compensation

- TIF PILOTS
- Income Tax Sharing
- Limitations

JVSD Compensation

Notifications



Bridge Street District Cooperative Agreement


Key Details of the Agreement

October 2016 - \$70 million in valuation must be created within the District

- If < \$70 million
 - \$1.5 million annual payments cease
 - Any TIFs established convert to 75/25
 - In place until value ≥ \$70 million

Annually after 2017, City will review the value generated within the District

- Ensure that at the end of the 33 years, the City hasn't paid to the District an amount in excess of their forgone revenue
- Annual adjustments to the payment may be made
- Annual payment capped at \$1.5 million
- Payment will continue beyond 33 years until such point that School District receives \$50 million



What has happened since the Cooperative Agreement was signed?





Bridge Street District Cooperative Agreement

River Corridor Sub-Area

59 properties within area


- Market Value **\$31,189,400**
- Generates **\$580,317** annually for Dublin Schools
- Generates **\$19,134** annually for City of Dublin


Bridge Street District Cooperative Agreement


River Corridor Sub-Area

1957



2013





Bridge Park Overview

Plan Overview

- Spanning 30 acres along the Scioto River
- At completion, Bridge Park is expected to have the following:
 - Office: 373,000 SF
 - Retail: 120,000 SF
 - Food & Beverage: 115,000 SF
 - Grocery: 76,000 SF
 - Apartments: 720
 - Condominiums: 70 units (\$350,000-\$450,000)
 - 500 person Conference Center
 - 150 Key Hotel
 - Seven parking garages
- Projected private investment in excess of \$230 million






Bridge Street District Cooperative Agreement

Financing Bridge Park – City’s Responsibilities

Finance the following Parking Facilities (owned by CFCFA)

- Parking Garage B - \$16 million
(851 total spaces; 353 reserved; 498 public)
- Parking Garage C - \$16 million
(869 total spaces; 335 reserved; 534 public)

Finance the Phase 1 Roadway Improvements - \$11.1 million



Bridge Street District Cooperative Agreement

Financing Bridge Park – City’s Responsibilities

City Issued Debt (Proceeds)
TOTAL INVESTMENT \$43.1 million

Funding for City Debt
All TIF revenue (service payments) generated in blocks where City funded garages are located will be directed towards payment of debt service associated with the garages and roadways

Annual Minimum Service Payment Guarantee on Blocks B & C

Calendar year 2018 - \$1,887,978	Calendar years 2019 – 2046 - \$2,432,351
Calendar year 2047 - \$2,333,630	TOTAL \$72,327,436



Bridge Street District Cooperative Agreement


Financing Bridge Park – Developer’s Responsibilities

Finance the following Community Facilities

Parking Garage A - \$9,000,000	Parking Garage G - \$7,880,000
Parking Garage D - \$10,360,000	Parking Garage Z - \$10,500,000
Parking Garage F - \$10,730,000	Events Center - \$6,500,000

Finance the Remaining Roadway Improvements - \$5.5 million

TOTAL INVESTMENT \$60.47 million (excluding private development)





Bridge Street District Cooperative Agreement

Financing Bridge Park – Developer’s Responsibilities

Developer Expenses
Parking Garages (A, D, F, G, Z, and Events Center) - \$54,970,000
Roadway Improvements - \$5,500,000

Funding for Developer Expenses
TIF revenue (service payments) generated on all commercial properties in Blocks other than those which have the two City-funded garages
NCA Charge – Owner-occupied properties; backstop on commercial properties
NCA Bed Tax Revenue (Separate from City’s bed tax)
Annual Bed Tax Grant
Private Sources





Questions?
