

TRANSFORMING A COMMUNITY

THE STORY OF IVY POINTE COMMERCE PARK



JOBS

INVESTMENT

REDEVELOPMENT

Opportunities Taken

In mid-2005, a small but rapidly growing Clermont County company was running out of room in its office building located in Park 50, Miami Township. The company, which employed less than 200 people, provides third party freight logistics services, connecting companies needing products hauled with carriers delivering goods. The company was Total Quality Logistics (TQL), and its president was taking it on the fast lane to record growth. He needed to purchase or construct a new building to attract the young professionals required to maintain the growth rate the company was projecting over the next few years. The company faced a significant hurdle in that no available office buildings meeting its needs and no office park with available land existed in Clermont County at the time.

Ken Oaks, founder and CEO of TQL, approached Cincinnati United Contractors (CUC) to construct a new 100,000 sq. ft. "Class A" office building with highway visibility somewhere in the Cincinnati market. Having recently completed the construction of the new Union Township Civic Center, CUC president Chuck Kubicki knew that Union Township would welcome a



TQL's Headquarters at Ivy Pointe

growing company with a bright future. Mr. Kubicki also knew there were 99 acres of undeveloped land with highway visibility that officials in Union Township and Clermont County wanted to see developed as a business park. Several developers had unsuccessfully attempted to assemble the parcels in the past, so CUC and TQL approached officials with the township and county for assistance.

The county and township took this opportunity and made bold but deliberate decisions. Within several weeks of the first meeting with CUC and TQL representatives, Clermont County officials had the property under contract. Additional agreements were then drafted which would provide a roadmap for the next decade, initiating the creation of Ivy Pointe business park and the rebirth of the Eastgate area.

Planning for Success

The Board of County Commissioners took very seriously the responsibility of using public tax dollars to aid in the development of a new business park. This strategy is one that has been used by other communities throughout Ohio, but it was new and untested in Clermont County. The County Commissioners crafted several agreements with the security of public funds a primary goal. To ensure the county would retain some asset with value, the county would retain ownership of the land. Here is how the project was structured:



Ivy Pointe Commerce Park (2015)

- The county purchased 99 acres of land for \$8.3 million. The land was then conveyed to the Clermont County CIC (CIC), which is a nonprofit Community Improvement Corporation controlled by the county and established under Ohio law as a tool specifically created to aid local governments with economic development.
- The CIC simultaneously executed agreements for TQL and CUC to buy back all the land at a predetermined price and annual takedown schedule. In the unlikely circumstance that one or both buyers walked away from the contracts, the CIC would still hold title to valuable, improved land with highway visibility.
- The county accelerated the design and construction of Ivy Pointe Boulevard, which would provide access to the site for development. Construction costs for the road and utilities were paid for through grants and the use of Tax Increment Financing. Part of the road was privately constructed by CUC in order to ensure it would be ready in time for TQL employees to access the new corporate headquarters being constructed at the same time.

- CUC and TQL both agreed to reimburse the CIC for annual real estate tax costs. They also agreed to pay interest to the CIC, which was based upon the amount of land each still had to buy at the beginning of every year. The interest payments totaled \$1.5 million over the previous decade.

A Decade of Success

The development that has occurred, and what is still expected to come, will impact the county more than any other single public or private development project since the construction of I-275. TQL's growth has exceeded all expectations, with the company now employing 900 at Ivy Pointe and approximately 1,400 total in Clermont County. With 32 offices nationwide and over 3,200 total employees, TQL is now ranked as the second largest freight brokerage firm in the United States and is the largest private company in the Cincinnati metropolitan area.

In addition to TQL's amazing success story, the impact of Ivy Pointe reaches far and will continue for years. The measure of its impact can be grouped into categories of direct, indirect and reinvestment, which are summarized in the table below¹.

Building/Site	Real Property Value (2014)	Jobs	Impact
TQL	\$9,669,000	900	Direct
Senco/Tata Building ¹	\$7,499,000	400	Direct
Ford Redevelopment ²	\$31,700,000	510	Reinvestment
Jungle Jim's ³	\$22,700,000	500	Indirect/Reinvest.
Avalon at the Pointe	\$9,000,000	4	Indirect
32 East ⁴	\$14,700,000	266	Indirect
TOTALS	\$95,268,000	2,510	

(1) Includes Senco, Ideopia, Ecolab, 5Me, Tata Consultancy, Finney Law and TEC.

(2) Includes Huhtamaki, UC East, Altimet/GSM, Environmental Mobile Solutions (EMS), OIA Global.

(3) Includes Jungle Jim's & new retailers leasing space at Jungle Jim's development.

(4) Includes projected jobs and amount spent on renovations of retail strip center formerly known as Eastgate Station.

Direct Impacts

The total direct impact of development at Ivy Pointe is still not known as of September 2015. We do know that TQL has already added \$9.6 million in new real property value and approximately 900 new jobs. We also know the Senco/Tata building, home to multiple tenants and directly across Ivy Pointe Boulevard from TQL, has added \$7.4 million in real property value and approximately 400 new jobs. However, two major land purchases have yet to announce specific projects but will likely involve significant new investment and job creation.

Cincinnati Children's Hospital purchased 25 acres of land north of TQL on the west side of Ivy Pointe Boulevard in late 2012. Children's Hospital has not commented on what it may do with the property; however, a similar sized site (21 acres) in Butler County's Liberty Township is home to a suburban hospital campus with real property valued at \$37 million and home to over 300 jobs. Based on 5-year leases renewed in late 2012 at Children's Hospital facilities in Eastgate and Anderson Township, it is reasonable to conclude that an announcement for the Ivy Pointe site may be made by early 2016.

Mercy Health also purchased 21 acres of land in July 2015, directly north of the Senco/Tata building. A September 22, 2015 article in the Cincinnati Business Courier

stated that the medical center size will range from 50,000 to 100,000 square feet and will cost \$15 million to \$20 million. Mercy Health officials indicated the initial phase of construction will be focused on primary care, women's health, and state of



Mercy Health Medical Center Rendering (2015)

the art cancer treatment. Slated to open in the first quarter of 2017, this facility will be another significant addition to jobs, real property investment, and quality of life for Clermont County residents.

Indirect Impacts

The ripple of investment and jobs created at Ivy Pointe has expanded beyond the boundaries of the commerce park itself. Avalon at the Pointe, located just south of the intersection of Aicholtz Road and Ferguson Boulevard, is a 133-unit luxury apartment complex which opened in 2014. The \$9 million apartment complex was specifically designed to attract the young professionals who work a half mile down the road at TQL and the



Avalon at the Pointe Apartments (2015)

Senco/Tata building. This type of mixed-use addition to the traditional office park development is being replicated throughout the suburbs of Cincinnati and seen as a crucial element to attract young professionals needed by growing companies.

Jungle Jim's International Market is another example of targeted, strategic public investment creating the environment that attracts private investment. For years, Jungle Jim's had been interested in an "east side of Cincinnati" location, but couldn't find the right building. When Bigg's announced it would close the store north of Ivy Pointe Commerce Park by June 2010, the opportunity was taken by Jungle Jim's.

The Union Township CIC, a Community Improvement Corporation chartered and controlled by the Union Township Board of Trustees, intended to purchase the former Bigg's retail center and lease it to Jungle Jim's. The \$7.5 million acquisition cost could not be paid for entirely in cash by Union Township, so the Clermont County CIC provided \$2 million in the form of a short-term credit facility. The Funding Participation Agreement was approved in early 2011, and the entire amount plus interest was repaid to the CIC by February 2014. It is important to note the \$2 million came from proceeds of sales of Ivy Pointe land and is an example of the philosophy to continually reinvest the returns on successful development to spur additional growth.

Jungle Jim's has been a tremendous success and, in addition to creating approximately 500 jobs and bringing thousands of shoppers per week to Clermont County, this development has spurred additional significant



32 East Rendering (2015)

redevelopment directly across the street with the new 32 East retail redevelopment. Formerly known as Eastgate Station, the mostly empty retail strip was purchased by PEBB Enterprises in 2014. Investing approximately \$24 million into major renovations of the property, approximately 266 jobs will be created by announced tenants such as Home Goods, Michaels, Kirkland's, Ulta and Gordmans. The developers cited the regional draw of Jungle Jim's as a key factor in their decision to purchase this property for redevelopment.

Planning for the Future

The Clermont County Commissioners set the policy for the CIC, determine how it will be used to achieve economic development goals that will benefit the citizens of Clermont County, and provide the necessary funding to enable the CIC to carry out its intended functions. The Commissioners also intended the initial investment of \$8.3 million in Ivy

Pointe to be a seed investment, which ideally would be perpetually renewed and reinvested in other economic development projects to spur private sector and investment and job creation within the community. To date, the plan has been executed as intended with financial returns outlined in the table below.

Project	CIC Investment	Interest Earnings	Principal Repaid
Ivy Pointe	\$8,394,326	\$1,552,847	\$8,394,326
Jungle Jim's	\$2,000,000	\$190,379	\$2,000,000
TOTALS	\$10,394,326	\$1,743,226	\$10,394,326

The \$1.7 million in interest is significantly greater than what the County government would have earned if the original \$8.3 million had been left in County accounts and never invested in the Ivy Pointe project. However, the interest has been returned to the County's General Fund to replace the interest forgone due to the original investment in Ivy Pointe. Repaid principal is being held in the County pooled funds and is segregated into an "opportunity fund" and held for future economic development opportunities.

In addition to the projects outlined in this document, the Clermont County CIC catalyzed the redevelopment of the former Ford Transmission plant using the proceeds from sales of Ivy Pointe land. The story of the rebirth of an abandoned manufacturing plant, the largest in Clermont County, to the thriving employment and educational center it is today can be read in more detail by clicking on the image below.



New Beginnings




HOW THE FORD TRANSMISSION FACILITY IS BEING REDEVELOPED

FORD PLANT FACTS

The plant opened in 1981 as a transmission manufacturing facility.

The facility consists of 1.8 million square feet, of which 136,000 square feet is office space with the remaining being manufacturing / warehouse.

The facility is located on 230 acres of land at Batavia Road and SR 32.

In January 2006 the Ford Motor Co. announced the plant would close, and final operations ceased in August 2008.

At its peak, the facility employed over 2,500, with approximately 1,700 being employed at the time the closure was announced.

When Ford initially announced that the Batavia transmission plant would be one of 14 Ford facilities to be closed nationwide, the community banded together to address this crisis. As the single largest industrial facility in Clermont County, employing the largest workforce of any company in the community, the fate of this property would impact nearly everyone in the area.

When it became clear that the closure decision would not change, the Clermont County Board of Commissioners' focus turned to finding a new use for the facility. With the economy sliding into the Great Recession in 2007, the already scarce number of large single-user industrial projects virtually disappeared. The County focused on promoting the site to industrial redevelopers, or companies that would own the facility and lease out space to multiple users.

One such redeveloper, California-based Industrial Realty Group (IRG), saw the possibilities in this site. IRG has a successful track record of redeveloping over 30 million square feet in Ohio, including the redevelopment of a 3.8 million square foot Ford assembly plant in Lorain and redevelopment of a 2.1 million square foot Lockheed Martin facility in Akron. However, private lending sources were essentially frozen in 2007-2008 so IRG approached the Board of County Commissioners for assistance in securing public financing. The next pages detail the County's role in the financing structure of this project, the benefits to the community, and how this facility is being reused.

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