

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:

- 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 around 850 at Ivy Pointe and approximately 1,500 total in Clermont County, plus an additional 600 jobs to come with the development of their second building in Ivy Pointe. With 57 offices nationwide and over 5,500 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 below.

Building/Site	Real Property Value	Jobs	Impact
TQL ¹	\$29,669,000	1,450	Direct
Senco/Tata Building ²	\$7,499,000	400	Direct
Mercy Health Medical Center ³	\$18,000,000	150	Direct
Ford Redevelopment ⁴	\$32,973,100	510	Reinvestment
Jungle Jim's ⁵	\$35,074,900	500	Indirect/Reinvest.
Avalon at the Pointe	\$11,403,000	4	Indirect
32 East ⁶	\$20,007,000	266	Indirect
TOTALS	\$154,626,000	3,280	

(1) Includes Auditor's current valuation and an estimated construction value, as well as current 850 jobs and projected 600 new jobs for the newly announced second building

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

(3) Includes estimated construction value as of July 2019. Building opened in May 2019.

(4) Includes Huhtamaki, UC East, Environmental Mobile Solutions (EMS), GE OnWing Services, Verst Logistics, and Dediene Aerospace.

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

(6) Includes projected jobs and Auditor's current valuation

Direct Impacts

TQL has already added \$9.6 million in new real property value and approximately 850 jobs, with plans to create an additional 600 new jobs at their second facility in Ivy Pointe, with an anticipated construction cost of \$20 million. We also know the Senco/Tata building, home to multiple tenants and directly across Ivy Pointe Boulevard from TQL, has added nearly \$7.5 million in real property value and approximately 400 jobs. Mercy Health's new medical center, opened in May 2019, features OHC Inc., a cancer center, as well as Cincinnati Eye Institute, and Mercy Health primary care practices. This new facility represents \$18 million in new investment in Ivy Pointe.



Sharefax Credit Union recently announced plans to build a 33,000 square-foot headquarters building and retail branch at Ivy Pointe. The new facility will be located next to Mercy Health, on land that was purchased for \$1.8 million.

Other major land purchases have yet to announce specific projects but will likely involve significant new investment and job creation. Cincinnati Children's Hospital purchased 23 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.

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 \$11.4 million apartment complex was specifically designed to attract the young professionals who work a half mile



Avalon at the Pointe Apartments

down the road at TQL and the 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

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 more than \$20 million into major renovations of the property, a significant number of retail jobs have been created by announced tenants such as Home Goods, Michael's, Kirkland's, and Ulta. 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 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 held in the County pooled funds and is segregated into an "opportunity fund" and held for future economic development opportunities.