

# COLUMBUS BUSINESS FIRST

## 1st Grandview Yard tenants setting tone for project

### Brian R. Ball

The \$40 million first phase of Grandview Yard will reflect the work-live-play approach developer Nationwide Realty Investors Ltd. hopes to create after spending three years assembling land and planning for the project.

Construction of the 12-acre phase could begin as early as August with a 126-room Hyatt Place hotel, a 42,000-square-foot Urban Active fitness center and a 96,000-square-foot office building anchored by M&A Architects, which will move to Grandview Heights from Dublin. The office building will include Jason's Deli, a Beaumont, Texas-based luncheon chain that recently arrived in Central Ohio with a shop in Dublin.

While the entire 90-acre Grandview Yard project may ultimately include nearly 2 million square feet of commercial development, the developer is anxious to get the first three buildings up so the community can see what is in its future and to prove the project will move ahead despite difficult times for commercial real estate, officials said. The initial phase also calls for about 500 parking spots in a two-level parking deck.

"We want to get the project in the ground," said Nationwide Realty President Brian Ellis. "It will really set the tone for what Grandview Yard is going to be over time."

### Setting the stage

Ellis expects Hyatt Place to serve travelers visiting Battelle, Ohio State University and the

OSU Medical Center. He also expects the limited-service hotel to pick up over-flow business from the downtown convention market, where Nationwide Realty owns the Hyatt Regency and Crowne Plaza hotels.

"We want to create a 24/7 neighborhood," he said. "(The hotel) is a good start toward that."

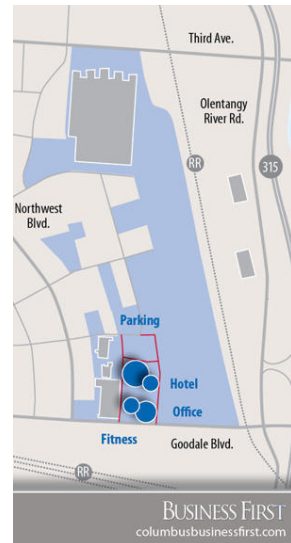
Grandview Yard could include between 475 and 800 condos and apartments in addition to the commercial buildings.

The twin-level Urban Active center is expected to become a regional draw for Grandview Yard, Ellis said, while also serving those working or residing in the development.

"We see it as a destination and as a great amenity for those who live and work in Grandview Yard," he said.

M&A Architects, which is designing the three-story office building, will lease between 20,000 and 25,000 square feet on the top floor.

Ellis expects the first phase to stand on its own, even as redevelopment of the entire industrial site continues for as many as 15 years.



Planning for the remainder of Grandview Yard is incomplete. Nationwide Realty is expected present a comprehensive plan to the city, but Ellis hasn't decided when that will happen.

"Obviously, this is a complicated endeavor. We feel good about getting this going with such a strong momentum in a pretty tough economy," he said.

"We have to have a comprehensive zoning district to guide the whole redevelopment," said Patrik Bowman, Grandview Heights' director of administration. "It would be unfair to neighboring property owners to do all of (Grandview Yard) by variances and conditional uses."

### **Marathon ends with sprint**

Nationwide Realty bought the first section of the Grandview Yard site in May 2006, meaning Grandview Heights has waited three years for a vision for the former Big Bear Stores distribution center campus.

Ellis said property acquisition, demolition and planning has occupied much of the past three years. An agreement with the city on how to finance the construction of roads and utility projects in and around the development also has taken time, especially since some of the major improvements are within Columbus' borders.

Grandview Heights City Council must approve a flurry of legislation before Nationwide Realty can begin construction. The planning commission also must OK the conditional uses for the hotel and retail projects, which would be built within a manufacturing district. The commission and council also will consider development plans for the first three buildings.

City Council on July 6 got its first look at a development agreement with Nationwide Realty that includes an outline of how the city can finance up to \$78 million of road and sewer projects at the

site and \$41 million in related projects designed to improve traffic flow in and out of Grandview Yard.

Separately, council members heard a first reading on the developer's request that the city support its application for \$2 million from the Clean Ohio Revitalization Fund. That money would help fund demolition of a former Big Bear warehouse off West Third Avenue and the cleanup of underground contamination.

Council members also will consider a 15-year, 25 percent real estate tax abatement on new buildings that would lower rental costs for office tenants.

"The incentive package falls within what other communities are doing, so it makes sense," said Mayor Ray DeGraw. "We need to get this project off the ground."

### **Paying for infrastructure**

As part of the development agreement, council expects to get its first look as early as July 13 at legislation for a 30-year tax-increment financing plan that would divert property taxes arising from the increased value of commercial properties from West Third Avenue to Goodale Boulevard to pay off infrastructure bonds the city would sell.

The legislation also would approve diverting half of the income taxes generated by businesses at Grandview Yard toward the repayment of bonds sold to finance off-site projects, including a new railroad bridge, to ease traffic along Goodale Boulevard.

Nationwide Realty has agreed it won't seek to lower the value of its land below \$38 million. That pledge will preserve the flow of property tax income during development to the Grandview Heights City School District, which also must approve the development accord.

"It's been a long negotiation," DeGraw said. "It's a difficult project in difficult times."