



MINUTES

CITY OF NEW ALBANY COMMUNITY IMPROVEMENT CORPORATION

Thursday, February 15, 2024

CALL TO ORDER:

Community Improvement Corporation President Philip Smith called to order the Community Improvement Corporation (CIC) meeting of February 15, 2024, at 9:00 a.m. at the New Albany Village Hall, 99 West Main Street, New Albany, Ohio. Staff attending were Bethany Staats, Allison Criger, Ethan Barnhart, Morgan Joeright, Sara Zeigler, Jackie Russell, Alex Klosterman, and Ben Albrecht.

ROLL CALL:

The following CIC Members answered Roll Call:

Member Colleen Briscoe	P
Member Marlene Brisk	P
Vice-President Todd Brubaker	P
Member Jennifer Chrysler	P
Secretary Ron Davies	P
Treasurer Everett Gallagher	P
Member Matt Shull	A
President Philip Smith	P
Member Joe Stefanov	A

Guests: Neil Collins

Briscoe moved and Gallagher seconded to excuse Shull and Stefanov from the meeting. The CIC voted with 7 yes and 0 no votes to excuse Shull and Stefanov from the meeting.

ACTION ON MINUTES:

Gallagher moved and Smith seconded to adopt the January 25, 2024, meeting minutes. The CIC voted with 7 yes and 0 no votes to adopt the January 25, 2024, meeting minutes.

INNOVATE NEW ALBANY MANAGEMENT SERVICE PROVIDER CONTRACT

Chrysler directed the CIC to view the prospective floor plan included in the meeting packets. Chrysler highlighted the amenities, meeting spaces, and variety of office and coworking spaces. She explained that this layout was developed by Brick House Blue based on their experience managing similar facilities throughout the region. Chrysler shared that the floorplan was strategically designed to divert foot traffic away from the larger coworking space. Chrysler elaborated on the lobby and café design. Brisk clarified and Chrysler confirmed that moving the café space to the lobby would alleviate foot traffic around the offices near the kitchen.

Chrysler explained that overall, the space needed considerable planning to ensure it will attract residents to co-work or locate businesses in the space rather than staying in their homes. Chrysler stated that if executed properly, the café will be a strong point of attraction. Chrysler explained that this level of planning and amenities would incur higher costs than what the city would typically pay to furnish its own office spaces. With the guidance of the city council and the CIC, additional spending would be used for

specific value-add amenities to enhance the desirability of the space. Chrysler shared that since the last CIC meeting, Daimler had agreed to donate excess glass wall panels to the project. Chrysler added that potentially using existing office furniture could reduce project expenses.

Chrysler thanked the CIC subcommittee for their hard work on the Brick House Blue management service provider agreement. Chrysler presented the high-level terms therein, which she said were financially favorable and retained the Innovate New Albany (Innovate) brand. Chrysler clarified that there was a mistake in the previously shared proforma and that, per the most recent discussions, the agreement covered a 10-year term with a three-year renewal, an annual fee that increased every three years, and a 15% profit-sharing incentive between the CIC and Brick House Blue.

Chrysler pointed out the inclusion of a performance improvement plan if Brick House Blue did not attain 50% occupancy within 36 months. Davies asked and Chrysler confirmed that a 50% occupancy rate would be an approximate annual break-even point. Chrysler clarified that future considerations included opportunities to both generate and spend more money and were not included in the proforma. These opportunities may include scholarships for nonprofits and startups that could incur costs, whereas renting meeting spaces on evenings or weekends could boost revenue. Davies asked and Chrysler confirmed that the management service provider would handle communications related to after-hours rentals. Smith added that, per the agreement, the CIC was also protected by an insolvency clause and had audit rights over Brick House Blue's involvement in the space. Staats clarified that the agreement specifically limited the profit-sharing agreement to Innovate related operations, not the CIC as a whole.

Chrysler said and Brisk agreed that she was optimistic about the new space and the potential of partnering with Denison Edge. Collins confirmed that Denison Edge was very much interested in a partnership. Gallaher congratulated the staff on rising to the occasion to move the project forward. Chrysler recognized Albrecht and the subcommittee for their work on the agreements.

Gallagher motioned and Davies seconded to authorize the CIC President, or Vice President in his absence, to enter into a contract with Brick House Blue. The CIC voted with 7 yes and 0 no votes to approve the motion.

INNOVATE NEW ALBANY ARCHITECTURE FIRM CONTRACT

Smith asked when the CIC should expect to see the project budget from the city and added that it was important to move forward signing agreements in the proper order and with an understanding of the budget. Chrysler presented the design and construction management schedule which included six phases (one of which was already complete) culminating in a May 5, 2024, construction start date. Chrysler clarified that once the CIC had a budget, Smith could sign the lease with Daimler, then the Brick House Blue management service provider agreement. Chrysler clarified that the CIC has authorized Daimler to perform the construction in the lease agreement, so the CIC will need to schedule a meeting the following week to discuss Daimler's proposed construction costs. Chrysler explained that the city is currently budgeting \$1,200,000 for construction, but that that total figure still needed to be itemized to reflect the highest value pieces of the project. Chrysler explained that the \$1,200,000 figure has been approved by the city council in executive session.

Phil asked whether the city council's consideration of \$1,200,000 expense included, or was in addition to, Daimler's \$275,000 contribution to the build out costs. Chrysler and Staats responded that this still needed to be clarified with the city council. Chrysler added that the final figure withdrawn from the economic development fund would be presented as legislation before the city council. Chrysler explained that the only figure the architect was aware of was \$1,200,000, not a combined \$1,475,000 to include Daimler's contribution. Chrysler shared that in addition to the total construction cost figure, the buildout would require contracted project management due to personnel constraints related to the Intel project.

Chrysler explained that current negotiations priced that contract around \$160,000, and asked the CIC to approve an amount up to \$170,000. Chrysler clarified that the city had approved this expense.

Gallagher motioned and Briscoe seconded to authorize the CIC President, or Vice President in his absence, to enter into a contract of up to \$170,000 with WSA Studio. The CIC voted with 7 yes and 0 no votes to approve the motion.

UPDATES ON INNOVATE NEW ALBANY TENANT TRANSITION

Russell summarized the transition efforts that had transpired since the last CIC meeting including the dates of the email notification and physical delivery of the tenant lease terminations. Russell added that she had held an in-person presentation to further discuss moving dates, temporary space amenities, and potential permanent space plans. Russell observed positive reactions from the 13 tenants in the meeting. Russell said that the most common questions were about internet service, conference room scheduling, and the eventual rent rates in the permanent space. Russell also led current Innovate tenants on a tour of the temporary space.

Russell announced that since the tour, 15 out of 16 office tenants agreed to move, and clarified that the 16th tenant was not invited to move into the temporary space due to outstanding rent payments. Russell explained that many of the virtual tenants are concerned about having to update their business addresses twice in such a short time and the unknown cost of rent in the permanent space. Russell estimated that six of 11 virtual tenants might move to the temporary space. Chrysler added that the nonprofit tenants were especially concerned about potentially higher expenses in the permanent space.

Russell mentioned that a current tenant who is a New Albany resident and tech startup owner reached out to discuss the new space since the last CIC meeting. Russell explained that this resident's company was recruited to join another co-working facility but was waiting for the permanent Innovate space to open to announce the company's recent successes.

Russell added that she had met with ThinkCSC and Mitchell Lock since the last CIC meeting and expected to receive proposed contracts from each company sometime next week. Russell shared that she and Collins were working on a furniture relocation list to aid in the moving process. Chrysler asked and Russell confirmed that tenants had been asked to move between March 11 and March 15, 2024, allowing the city two weeks to move any furniture from the existing space by March 31, 2024. Chrysler added that The New Albany Company will only charge the city 50% of the standard March common area maintenance. Russell added that ThinkCSC and Mitchell Lock will also need time in the temporary space prior to the move to establish internet service and key each lockable office.

UPDATE ON WATER'S EDGE BUILDING I DISCUSSION WITH THE DAIMLER GROUP

Chrysler explained that since the last CIC meeting, Daimler has agreed to provide the first six months at 50% of base rent because the CIC plans to make improvements to the lobby area. Chrysler added that Daimler agreed to grant the CIC the second right of refusal to the second floor of Water's Edge Building I. Briscoe asked and Chrysler confirmed that another company has already been granted the first right of refusal.

INNOVATE NEW ALBANY INTERNET PROVIDER CONTRACT

Russell explained that the city had negotiated favorable terms with Breezeline to light the fiber at Water's Edge Building I, which would enable internet service to both the temporary and permanent Innovate spaces. Smith asked and Russell confirmed that the internet speeds and prices were favorable; per the negotiations with Breezeline, the temporary space would be served with 200 Mbps for \$560 per month, and the permanent space would be served with 1 Gbps for \$920 per month. Collins asked and Russell confirmed that 200 Mbps is faster than the internet speed at the current location. Russell clarified the

prospective Breezeline contract term is 36 months with service beginning as soon as possible to allow technicians to establish operational internet service before March 15, when tenants will be moving to the temporary space. Davies asked and Russell confirmed that 1 Gbps was the maximum estimated demand for the permanent space.

Chrysler motioned and Gallagher seconded to authorize the CIC President, or Vice President in his absence, to enter into a contract with Breezeline. The CIC voted with 7 yes and 0 no votes to approve the motion.

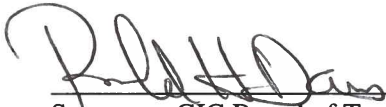
BREEZLELINE EQUIPMENT DISCUSSION

The Breezeline equipment discussion was postponed until the March 28, 2024, CIC meeting.

Gallagher motioned and Briscoe seconded to table the Breezeline equipment discussion until the March 28, 2024, CIC meeting. The CIC voted with 7 yes and 0 no votes to approve the motion.

ADJOURNMENT

Smith moved and Briscoe seconded to adjourn the meeting. The CIC voted with 7 yes votes and 0 no votes to adjourn the meeting at 10:06 a.m.



Secretary, CIC Board of Trustees

4/25/2024

Date