



MINUTES

CITY OF NEW ALBANY COMMUNITY IMPROVEMENT CORPORATION

Thursday, March 28, 2024

CALL TO ORDER:

Community Improvement Corporation President Philip Smith called to order the Community Improvement Corporation (CIC) meeting of March 28, 2024, at 9:02 a.m. at the New Albany Village Hall, 99 West Main Street, New Albany, Ohio. Staff in attendance included Sara Zeigler, Bethany Staats, Jackie Russell, Alex Klosterman, and Ethan Barnhardt.

ROLL CALL:

The following CIC Members answered Roll Call:

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

Guests: Neil Collins, Kristy Campbell

Smith moved and Shull seconded to excuse Briscoe, Davies, and Gallagher from the meeting. The CIC voted to excuse Briscoe, Davies, and Gallagher from the meeting with 6 yes votes and none opposed.

ACTION ON MINUTES:

Stefanov moved and Smith seconded the adoption of the February 15, 2024, meeting minutes. The CIC voted to adopt the February 15, 2024, meeting minutes with 5 yes votes, 1 abstention, and none opposed.

REV1 VENTURES PRESENTATION

Chrysler introduced Kristy Campbell of Rev1 Ventures (Rev1) and summarized the history of the partnership between Rev1 and the city of New Albany. Campbell thanked the CIC for the opportunity to deliver an annual update regarding Rev1 operations and to share how the city of New Albany's support has impacted central Ohio.

Campbell explained that Rev1 is one of 70 venture studios nationwide that help develop innovative businesses by leveraging nonprofit funds to support private enterprises. As the only such studio in central Ohio, Rev1 maximizes its impact by scaling high-impact companies, which Campbell characterized as a small subset of the economy that consistently produces outsized economic impact by measure of jobs, average salaries, and market growth. Campbell shared that nationally, startups in this category have a 35% survival rate over their first five years, whereas Rev1 companies have a 50% survival rate over the same period.

Campbell explained that Rev1's competitive edge is a result of three pillars: meeting entrepreneurs where they are with education programs, providing a physical studio that fosters collaboration and innovation, and providing critical funding to help startups reach their breakeven point. When it comes to funding, Campbell said, Rev1 stands out as one of the only studios in the area with an intentional focus on raising pre-seed funds. Smith asked and Campbell confirmed that other regions like New York City, Boston, and Silicon Valley do have more robust pre-seed funding ecosystems. Campbell clarified that outside those areas, studios like Rev1 fulfill the same role.

Campbell listed the seed stage funds available through Rev1, which have generated 2,733 jobs at an average annual salary of \$105,000 across more than 180 companies. Campbell noted that these statistics definitively establish Rev1 as the most active seed investor in Ohio. Campbell shared that Rev1 companies also frequently accept interns; Rev1 launched an internship program in 2020 with Ohio universities which has since placed 524 interns in Rev1 companies leading to 26 full-time hires.

Most of Rev1's fund investors are from the Midwest, Campbell said, and most of the companies who benefit from them grow out of Rev1 to remain in the Midwest, generating an exponential return on investment and benefiting the region as a whole. Campbell shared that for every dollar invested in central Ohio companies, \$205 in revenue was realized. Campbell continued to explain that the city of New Albany's investment (totaling \$1,350,000 since the beginning of the partnership) was outperforming the average; for every dollar invested in startups from New Albany, a total of \$270 of revenue was realized. Campbell recognized three success stories of entrepreneurs from New Albany, namely Prashant Malhotra, Brett Douglas, and Mike Triplett of Digital Story Therapies, Inc., PHope, and ArmatusBio, respectively.

Campbell detailed Rev1's future considerations, including launching a new pre-seed fund in the coming weeks, and a new angel fund, which would be the sixth such fund to date – a hallmark of a successful venture capital environment in Ohio. Campbell also noted an upcoming event on April 10th where 12 new software companies would be accepted into Rev1's software development program. Campbell asked whether there were any questions, and hearing none, thanked the CIC for their time and left the meeting.

Chrysler reiterated the importance of supporting the regional startup environment through Rev1 and clarified that the capital leverage figures Campbell shared were not revenues realized directly by the city but by the economy as a whole. Chrysler said the city's investment in the region's entrepreneurial culture is ultimately to the benefit of New Albany residents and Innovate New Albany (Innovate) companies.

INNOVATE NEW ALBANY UPDATE

Chrysler presented the timeline for the remaining Innovate project phases culminating in construction set to begin in early July of 2024. Chrysler explained that if the six future phases were executed on time, the new Innovate space would likely open in November, but that some phases could happen faster than anticipated. Chrysler shared that the current schematic design phase was set to conclude on March 29, 2024, and that the schematic under development was based on the budget approved by the City Council.

Chrysler explained that the CIC subcommittee had identified three potential budgets for the City Council to consider, each with progressively more expensive amenities. Ultimately, Chrysler said, the City Council had directed the CIC to pursue the middle option in executive session. Chrysler recounted the City Council's discussion about this model balancing permanently installed fixtures with stand-alone ones; a space that could be quickly repurposed if the venture failed, or easily upgraded if it was successful. Chrysler added that the City Council's selection balances cost-effectiveness by pairing existing resources with design upgrades that offer a warmer experience than a typical class-A office. Chrysler explained that the \$130,000 soft costs line item would drive this warmth and that the CIC would be responsible for executing the project within the budget set by the City Council.

Chrysler recognized the City Council for their direction and thanked the CIC and the subcommittee for their hard work over the past several months. Chrysler noted that every city department had contributed to the project over the past four weeks: the finance department had been developing new standard operating procedures for the final Innovate model, the city attorney, Ben Albrecht, worked on the temporary leases and permanent lease with Daimler and was working on proposed changes to the CIC code of regulations, the public service department had helped move current tenants to the temporary space, and various community development staff had helped Russell pack, move, clean, and troubleshoot connectivity issues throughout the move.

Chrysler directed the CIC to a schematic floorplan in the meeting packets and walked through each segment of the space in conjunction with 3D walk-through images in the meeting PowerPoint presentation. Chrysler noted the dashed marks on the floorplan denoting collapsible walls that could extend meeting spaces, and shared that Brick House Blue drives profitability almost entirely on meeting space alone. Chrysler mentioned a local church congregation that contacted the city searching for meeting space as an example of creative ways to drive revenue while the space is not in regular use. Chrysler noted that the pub space, mother's room, and phone booths surrounding the primary meeting space would help integrate office and open spaces.

Smith clarified and Chrysler confirmed that the current 3D walk-through imagery incorporated furniture from Lower.com currently located in the temporary space. Chrysler added that the city was still in negotiations to acquire this furniture, which was initially offered at \$60,000; the city had countered at \$30,000 because the furniture is highly specialized, making future repairs or replacements considerably more expensive than other furniture options.

Smith explained to the CIC that during initial schematic reviews, the subcommittee shared a concern with Brick House Blue about the amount of open meeting space that could have been allocated as higher-margin office or co-working spaces. Brick House Blue had shared that at their three other locations, large meeting spaces regularly attracted companies that have downsized their offices since the pandemic for all-hands meetings, which brought new people into the space generating tremendous exposure to employees who usually work from home. Smith commented that even if this model somehow failed to translate in New Albany, the meeting spaces could easily be renovated, since they are, effectively, open spaces. Brisk asked and Smith confirmed that the reception desk was located so that a receptionist could direct any new visitors looking for the meeting spaces.

Chrysler continued to share 3D walk-through imagery of the space, noting design elements that aligned with the city's branding like exposed brick and colonial revival wall paneling. Chrysler explained that special attention had been paid to keep the space as sunlit as possible, especially in the "backpacker" area, which would serve mobile day-to-day members without assigned workspaces. Shull asked and Chrysler clarified that this area would be restricted to paying members, but that day passes would be available. Chrysler added that paying members would be permitted a limited number of guests for meetings. Chrysler shared 3D imagery of immediately adjacent areas including the proposed pub, sports simulator, and coves of lockable desks for members with short-term workspace rentals.

Brisk asked and Chrysler confirmed that Brick House Blue would have a receptionist present during off-hours rentals to prevent non-members from accessing amenities like the sports simulator. Chrysler added that Brick House Blue would need to analyze each potential after-hours user to determine whether the return on investment was appropriate. Staats, Brisk, and Smith suggested that after-hours users might also expand to use more space; the church Chrysler mentioned earlier, for example, could desire additional meeting rooms for bible studies or childcare.

Chrysler shared that the city hoped to finalize a café operator shortly. Two businesses had expressed interest: Barry Bagels, which had submitted a proposal, and Bentos Catering, which had not yet submitted a proposal. Chrysler clarified that the terms of the arrangement were simple, as the city would only be passing CAM charges to the café. Brisk asked and Chrysler confirmed that both businesses had expressed an interest in hiring athletes from Buddy Up for Life (Buddy Up). Chrysler added that it would be difficult to know exactly how each business would handle such an arrangement without first engaging them in the final operator's agreement. Brisk noted that nonprofit tenants at Innovate were concerned about increasing rates in the new space and suggested that a partnership where Buddy Up provides employees for the café operator could be a mutually beneficial way for Buddy Up to earn a scholarship that could relieve the impact of higher rent. Chrysler agreed and added that any specifics about such a program would be hard to clarify until the café operator was confirmed.

Chrysler explained that the city of Upper Arlington has seen no interest in a similar café operator RFI for more than a year; the fact that Innovate had attracted two prospects from a difficult market was encouraging. Shull and Smith commented that Barry Bagels had positive brand recognition. Brisk agreed and cautioned the CIC against entertaining too simple a menu that people might not return to. Chrysler added that a successful café would bring more exposure to the space and suggested that some accommodations may need to be made with the operator, like designated parking for carryout customers.

Chrysler once again thanked the CIC and all city departments for their hard work, adding that 140 emails had been exchanged between tenant companies and Russell or Criger over the past four weeks. This, Chrysler said, was a prime example of the Innovate-related workload that would soon be diverted to Brick House Blue per the management service provider contract. Brisk asked and Chrysler confirmed that Brick House Blue would manage the logistics for incoming companies in the permanent space, including any existing Innovate tenants who chose to move to the first floor.

Russell shared that various city staff had committed 67 hours to the Innovate move over the past two weeks and shared several photos of the temporary space in use. Smith asked and Russell confirmed that overall, the tenants were happy in the temporary space. Chrysler acknowledged that some tenants were concerned about increasing prices in the new space but that overall, the expenses in the new space would still beat market rates for a similar space since the city would only pass on costs to tenants rather than adding a profit margin. Stefanov commented and Shull agreed that the new space would also add tremendous value to the businesses and their clients.

BREEZLELINE EQUIPMENT DISCUSSION

Staats explained that the finance department had not yet had an opportunity to physically identify and examine each piece of Breezeline equipment and requested that the discussion be tabled until the next CIC meeting.

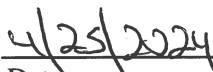
Smith motioned and Brisk seconded to table the Breezeline equipment discussion until the next CIC meeting. The CIC tabled the Breezeline equipment discussion with 6 yes votes and none opposed.

The CIC scheduled the next meeting for April 25th at 9:00 a.m. at Village Hall.

ADJOURNMENT

Smith moved and Chrysler seconded to adjourn the meeting. The CIC adjourned the meeting at 10:15 a.m. with 6 yes votes and none opposed.


Secretary, CIC Board of Trustees


Date