

Video

ULI Minnesota: Funding Model Exploration Case Studies

Date: June 15, 2021

00:00:04 --> 00:00:08: One of the things that is important is partnerships,
 00:00:08 --> 00:00:12: and we've really established over a period of time a
 00:00:12 --> 00:00:16: incredible partnership with ULI Minnesota and ULI National,
 00:00:16 --> 00:00:20: and more recently the Curtis Infrastructure Initiative,
 00:00:20 --> 00:00:25: which really has provided the grant to the local Minnesota
 00:00:25 --> 00:00:28: ULI for us to partner with.
 00:00:28 --> 00:00:32: Uh, with them on this venture.
 00:00:32 --> 00:00:35: When we think about funding models,
 00:00:35 --> 00:00:39: certainly there wide range of things that come to mind.
 00:00:39 --> 00:00:42: You know, land trusts, neighborhood trusts,
 00:00:42 --> 00:00:47: cooperatives. I mean those kinds of things that helped to
 00:00:47 --> 00:00:50: support in one form or another communities.
 00:00:50 --> 00:00:55: What I want to do is just share my thinking
 00:00:55 --> 00:00:56: over the last.
 00:00:56 --> 00:01:00: I would say, well since 2013 and and and what
 00:01:00 --> 00:01:04: I had been imagining even prior to me really fully
 00:01:05 --> 00:01:08: understanding anything that was emerging,
 00:01:08 --> 00:01:12: called the Rondel Land bridge or any other kind of
 00:01:12 --> 00:01:18: project where financing mechanism might be ideated in any
 00:01:18 --> 00:01:20: particular
 00:01:18 --> 00:01:20: form of fashion in 2011.
 00:01:20 --> 00:01:24: When the US Bank Stadium started to emerge.
 00:01:24 --> 00:01:28: I began to think through how do we increase procurement
 00:01:28 --> 00:01:29: on public projects,
 00:01:29 --> 00:01:33: particularly around the architect and engineering world?
 00:01:33 --> 00:01:35: And so I started organizing.
 00:01:35 --> 00:01:40: If you will architect and engineering firms of color and
 00:01:40 --> 00:01:40: women.
 00:01:40 --> 00:01:43: And so, as I was doing that.

00:01:43 --> 00:01:46: One of the things I also want to do is
00:01:46 --> 00:01:50: to ensure that we were able to articulate what the
00:01:50 --> 00:01:55: collective capacity was within that professional technical
arena.

00:01:55 --> 00:01:58: And I tell you this story because it kind of
00:01:58 --> 00:02:01: leads to you understanding a bit about my thinking and
00:02:01 --> 00:02:03: a bit about the model,
00:02:03 --> 00:02:06: at least that I had envisioned at that given point
00:02:06 --> 00:02:07: in time.

00:02:07 --> 00:02:10: Well, there were three real basic outcomes,
00:02:10 --> 00:02:13: two direct and indirect. And again,
00:02:13 --> 00:02:15: this is before the legislature.

00:02:15 --> 00:02:18: I decided to finance the Viking Stadium project,
00:02:18 --> 00:02:22: but the most important thing that I was looking to
00:02:22 --> 00:02:25: do was to change and tweak and to innovate a
00:02:25 --> 00:02:30: model that would create greater procurement access on a
project

00:02:30 --> 00:02:34: like the stadium. And so for the purity of time,
00:02:34 --> 00:02:37: I worked with a number of small businesses,
00:02:37 --> 00:02:41: women owned firms and businesses of color.

00:02:41 --> 00:02:44: And the team that I had put together around the
00:02:44 --> 00:02:46: civil engineering one.

00:02:46 --> 00:02:49: All of the civil civil engineering work.

00:02:49 --> 00:02:52: It was 100% for the most part,
00:02:52 --> 00:02:55: driven by a collection a collective of of firms that
00:02:55 --> 00:02:59: ordinarily see themselves competing for the 10%
00:02:59 --> 00:03:03: participation on a project. The second part of it was
00:03:03 --> 00:03:08: that I had put together an architectural team that was
00:03:08 --> 00:03:10: pursuing an associate.

00:03:10 --> 00:03:13: Uh, you know, position on the architectural team,
00:03:13 --> 00:03:17: but that team was able to.

00:03:17 --> 00:03:21: Successfully secure the parking ramp and skyway design for
the

00:03:21 --> 00:03:25: Viking Stadium in order to satisfy the NFL's requirement for
00:03:25 --> 00:03:28: certain number of parking ramps to be attached to a
00:03:28 --> 00:03:33: facility as part of their agreement with the Sports Facilities
00:03:33 --> 00:03:34: Authority.

00:03:34 --> 00:03:37: With that in mind, the indirect benefit is with the
00:03:37 --> 00:03:38: exception of HKS,
00:03:38 --> 00:03:42: who was the primary. Uh architectural firm.

00:03:42 --> 00:03:46: Uh, I'm sorry. Yeah, HKS and the first tier mechanical
00:03:46 --> 00:03:49: electrical and the first tier structural.

00:03:49 --> 00:03:53: Really. The entire stadium was really powered in terms of

00:03:53 --> 00:03:57: production by minority and women owned firms,
00:03:57 --> 00:04:01: and that's something that's not very well known about that
00:04:01 --> 00:04:01: project.
00:04:01 --> 00:04:06: But it's about innovating an idea and making sure there
00:04:06 --> 00:04:10: are entry points working with the Sports Facilities Authority.
00:04:10 --> 00:04:13: To work with the the compliance mechanism,
00:04:13 --> 00:04:17: which would be the city and that Council to take
00:04:17 --> 00:04:22: a look at working with the small business community.
00:04:22 --> 00:04:26: As well, to make sure that this came about.
00:04:26 --> 00:04:28: Well, what ended up happening about the same time?
00:04:28 --> 00:04:31: What was emerging was a private development project.
00:04:31 --> 00:04:36: And that private development project was a \$400 million
proposition.
00:04:36 --> 00:04:40: And in order for the Vikings stadium of authority to
00:04:40 --> 00:04:42: be able to finance 100%
00:04:42 --> 00:04:45: of what was happening for the stadium itself,
00:04:45 --> 00:04:50: it could not afford all of its desires and needs.
00:04:50 --> 00:04:54: And so the parking ramp and skyway design got attached
00:04:54 --> 00:04:56: to the private development project.
00:04:56 --> 00:04:59: And this was a learning for me.
00:04:59 --> 00:05:02: But as that happened, my team that I put together
00:05:02 --> 00:05:06: lost their project work and they lost that project work
00:05:06 --> 00:05:10: because it got attached to a private development project and
00:05:10 --> 00:05:13: that there were no rules or obligations.
00:05:13 --> 00:05:17: If you will in a private development project for participation
00:05:17 --> 00:05:21: necessarily to be laid out in terms of small businesses.
00:05:21 --> 00:05:25: It was really unfortunate. But it really taught me a
00:05:25 --> 00:05:26: really important lesson,
00:05:26 --> 00:05:30: and that lesson was in order for communities.
00:05:30 --> 00:05:32: To control their procurement processes.
00:05:32 --> 00:05:36: In order for communities to be primary beneficiaries.
00:05:36 --> 00:05:39: In order for communities to really be able to move
00:05:39 --> 00:05:43: forward and to leverage assets as well as participate in
00:05:43 --> 00:05:45: publicly funded activity,
00:05:45 --> 00:05:49: it would need to create a mechanism.
00:05:49 --> 00:05:52: That can hold the assets that certainly can work and
00:05:52 --> 00:05:53: engage within the ecosystem,
00:05:53 --> 00:05:57: and so I just want you to know that that's
00:05:57 --> 00:06:00: really kind of how it emerged for me.
00:06:00 --> 00:06:04: I'm not making any judgment per say about the firms
00:06:04 --> 00:06:09: or the sports facilities that study authority or the city,
00:06:09 --> 00:06:13: but I thought was really important is to focus in

00:06:13 --> 00:06:14: on how do,
00:06:14 --> 00:06:19: how do communities. Maximize the return of benefit on publicly
00:06:19 --> 00:06:23: funded activities on privately funded activities,
00:06:23 --> 00:06:28: etc. So with that, I'm going to share my screen
00:06:28 --> 00:06:32: and then just review real quickly.
00:06:32 --> 00:06:34: The model that was imagined,
00:06:34 --> 00:06:39: and this is something that I shared at the Nordic
00:06:39 --> 00:06:40: City Solutions.
00:06:40 --> 00:06:45: Fashion, but what you're seeing in front of you here
00:06:45 --> 00:06:50: is the four P model people private public philanthropic.
00:06:50 --> 00:06:53: And these are the four pieces that we're here talking
00:06:53 --> 00:06:54: about today.
00:06:54 --> 00:06:58: And then you have each of them if you will
00:06:58 --> 00:06:59: considering.
00:06:59 --> 00:07:01: A seat at the table.
00:07:01 --> 00:07:05: Under what I have researched is is not a bad
00:07:05 --> 00:07:08: mechanism legal structure,
00:07:08 --> 00:07:11: but it's an irrevocable trust.
00:07:11 --> 00:07:14: And what is an irrevocable trust will,
00:07:14 --> 00:07:18: in essence, it's a way in which flexibility through a
00:07:18 --> 00:07:19: trust agreement.
00:07:19 --> 00:07:24: There can be a sufficient relationship established given
various roles,
00:07:24 --> 00:07:28: resources and responsibilities to see certain outcomes.
00:07:28 --> 00:07:33: So in this instance, a revocable trust is formed to
00:07:33 --> 00:07:34: manage,
00:07:34 --> 00:07:36: leverage and draw on private,
00:07:36 --> 00:07:41: public, individual and corporate resources to create
opportunity.
00:07:41 --> 00:07:47: But mission lined, uh, initiatives with a view towards
advancing
00:07:47 --> 00:07:49: economic equity.
00:07:49 --> 00:07:54: The mission of such an entity would be to resource
00:07:54 --> 00:08:02: projects and advanced project development in ways that
build wealth
00:08:02 --> 00:08:03: and ownership.
00:08:03 --> 00:08:08: And incubates uh. And incubates and expands and sustains
targeted
00:08:08 --> 00:08:10: businesses and creates jobs.
00:08:10 --> 00:08:14: So that's it, and it's in its essence.
00:08:14 --> 00:08:18: But one of the things also that was important is
00:08:18 --> 00:08:19: what does it finance?

00:08:19 --> 00:08:24: Well, it finances opportunities and projects through existing and familiar

00:08:24 --> 00:08:26: mechanisms like land trusts.

00:08:26 --> 00:08:33: Uh, like cooperatives like neighborhood community development corporations.

00:08:33 --> 00:08:37: Uh, and those particular entities already are doing in one

00:08:37 --> 00:08:38: form or another.

00:08:38 --> 00:08:43: Various types of work within community around project development.

00:08:43 --> 00:08:45: But two component parts being very important,

00:08:45 --> 00:08:49: which is workforce development and business incubation within communities as

00:08:49 --> 00:08:52: well as ensuring that wealth building and ownership is is

00:08:52 --> 00:08:52: situated.

00:08:52 --> 00:08:55: So again, this is my thinking based on work that

00:08:56 --> 00:08:57: I've done since 2013.

00:08:57 --> 00:09:00: Certainly there are other models and part of what I

00:09:00 --> 00:09:04: want to do is at least give people a foundation

00:09:04 --> 00:09:05: of our thinking.

00:09:05 --> 00:09:07: I think as we go through the case,

00:09:07 --> 00:09:10: studies will begin to extract other ideas and as you

00:09:11 --> 00:09:13: have discussions within your own groups.

00:09:13 --> 00:09:15: You'll begin to look at that as well.

00:09:15 --> 00:09:18: A couple of these slides real quickly.

00:09:18 --> 00:09:22: And this is work. This was a solution that we

00:09:23 --> 00:09:25: put forward as one example.

00:09:25 --> 00:09:28: And it's a hybrid example around housing.

00:09:28 --> 00:09:32: Between a community Land Trust and a limited equity cooperative,

00:09:32 --> 00:09:37: obviously we all know enough about community land trusts and

00:09:37 --> 00:09:40: it can be supported by a four P model and

00:09:40 --> 00:09:44: ensures affordability of land in the long term.

00:09:44 --> 00:09:49: But then we also have the limited equity up.

00:09:49 --> 00:09:51: Cooperative and it's a cooperative that,

00:09:51 --> 00:09:57: uh, owns and operates the building or structure itself.

00:09:57 --> 00:10:01: Certainly the benefits. The ability to build equity at a

00:10:01 --> 00:10:02: low entry point?

00:10:02 --> 00:10:04: Uh, no closing cost fees,

00:10:04 --> 00:10:06: but you know, home ownership,

00:10:06 --> 00:10:09: tax credits and increased sense of community and shared sense

00:10:10 --> 00:10:11: of responsibility.

00:10:11 --> 00:10:15: So I wanted to just at least share that foundational

00:10:15 --> 00:10:18: stuff with you so you get a little bit more
00:10:18 --> 00:10:22: about what I always imagined a mechanism could do.
00:10:22 --> 00:10:24: And this happened before. Again,
00:10:24 --> 00:10:28: I really understood and had a full appreciation.
00:10:28 --> 00:10:30: For what we were trying to do here in the
00:10:30 --> 00:10:31: Rondo community,
00:10:31 --> 00:10:35: but I know that there are other models that exist
00:10:35 --> 00:10:35: as well.
00:10:35 --> 00:10:38: So with that I just thank you for your and
00:10:38 --> 00:10:42: indulging me and be reflecting on the work that I
00:10:42 --> 00:10:44: did back in 2011 and how I think it comes
00:10:44 --> 00:10:48: forward in our thinking here today at this particular point
00:10:48 --> 00:10:50: I'd like to turn it over to Kathy Bennett.
00:10:50 --> 00:10:53: She'll talk a little bit about the case studies and
00:10:53 --> 00:10:56: introduce the folks that will be speaking with us here
00:10:57 --> 00:10:57: today.
00:10:59 --> 00:11:04: Thank you Keith. Uhm? My name is Kathy Bennett.
00:11:04 --> 00:11:08: I'm with you align Minnesota and I am managing this
00:11:08 --> 00:11:12: project along with the executive director Stephanie Brown.
00:11:12 --> 00:11:17: Who's on the call. We have several Governance Committee
members
00:11:17 --> 00:11:18: and partners on this.
00:11:18 --> 00:11:22: As part of this work as well.
00:11:22 --> 00:11:26: Also you will I national for supporting this work and
00:11:26 --> 00:11:30: being a key partner in helping us to put together
00:11:30 --> 00:11:33: case studies and connect us.
00:11:33 --> 00:11:35: With P speakers for those case studies,
00:11:35 --> 00:11:39: Paul Angelo now is with us today from ULIDC and
00:11:39 --> 00:11:42: thank you so much for your support.
00:11:42 --> 00:11:45: So with that as part of this,
00:11:45 --> 00:11:48: we wanted to profile some case studies to give you
00:11:48 --> 00:11:51: a sense of how other projects have worked,
00:11:51 --> 00:11:53: mostly around capping and lidding.
00:11:53 --> 00:11:56: But we also wanted to look at some of the
00:11:56 --> 00:12:01: models of wealth building and sharing and equity so we
00:12:01 --> 00:12:03: have two projects today that.
00:12:03 --> 00:12:07: We're going to look at the CAP at Union Station
00:12:07 --> 00:12:08: in Columbus,
00:12:08 --> 00:12:12: OH, and some of the surrounding development that has
occurred
00:12:12 --> 00:12:15: as part of that and East Point in Oklahoma.
00:12:15 --> 00:12:19: The first speaker is Christopher Herrmann and he is with

00:12:19 --> 00:12:21: hold on one moment.

00:12:21 --> 00:12:24: I have to get my right screen up,

00:12:24 --> 00:12:29: Christopher. Uh, Christopher Herman is a principal at MK SK

00:12:29 --> 00:12:32: and a certified planner for more than 28 years,

00:12:32 --> 00:12:36: he's managed a wide variety of projects throughout the Midwest.

00:12:36 --> 00:12:39: Mid-south in Ohio involving regional planning,

00:12:39 --> 00:12:41: comprehensive plan, downtown Focus area plans,

00:12:41 --> 00:12:45: etc. He is going to talk about this project today

00:12:45 --> 00:12:48: and we are really happy to have him.

00:12:48 --> 00:12:52: He's also an adjunct faculty member of Ohio State University,

00:12:52 --> 00:12:55: Knowlton School of Architecture and a board member.

00:12:55 --> 00:12:58: Of the transit Columbus and a member of the ULI

00:12:58 --> 00:13:00: Transportation Task Force.

00:13:00 --> 00:13:03: So he has a lot of experience working through these

00:13:03 --> 00:13:06: projects and we're really appreciative having him today.

00:13:06 --> 00:13:10: So Caroline can Chris, can you give Chris the ability

00:13:10 --> 00:13:13: to share his screen and thank you Chris for being

00:13:13 --> 00:13:14: here today.

00:13:15 --> 00:13:18: Thank you so much. It's wonderful to be here.

00:13:18 --> 00:13:20: Thank you for the invitation.

00:13:20 --> 00:13:24: I'm very excited for what you are trying to do.

00:13:24 --> 00:13:28: I really think capping highways is a really sound solution

00:13:28 --> 00:13:32: to one needed around our country and a lot more

00:13:32 --> 00:13:35: funding from the federal government.

00:13:35 --> 00:13:38: I am going to quickly at 15 minutes share the

00:13:38 --> 00:13:40: story of of the CAP at Union Station,

00:13:40 --> 00:13:43: but I think I also want to make a little

00:13:43 --> 00:13:48: bit broader than that and talking about the Columbus approach

00:13:48 --> 00:13:49: to caps.

00:13:49 --> 00:13:52: So let me start by saying this is a story

00:13:52 --> 00:13:54: you all familiar with.

00:13:54 --> 00:13:57: This happened around the country on the left.

00:13:57 --> 00:14:00: You can see downtown. This is Columbus,

00:14:00 --> 00:14:03: OH downtown Columbus. OH, and then you can see the

00:14:03 --> 00:14:04: Interstate system,

00:14:04 --> 00:14:08: Interstate 71 and Interstate 70 in this case in Columbus

00:14:08 --> 00:14:09: that went through.

00:14:09 --> 00:14:13: Obviously I wanted to get close to downtown for access,

00:14:13 --> 00:14:16: but it went through a very very vibrant at the

00:14:16 --> 00:14:18: time neighborhoods unfortunately,

00:14:18 --> 00:14:20: and divided the King Lincoln District.

00:14:20 --> 00:14:23: A Schumacher place driving Park,
00:14:23 --> 00:14:27: a German village from downtown Columbus.
00:14:27 --> 00:14:31: One of the things that's happened over the last actually
00:14:31 --> 00:14:34: now 20 years is the reconstruction of the inner belt
00:14:35 --> 00:14:36: around downtown.
00:14:36 --> 00:14:38: So that's that's this area.
00:14:38 --> 00:14:41: It started with Interstate 670 in the north and is
00:14:41 --> 00:14:44: now proceeding to Interstate 71 at Interstate 7071,
00:14:44 --> 00:14:47: where they share a row bed.
00:14:47 --> 00:14:51: It's one of the biggest issues 7071 share this little
00:14:51 --> 00:14:54: piece of road and just his way over capacity and
00:14:54 --> 00:14:55: very unsafe.
00:14:55 --> 00:14:58: So the High department transportation.
00:14:58 --> 00:15:01: Made this a priority to improve the safety,
00:15:01 --> 00:15:04: which also invited involved widening the highway system.
00:15:04 --> 00:15:07: I'm going to talk about the short North High Street
00:15:08 --> 00:15:09: cap right here.
00:15:09 --> 00:15:13: I'm also gonna quickly at the end talk about the
00:15:13 --> 00:15:17: the Longstreet cafe at the King Lincoln District.
00:15:17 --> 00:15:20: So this is what all the bridges look like around
00:15:20 --> 00:15:22: the inner belt are.
00:15:22 --> 00:15:25: One lucky aspect is that the highway is depressed so
00:15:25 --> 00:15:29: that the bridges go over it and that's where capping
00:15:29 --> 00:15:31: could come in as a good solution.
00:15:31 --> 00:15:34: But you can tell this is not an inviting crossing
00:15:34 --> 00:15:39: or connection between neighborhoods and downtown and
this is what
00:15:39 --> 00:15:42: existed all the way around this downtown airboat.
00:15:42 --> 00:15:45: We had a huge number of Community meetings,
00:15:45 --> 00:15:48: basically the Community and the city actually said hey,
00:15:48 --> 00:15:52: look if you're rebuilding the highway and you're winding it,
00:15:52 --> 00:15:55: you've got to repair the damage that you did that
00:15:55 --> 00:15:58: you know our forefathers did in the 1960s.
00:15:58 --> 00:16:01: So we talked about a cap as one of the
00:16:01 --> 00:16:02: solutions.
00:16:02 --> 00:16:06: And then what we heard from the Community as well.
00:16:06 --> 00:16:09: Don't just focus on this is the Columbus approach.
00:16:09 --> 00:16:12: Don't just focus all the money on one location.
00:16:12 --> 00:16:14: Uh, we've got an inner,
00:16:14 --> 00:16:16: but all the way around the city.
00:16:16 --> 00:16:19: We want you to try to address the connectivity between
00:16:19 --> 00:16:21: multiple neighborhoods and larger geographies.

00:16:21 --> 00:16:23: So we did some case studies.
00:16:23 --> 00:16:27: This is one of the very first and most well
00:16:27 --> 00:16:28: known cats 1976.
00:16:28 --> 00:16:31: It's Seattle Freeway Park, connecting downtown First Hill
neighborhood,
00:16:31 --> 00:16:35: and the Convention Center was a big part of that.
00:16:37 --> 00:16:40: And then I think you're gonna hear at some point
00:16:40 --> 00:16:42: about the the Clyde Warren Park.
00:16:42 --> 00:16:44: This is the one of the newest kind.
00:16:44 --> 00:16:47: I call it mega caps.
00:16:47 --> 00:16:52: Mission 2012 it was \$110 million connecting the Arts District
00:16:53 --> 00:16:53: in Dallas.
00:16:53 --> 00:16:55: And you know, it's fantastic.
00:16:55 --> 00:16:59: I've been there. It's it's really amazing when it's done.
00:16:59 --> 00:17:01: But the Columbus approaches, hey,
00:17:01 --> 00:17:04: let's take that money and let's spread it around and
00:17:04 --> 00:17:08: create connections all the way around the enter button.
00:17:08 --> 00:17:11: Rather doing one super large cat focus on smaller caps
00:17:11 --> 00:17:13: that connect neighborhoods and the downtown.
00:17:13 --> 00:17:17: And really, the goal here is to make better connections
00:17:17 --> 00:17:20: for people to walk and bike to feel safe and
00:17:20 --> 00:17:22: to not experience the freeway.
00:17:22 --> 00:17:25: But you don't have to have a mega cat to
00:17:25 --> 00:17:26: do that,
00:17:26 --> 00:17:28: although if you need to Createspace,
00:17:28 --> 00:17:31: it's a great way of creating space.
00:17:31 --> 00:17:33: So again, I'm going to talk about the short north
00:17:33 --> 00:17:35: here and a Long Street bridge.
00:17:35 --> 00:17:37: So we came up with a kit of parts or
00:17:37 --> 00:17:39: improving these connections.
00:17:39 --> 00:17:42: One is just hey, let's make it an enhance bridge,
00:17:42 --> 00:17:43: let's widen it. Bigger sidewalks,
00:17:43 --> 00:17:46: plantings make it much more attractive to cross.
00:17:46 --> 00:17:48: This is from Fort Washington Way in Cincinnati.
00:17:48 --> 00:17:52: This picture, another is what we call a Green Plaza
00:17:52 --> 00:17:52: cap.
00:17:52 --> 00:17:55: This is Hartford, CT. So create a cap next to
00:17:55 --> 00:17:58: the bridge and create green space or Plaza space.
00:17:58 --> 00:18:01: It can be all kinds of sizes as much as
00:18:01 --> 00:18:05: you can afford to do or or it makes sense
00:18:05 --> 00:18:06: to do.
00:18:06 --> 00:18:08: And then the last was a building cap.

00:18:08 --> 00:18:12: Actually putting a structure. On either side of the bridge,
00:18:12 --> 00:18:14: so here's 2 examples. Here is the Plaza cap,
00:18:14 --> 00:18:16: and here is the building cap.
00:18:16 --> 00:18:19: Now one of the nice things if you really are
00:18:19 --> 00:18:20: careful and do it right,
00:18:20 --> 00:18:23: you can start with the applause or green cat design
00:18:23 --> 00:18:23: it right,
00:18:23 --> 00:18:25: which does take a lot of effort.
00:18:25 --> 00:18:27: And then at some point in the future,
00:18:27 --> 00:18:29: if the market comes along,
00:18:29 --> 00:18:31: you can actually then build on it,
00:18:31 --> 00:18:33: although some people may like the space so much they
00:18:33 --> 00:18:34: don't want buildings,
00:18:34 --> 00:18:38: but that's a possibility. So this is high streets.
00:18:38 --> 00:18:41: This is the main north South spine in in Columbus,
00:18:41 --> 00:18:45: OH and this is the bridge that went over Interstate
00:18:45 --> 00:18:45: 670.
00:18:45 --> 00:18:47: You can see downtown in the background.
00:18:47 --> 00:18:50: Short north is right behind where I took this picture.
00:18:50 --> 00:18:52: It was a very active district.
00:18:52 --> 00:18:55: The Convention Center is just on the other side of
00:18:55 --> 00:18:56: this bridge,
00:18:56 --> 00:18:59: but I will tell you anybody that observed activity people
00:18:59 --> 00:19:01: walk out of that Convention Center.
00:19:01 --> 00:19:04: They Look North. There's all sorts of restaurants to go
00:19:04 --> 00:19:07: to the short north they would never cross this bridge.
00:19:07 --> 00:19:09: They would go the other direction across the street.
00:19:09 --> 00:19:11: Likewise, people in the short north,
00:19:11 --> 00:19:14: on gallery hops or other things would get to this
00:19:14 --> 00:19:16: bridge across the street and go back the other way.
00:19:16 --> 00:19:18: People would not cross this bridge,
00:19:18 --> 00:19:21: and so the community pushed hard to say you're redoing
00:19:21 --> 00:19:21: this.
00:19:21 --> 00:19:23: You gotta do something better.
00:19:23 --> 00:19:27: So this is just 200 foot span Convention Center short
00:19:27 --> 00:19:27: north.
00:19:27 --> 00:19:31: So here we are before the project and probably 2000,
00:19:31 --> 00:19:34: 2001 and this is what it looks like after the
00:19:34 --> 00:19:35: construction.
00:19:35 --> 00:19:38: It totally changes the experience of having a built
environment
00:19:38 --> 00:19:39: along the street.

00:19:39 --> 00:19:43: People even today have no idea they're walking over highway.

00:19:43 --> 00:19:46: That'll experience the highway. They don't realize it's on our

00:19:46 --> 00:19:47: way there,

00:19:47 --> 00:19:50: the divide is gone, but it isn't a huge cap,

00:19:50 --> 00:19:54: but it it makes such an amazing difference and you

00:19:54 --> 00:19:56: can see there's on street parking,

00:19:56 --> 00:20:00: sidewalk, pedestrian space. Promenade and retail construction.

00:20:00 --> 00:20:02: So this was completed in 2004,

00:20:02 --> 00:20:06: was originally the really discussion we picked up in 1998.

00:20:06 --> 00:20:09: Wouldn't have happened without the community demanding that something be

00:20:10 --> 00:20:13: better without City Council being responsive to it and actually

00:20:13 --> 00:20:15: without a private developer stepping up,

00:20:15 --> 00:20:17: but it took a lot of pressure,

00:20:17 --> 00:20:19: but once it got rolling,

00:20:19 --> 00:20:22: people really bought into it and now that we have

00:20:22 --> 00:20:26: this the Community wants this kind of development whenever things

00:20:26 --> 00:20:27: are happening,

00:20:27 --> 00:20:30: are improving bridges across the Interstate.

00:20:30 --> 00:20:34: So really quickly when we talk about the cost details

00:20:34 --> 00:20:37: so it costs a total of \$9.5 million,

00:20:37 --> 00:20:41: that's in 2004. So taking that forward to do that

00:20:41 --> 00:20:42: today,

00:20:42 --> 00:20:46: it's about \$13.3 million. It was a public private partnership,

00:20:46 --> 00:20:50: so it was city of Columbus High Department of Transportation,

00:20:50 --> 00:20:53: federal highways, money running through Ohio Department transportation,

00:20:53 --> 00:20:58: and a developer continental real estate that owned some property

00:20:58 --> 00:21:01: in the short north side of the bridge.

00:21:01 --> 00:21:04: And also I had a gentleman Jack locks that was

00:21:04 --> 00:21:07: really invested in the community and wanted to do good things.

00:21:07 --> 00:21:10: So total costs again just short of \$9.5 billion,

00:21:10 --> 00:21:13: seven point, 8 billion, was the development the above deck

00:21:13 --> 00:21:15: improvements by the developer.

00:21:15 --> 00:21:17: The private contribution \$1.3 million,

00:21:17 --> 00:21:20: was for the platforms. I'll describe that here in a

00:21:20 --> 00:21:24: second where the buildings rest on and that was from

00:21:24 --> 00:21:27: O dot and then the city spent money on the

00:21:27 --> 00:21:29: utilities and on title fees.

00:21:29 --> 00:21:31: I will also touch on that.

00:21:31 --> 00:21:34: So that was about almost half \$1,000,000.

00:21:34 --> 00:21:38: The developer ground leases the platforms and and builds the

00:21:38 --> 00:21:38: buildings.

00:21:38 --> 00:21:42: This was done just to get through federal highways.

00:21:42 --> 00:21:45: They're really concerned about private development over public highway,

00:21:45 --> 00:21:49: so they had to do something so it was a

00:21:49 --> 00:21:52: \$1.00 per year lease and 10%

00:21:52 --> 00:21:55: of the annual profits, and that the lease is a

00:21:55 --> 00:22:00: 20 year period which you've actually coming close to hitting

00:22:00 --> 00:22:01: the end up.

00:22:01 --> 00:22:04: But then there's 85 year lease renewals.

00:22:04 --> 00:22:07: And there's a 10 year which is already expired.

00:22:07 --> 00:22:09: 100% property tax abatement on the site.

00:22:11 --> 00:22:12: And then on the next slide,

00:22:12 --> 00:22:14: that's a big one. 'cause I paste it in.

00:22:14 --> 00:22:18: Here we go. Really quickly describing what you've got here,

00:22:18 --> 00:22:20: you've got the bridge replacement,

00:22:20 --> 00:22:23: so the bridge is rebuilt biodot this is the yellow

00:22:23 --> 00:22:26: and it is it has to carry lied live loads.

00:22:26 --> 00:22:27: It has to carry automobiles,

00:22:27 --> 00:22:30: trucks, buses and so it has a camera to it.

00:22:30 --> 00:22:34: It has to be independent and separate from the platform

00:22:34 --> 00:22:37: decks which are the blue on either side which are

00:22:37 --> 00:22:37: flat,

00:22:37 --> 00:22:40: straight across. And then you've got to be creative and

00:22:40 --> 00:22:43: careful about how you mesh those and the joints between

00:22:43 --> 00:22:45: the platforms and the live load bridge.

00:22:45 --> 00:22:47: And then what was created.

00:22:47 --> 00:22:50: Uh was a 74 foot wide retail Bay on the

00:22:50 --> 00:22:53: West side and a 54 foot wide retail Bay on

00:22:53 --> 00:22:54: the east side.

00:22:54 --> 00:22:57: It actually does turn the corner onto Terra Firma onto

00:22:57 --> 00:22:58: the ground.

00:22:58 --> 00:23:01: Part of the reason that these weren't bigger is because

00:23:01 --> 00:23:03: of vertical clearance on the east side.

00:23:03 --> 00:23:05: They just couldn't go further.

00:23:05 --> 00:23:08: They probably would have and the other big issue was

00:23:08 --> 00:23:09: creating a tunnel.

00:23:09 --> 00:23:11: If you go we have another bridge right here.
00:23:11 --> 00:23:14: If we got all the way across.
00:23:14 --> 00:23:16: Not you can't do it.
00:23:16 --> 00:23:18: It's what Clyde warns with many projects have done.
00:23:18 --> 00:23:21: You create a tunnel, it just drastically increases the cost
00:23:21 --> 00:23:22: 'cause you have to meet fire suppression,
00:23:22 --> 00:23:25: safety, ventilation requirements and at the point at this point
00:23:25 --> 00:23:26: in time.
00:23:26 --> 00:23:28: This is a new thing for Columbus and the region,
00:23:28 --> 00:23:31: and so they weren't willing to go that far.
00:23:31 --> 00:23:32: I think today they might.
00:23:34 --> 00:23:36: A key considerations to think about.
00:23:36 --> 00:23:39: It's really important if you're gonna put a building on
00:23:40 --> 00:23:43: top of a cap that have particular whoever is going
00:23:43 --> 00:23:45: to own and control the building at the table and
00:23:45 --> 00:23:49: architect because it really has to be integrated with the
00:23:49 --> 00:23:51: bridge design and the improvements at the same time.
00:23:51 --> 00:23:56: With buildings, you need to understand service access and
the
00:23:56 --> 00:23:57: case of this CAP.
00:23:57 --> 00:24:00: Don't spend the money to create alleys like that.
00:24:00 --> 00:24:03: So what really happens is we have on street parking
00:24:03 --> 00:24:06: trucks parked there in the early mornings and unload goods
00:24:06 --> 00:24:08: and and deliveries.
00:24:08 --> 00:24:10: You have to understand the camera or the bridge.
00:24:10 --> 00:24:12: As I mentioned, I'm getting the details later,
00:24:12 --> 00:24:14: but probably more details you want.
00:24:14 --> 00:24:16: We had a land right issue when ODOT bought the
00:24:16 --> 00:24:18: land for the highway.
00:24:18 --> 00:24:19: Just bought the rights for transportation.
00:24:19 --> 00:24:20: They didn't buy development rights,
00:24:20 --> 00:24:22: didn't buy the whole bundle of rights,
00:24:22 --> 00:24:25: so the city had to go back and find all
00:24:25 --> 00:24:27: of the owners of those rights and buy them the
00:24:27 --> 00:24:30: air rights above in order to do the development.
00:24:30 --> 00:24:33: And then there's things like considerations like insulation and
other
00:24:33 --> 00:24:36: stuff that you think about getting a lot more details
00:24:36 --> 00:24:38: if you ever want to know people always ask.
00:24:38 --> 00:24:40: Why doesn't look the way it does?
00:24:40 --> 00:24:44: That was actually intentional. I don't know what the yellow
00:24:44 --> 00:24:44: color,
00:24:44 --> 00:24:47: but it was intentional. This was the Union Station,

00:24:47 --> 00:24:49: which is why it's Captain Captain station.
00:24:49 --> 00:24:51: So the Union Station train station,
00:24:51 --> 00:24:53: designed by Daniel Burnham in Columbus,
00:24:53 --> 00:24:56: OH, it was demolished in 1976 to make way for
00:24:56 --> 00:24:58: our Convention Center,
00:24:58 --> 00:25:01: which is just a block away from where this caps
00:25:01 --> 00:25:05: so that the CAP is really a homage to the
00:25:05 --> 00:25:07: original Union Station.
00:25:07 --> 00:25:10: Now really quickly I want to explain a little bit
00:25:10 --> 00:25:12: more in touch about one more cap.
00:25:12 --> 00:25:13: So again Columbus approach was hey,
00:25:13 --> 00:25:15: we want to make better crossings all around,
00:25:15 --> 00:25:18: but the short north well was on the 1st ones.
00:25:18 --> 00:25:22: It's been amazingly successful, has really changed that
environment and
00:25:22 --> 00:25:25: supercharged short north and the downtown Convention
Center because it
00:25:25 --> 00:25:26: links them together.
00:25:26 --> 00:25:28: But I think he talked about was he said hey,
00:25:28 --> 00:25:30: we want to hide the freeway.
00:25:30 --> 00:25:32: We want to make the bridge crosses of writing.
00:25:32 --> 00:25:34: We want to use complete St design and we want
00:25:34 --> 00:25:36: to reflect neighborhood character.
00:25:36 --> 00:25:38: So this is the 71 section.
00:25:38 --> 00:25:42: This is the King Lincoln District and this is downtown
00:25:42 --> 00:25:44: and it was really divided.
00:25:44 --> 00:25:47: There's a new project in 2011.
00:25:47 --> 00:25:49: We are doing this section.
00:25:49 --> 00:25:51: Oh, that was we were on this team to design
00:25:51 --> 00:25:52: this piece.
00:25:52 --> 00:25:54: We did apart cap here 'cause there wasn't a market
00:25:54 --> 00:25:55: to do a building.
00:25:55 --> 00:25:58: We ended up losing one side of the cat because
00:25:58 --> 00:26:01: there was about a \$2,000,000 cost to move a sewer
00:26:01 --> 00:26:02: that the city didn't want to do.
00:26:02 --> 00:26:05: So we created a cultural wall and art wall on
00:26:05 --> 00:26:07: that side as a way to to really give it
00:26:07 --> 00:26:09: special character which turned out to be.
00:26:09 --> 00:26:12: I think a really important move.
00:26:12 --> 00:26:15: And so there's all sorts of things going again.
00:26:15 --> 00:26:16: I can get into design.
00:26:16 --> 00:26:19: One of the things we did is create instead of

00:26:19 --> 00:26:22: fence a polycarbonate panel that Lou illuminates at night.
00:26:22 --> 00:26:24: That's what we put the art wall on.
00:26:24 --> 00:26:27: We put landscape, green space vertical architectural elements to pull
00:26:27 --> 00:26:28: people through.
00:26:28 --> 00:26:31: We have on street parking in case someday this could
00:26:31 --> 00:26:32: be developed upon wide sidewalks,
00:26:32 --> 00:26:36: bike lanes and and really help connect the community.
00:26:36 --> 00:26:38: The public art cultural wall.
00:26:38 --> 00:26:42: We, uh, oh dot. Actually when I live and actually
00:26:42 --> 00:26:43: hired artists,
00:26:43 --> 00:26:46: which is fantastic, Larry, Winston Collins and Kojo Kemao?
00:26:46 --> 00:26:51: They were in lived in the neighborhood and they put
00:26:51 --> 00:26:52: together.
00:26:52 --> 00:26:54: The arts, which was 2D Larry,
00:26:54 --> 00:26:58: does 2D wood relief carvings and he did a bunch
00:26:58 --> 00:26:59: of different themes.
00:26:59 --> 00:27:01: There's people, places, history, sports,
00:27:01 --> 00:27:05: culture, business and they run across the panels and then
00:27:05 --> 00:27:07: our code does pictures.
00:27:07 --> 00:27:10: It has a lot of pictures from the the King
00:27:10 --> 00:27:13: Lincoln district early in time.
00:27:13 --> 00:27:17: So we integrate these into the panels.
00:27:17 --> 00:27:18: And created this cultural wall,
00:27:18 --> 00:27:21: which is a big hit for the community.
00:27:21 --> 00:27:23: This area South is being constructed today,
00:27:23 --> 00:27:26: but this is the development at this point.
00:27:26 --> 00:27:28: There's a grand opening. It's really fit in.
00:27:28 --> 00:27:31: This is what it looks like today.
00:27:31 --> 00:27:33: And again, in the end,
00:27:33 --> 00:27:35: we got the air so you can see the Cath
00:27:35 --> 00:27:35: itself.
00:27:35 --> 00:27:38: But the reality is when you're on the ground you
00:27:38 --> 00:27:39: don't experience the highway,
00:27:39 --> 00:27:41: you don't hear it, you don't feel you don't see
00:27:41 --> 00:27:42: it,
00:27:42 --> 00:27:44: and this connection is so improved between the district and
00:27:44 --> 00:27:46: downtown makes a tremendous difference difference.
00:27:46 --> 00:27:49: So I just want to share that.
00:27:49 --> 00:27:52: Secretary Foxx and the Obama administration highlighted on
the on
00:27:52 --> 00:27:53: the front of his cover,

00:27:53 --> 00:27:56: saying, this is what we need to spend federal dollars
00:27:56 --> 00:27:56: on.
00:27:56 --> 00:27:58: We do highly projects they need to do these kinds
00:27:58 --> 00:27:59: of things,
00:27:59 --> 00:28:01: so it's actually a highlighted project.
00:28:01 --> 00:28:04: And then I'd lastly want to conclude with we're doing
00:28:04 --> 00:28:05: more work again,
00:28:05 --> 00:28:07: this is downtown. This is German village and downtown
Columbus.
00:28:07 --> 00:28:09: This is what it looks like today.
00:28:09 --> 00:28:11: You can see all the slopes.
00:28:11 --> 00:28:13: This is where we're headed.
00:28:13 --> 00:28:15: These projects are starting actually next year.
00:28:15 --> 00:28:18: We're adding more caps. There's gonna be a building cap.
00:28:18 --> 00:28:21: Actually now on 3rd St Park caps on High Street,
00:28:21 --> 00:28:24: Park cap on front St Improved Bridge on 4th St,
00:28:24 --> 00:28:27: so we're continuing around the horn doing these improved
connections.
00:28:27 --> 00:28:29: So that's my presentation. Thank you very much.
00:28:31 --> 00:28:32: Chris, thank you so much.
00:28:32 --> 00:28:35: I know that's just a lot to cover in 15
00:28:35 --> 00:28:38: minutes and then we continue to have a lot to
00:28:38 --> 00:28:39: cover today.
00:28:39 --> 00:28:42: There is a lot of questions in the chat and
00:28:42 --> 00:28:45: maybe what I'd like to do is have you just
00:28:45 --> 00:28:49: kind of proved through them and answer them and we'll
00:28:49 --> 00:28:51: move on to Jonathan's presentation on East Point.
00:28:51 --> 00:28:53: Yeah, I'll type these in here,
00:28:53 --> 00:28:53: and
00:28:53 --> 00:28:56: if there's quite time for questions at the end,
00:28:56 --> 00:28:57: I'm happy to
00:28:57 --> 00:28:59: do that. That would be great.
00:28:59 --> 00:29:02: That would be great. And so Jonathan Dobson he is.
00:29:02 --> 00:29:06: The. Managing partner of the pivotal project,
00:29:06 --> 00:29:10: Jonathan is a former banker turned Oklahoma City developer
with
00:29:11 --> 00:29:14: a focus toward urban infill development and adaptive reuse.
00:29:14 --> 00:29:18: And he started in the fall of 2014,
00:29:18 --> 00:29:22: the Pivot project, in partnership with developers Ben Stout
Sellers
00:29:22 --> 00:29:23: and David Wanzer.
00:29:23 --> 00:29:27: Jonathan spent his time establishing financing for the team,
00:29:27 --> 00:29:30: raising equity consulting for other incremental developers,

00:29:30 --> 00:29:34: and hanging out at coffee shops.

00:29:34 --> 00:29:38: Likely to get community input and get ideas and be

00:29:38 --> 00:29:42: creative so he is going to talk about East Point.

00:29:42 --> 00:29:45: And if I'm getting the name right,

00:29:45 --> 00:29:49: I apologize. I'll have Jonathan correct that in Oklahoma and

00:29:49 --> 00:29:53: talk about the way that they were able to incorporate

00:29:53 --> 00:29:58: a really important component within the development that helped to

00:29:58 --> 00:30:02: build wealth and ownership for the Community and Community benefits.

00:30:02 --> 00:30:03: So Jonathan welcome.

00:30:04 --> 00:30:06: Thanks, thanks for having me.

00:30:06 --> 00:30:12: I appreciate that and excited to be talking about.

00:30:12 --> 00:30:16: This, uh, really. The I think the first thing I

00:30:16 --> 00:30:19: just wanted to start off with is when we talk

00:30:19 --> 00:30:21: about this development.

00:30:21 --> 00:30:26: In particular, it, uh? It has become kind of critical

00:30:26 --> 00:30:28: to think through the filter,

00:30:28 --> 00:30:31: the philosophy that drives it before we get into the

00:30:31 --> 00:30:33: actual kind of pragmatic details on how it worked out,

00:30:33 --> 00:30:35: and so really what we decided was,

00:30:35 --> 00:30:38: UM and Kathy. I'm trying to share my screen,

00:30:38 --> 00:30:41: but I'm afraid it's going to make me log back

00:30:41 --> 00:30:42: out to do that.

00:30:42 --> 00:30:43: Uh.

00:30:45 --> 00:30:47: I I can see it.

00:30:47 --> 00:30:49: Yep, can you see it OK great alright perfect.

00:30:51 --> 00:30:53: So, uh, this is, you know,

00:30:53 --> 00:30:56: really what? What drove this discussion was?

00:30:56 --> 00:30:58: How do you think through development,

00:30:58 --> 00:31:02: especially as white developers in a minority community where there's

00:31:02 --> 00:31:06: all sorts of tendencies for really gentrification to occur in

00:31:06 --> 00:31:07: a way that is harmful.

00:31:07 --> 00:31:11: And so the first thing that we did was we

00:31:11 --> 00:31:12: said,

00:31:12 --> 00:31:15: how do we up in the system and so philosophy

00:31:15 --> 00:31:18: kind of driver number one was we were going to

00:31:18 --> 00:31:20: give up relational authority,

00:31:20 --> 00:31:24: so we went to. From someone named Sandino Thompson,

00:31:24 --> 00:31:26: who was a friend of mine and said gave him

00:31:26 --> 00:31:29: not just equity in the project and not just gave

00:31:29 --> 00:31:30: him development fees,

00:31:30 --> 00:31:33: but we actually gave him relational authority over us so
00:31:33 --> 00:31:35: he was able to veto anything that we did.
00:31:35 --> 00:31:37: And so it's kind of like if you've seen,
00:31:37 --> 00:31:39: you know, a church that says,
00:31:39 --> 00:31:42: hey, we want to be racially integrated and so the
00:31:42 --> 00:31:45: White Pastor hires like a black youth minister and thinks
00:31:45 --> 00:31:47: that that's going to get it done.
00:31:47 --> 00:31:49: We see that a lot in development and and my
00:31:49 --> 00:31:52: friends over here say that they get called on a
00:31:52 --> 00:31:53: weekly basis.
00:31:53 --> 00:31:55: To be the proverbial black face for a project,
00:31:55 --> 00:31:57: and so for us it was,
00:31:57 --> 00:32:00: we wanted a true partner and we wanted to give
00:32:00 --> 00:32:00: up.
00:32:00 --> 00:32:02: The one thing that we had,
00:32:02 --> 00:32:04: which was kind of the the voting authority.
00:32:04 --> 00:32:06: And so Sandino took that over.
00:32:06 --> 00:32:10: The second piece was to say.
00:32:10 --> 00:32:13: We wanted to think differently about how we entered into
00:32:14 --> 00:32:14: the community.
00:32:14 --> 00:32:19: So the typical approach that we've seen from white
00:32:19 --> 00:32:23: developers
00:32:23 --> 00:32:25: in Oklahoma City was that because the white culture has
00:32:25 --> 00:32:28: access to power and wealth,
00:32:29 --> 00:32:31: they typically think that they're the ones who are bringing
00:32:31 --> 00:32:35: blessing to minority communities.
00:32:35 --> 00:32:36: And so for us, we think that's a really kind
00:32:36 --> 00:32:40: of a fallacy,
00:32:40 --> 00:32:42: and they're thinking the things that we value our community,
00:32:42 --> 00:32:45: our strength. Are stick to itiveness?
00:32:45 --> 00:32:46: Are all of these other values that exist in abundance
00:32:46 --> 00:32:49: on the east side?
00:32:49 --> 00:32:52: And So what we said was we would kind of
00:32:52 --> 00:32:55: prostitute the two gifts that we have which are access
00:32:55 --> 00:32:59: to money and access the power so that we could
00:32:59 --> 00:33:00: go hang out with E community and so that manifested
00:33:00 --> 00:33:04: itself in a lot of ways.
00:33:04 --> 00:33:04: But it was a philosophy that we held two fairly
00:33:04 --> 00:33:07: tightly.
00:33:07 --> 00:33:10: The final piece was to say that.
00:33:10 --> 00:33:13: In in gentrification in in white communities,
00:33:13 --> 00:33:13: it's harmful and most of the times there there is

00:33:13 --> 00:33:14: positive gentrification.
00:33:14 --> 00:33:16: But in minority communities it's.
00:33:16 --> 00:33:20: It's doubly harmful because because of historic redlining and systematic
00:33:20 --> 00:33:20: racism.
00:33:20 --> 00:33:24: What happens is is the the community becomes a safety
00:33:24 --> 00:33:28: net for everybody who lives there right within a minority
00:33:28 --> 00:33:28: community.
00:33:28 --> 00:33:32: And so when you gentrify someone out of their community,
00:33:32 --> 00:33:36: you're not just kicking them out of a building,
00:33:36 --> 00:33:38: you're actually kicking them out.
00:33:38 --> 00:33:41: Of the community that has provided that sustainability for
00:33:41 --> 00:33:44: them.
00:33:41 --> 00:33:44: And So what we said was what we were going
00:33:44 --> 00:33:47: to try to do in this is to actually use
00:33:47 --> 00:33:50: the the money that we were able to get from
00:33:50 --> 00:33:53: the city and from how we negotiated to actually pass
00:33:53 --> 00:33:56: through the tenant so that each tenant who signed a
00:33:56 --> 00:33:57: lease became a 15%
00:33:57 --> 00:33:59: owner in the real estate.
00:33:59 --> 00:34:02: And so we have a what I'm showing you here.
00:34:02 --> 00:34:04: This is this is what we bought.
00:34:04 --> 00:34:08: This was phase one. This was the retail phase.
00:34:08 --> 00:34:10: These are some of the owners.
00:34:10 --> 00:34:13: In this we call them owners because all of these
00:34:13 --> 00:34:14: tenants have ownership.
00:34:14 --> 00:34:18: This is the tenant mix today.
00:34:18 --> 00:34:22: I'm going to Scroll down and show you kind of
00:34:22 --> 00:34:23: the area here.
00:34:23 --> 00:34:25: So these are the as you can see,
00:34:25 --> 00:34:27: there's two pieces of land,
00:34:27 --> 00:34:30: So what we did with that kind of philosophy and
00:34:30 --> 00:34:30: mine,
00:34:30 --> 00:34:33: what we said is we need to find enough land
00:34:33 --> 00:34:36: to kind of have a amassing that made a difference.
00:34:36 --> 00:34:39: And so we we bought 40,000 square feet of vacant
00:34:39 --> 00:34:40: space.
00:34:40 --> 00:34:43: There was actually one restaurant tenant that was open at
00:34:43 --> 00:34:43: the time,
00:34:43 --> 00:34:46: and so we were tasked with kind of redeveloping this
00:34:46 --> 00:34:48: and thinking through it.
00:34:48 --> 00:34:50: So we spent about a year with the Community,
00:34:50 --> 00:34:54: asking them what they wanted and what they said they

00:34:54 --> 00:34:55: wanted was.

00:34:55 --> 00:34:59: Access to health care. We're in a food desert.

00:34:59 --> 00:35:01: And then they wanted representative retail.

00:35:01 --> 00:35:04: And So what we did was we said,

00:35:04 --> 00:35:07: OK, we're going to try to tackle these in two

00:35:07 --> 00:35:08: phases.

00:35:08 --> 00:35:11: We bought the retail phase when you saw the picture

00:35:11 --> 00:35:15: of first and then we bought the Centennial Health Medical

00:35:15 --> 00:35:17: Office and grocery Store building 2nd,

00:35:17 --> 00:35:20: and so we each one of these projects is \$4.3

00:35:20 --> 00:35:22: million in costs.

00:35:22 --> 00:35:25: And so you're looking at a total of 8.6 million

00:35:25 --> 00:35:29: in and project costs of that 8.6 million.

00:35:29 --> 00:35:32: We brought \$600,000 in cash,

00:35:32 --> 00:35:38: so about 7%. The city provided 23%.

00:35:38 --> 00:35:44: Sorry, 27% of the actual cost at and they funded

00:35:44 --> 00:35:50: it upfront through TIFF and so the final piece was

00:35:50 --> 00:35:53: through bank debt and so.

00:35:53 --> 00:35:56: Me and my partners. Whenever we decided to do this

00:35:56 --> 00:35:59: and we brought in Sandy and then we started looking.

00:35:59 --> 00:36:02: We reached out to Centennial Health which is 101 year

00:36:02 --> 00:36:03: old.

00:36:03 --> 00:36:05: It's the oldest health care clinic in Oklahoma City.

00:36:05 --> 00:36:09: They had a location kind of in a healthcare district

00:36:09 --> 00:36:10: and so.

00:36:10 --> 00:36:12: We reached out to them and ask them to move

00:36:12 --> 00:36:15: their headquarters from kind of the healthcare district to the

00:36:16 --> 00:36:17: east side and and they agreed,

00:36:17 --> 00:36:20: and so they're they're least they signed a 10 year

00:36:21 --> 00:36:21: lease.

00:36:21 --> 00:36:24: And their lease covered the debt service coverage ratio.

00:36:24 --> 00:36:26: Essentially by itself it took up 60%

00:36:26 --> 00:36:29: of the space, and so I was a former banker

00:36:29 --> 00:36:30: for about 10 years.

00:36:30 --> 00:36:33: And so pivot project is done probably 20 projects in

00:36:33 --> 00:36:36: the urban core that were much riskier than this,

00:36:36 --> 00:36:39: and so we really felt good as it would not

00:36:39 --> 00:36:40: go get financing.

00:36:40 --> 00:36:43: Thinking that hey, we got we got 100 year old

00:36:43 --> 00:36:44: health care clinic.

00:36:44 --> 00:36:46: They're going to sign a 10 year lease.

00:36:46 --> 00:36:49: We're good to go. And so I reached out to

00:36:49 --> 00:36:52: over 25 banks and it was categorically.
00:36:52 --> 00:36:58: Told no, and so some of the banks were.
00:36:58 --> 00:37:00: Not that they they. They were not tactful and and
00:37:00 --> 00:37:02: how they communicated that they just say,
00:37:02 --> 00:37:05: hey, we don't lend money to that side of town.
00:37:05 --> 00:37:07: Other banks said, hey, there's no cops,
00:37:07 --> 00:37:10: and so as we got into this,
00:37:10 --> 00:37:13: I actually started getting a little panicked because.
00:37:13 --> 00:37:16: We had a project that worked and we couldn't get
00:37:16 --> 00:37:17: financing,
00:37:17 --> 00:37:20: so we finally had a bank that said hey,
00:37:20 --> 00:37:23: if you can get a richer person than me,
00:37:23 --> 00:37:25: Ben and David to guarantee the debt,
00:37:25 --> 00:37:28: then we'll go ahead and and fund this deal.
00:37:28 --> 00:37:30: And so we went to a guy and he's actually
00:37:30 --> 00:37:34: got the largest single malt Scotch collection in the United
00:37:34 --> 00:37:34: States,
00:37:34 --> 00:37:36: so we only needed two.
00:37:36 --> 00:37:39: I think. Point \$7 billion of debt on this project
00:37:39 --> 00:37:42: and his collection is now over like \$5 million.
00:37:42 --> 00:37:45: So and that's not his only net worth.
00:37:45 --> 00:37:47: I mean, you talk about liquid net worth.
00:37:47 --> 00:37:50: That's a. That's a great kind of thing to have.
00:37:50 --> 00:37:52: And so I thought, man,
00:37:52 --> 00:37:53: if they have to foreclose on,
00:37:53 --> 00:37:56: hit him or foreclose on this building and go collect,
00:37:56 --> 00:37:59: that's like the best job ever to go collect that
00:37:59 --> 00:37:59: Scotch.
00:37:59 --> 00:38:02: So we were stoked. We send it to them and
00:38:02 --> 00:38:05: they actually called us back that day and said,
00:38:05 --> 00:38:06: hey, he's not rich enough.
00:38:06 --> 00:38:09: We're sorry and so they declined our loan and so
00:38:09 --> 00:38:11: at that point for me,
00:38:11 --> 00:38:13: what what hit home was that me,
00:38:13 --> 00:38:15: Ben and David or three super white dudes?
00:38:15 --> 00:38:19: New office above a craft beer bar in downtown Oklahoma
00:38:19 --> 00:38:21: City and all we do is development.
00:38:21 --> 00:38:24: And if we couldn't get a loan.
00:38:24 --> 00:38:26: Uhm, for a for a building that had 100 year
00:38:26 --> 00:38:27: old healthcare tenant,
00:38:27 --> 00:38:30: Can you imagine being a 20 year old African American
00:38:30 --> 00:38:32: or Black kid on the east side?

00:38:32 --> 00:38:34: He's just trying to get a loan and so it
00:38:34 --> 00:38:37: became very personal for us and so one of the
00:38:37 --> 00:38:40: things that that taught us was what happens when systems
00:38:40 --> 00:38:42: stick for long periods of time.
00:38:42 --> 00:38:44: And what I mean by that is in the 50s.
00:38:44 --> 00:38:47: If someone were to come to me and I was
00:38:47 --> 00:38:47: a banker,
00:38:47 --> 00:38:49: they ask for money and they were black.
00:38:49 --> 00:38:52: I would say, well I I'm not going to give
00:38:52 --> 00:38:55: you money because of the color of your skin.
00:38:55 --> 00:38:57: And I would have said the same thing in the
00:38:57 --> 00:38:58: 60s and I would have said the same thing in
00:38:58 --> 00:39:00: the 70s and I would have said the same thing
00:39:00 --> 00:39:02: in the 80s. But by the time the 2000s rolled
00:39:02 --> 00:39:03: around,
00:39:03 --> 00:39:04: I don't have to say that anymore.
00:39:04 --> 00:39:07: What I can say is man I love black people.
00:39:07 --> 00:39:09: I don't have any issue lending you money,
00:39:09 --> 00:39:11: but no one is lent money over here in 40
00:39:11 --> 00:39:11: years,
00:39:11 --> 00:39:13: so why would I be the fool to lend you
00:39:14 --> 00:39:14: the money,
00:39:14 --> 00:39:17: right? It's going to cost me too much.
00:39:17 --> 00:39:20: Street cred within the bank.
00:39:20 --> 00:39:23: To do that, and So what we realized was that
00:39:23 --> 00:39:25: we were going to have to be what we call
00:39:25 --> 00:39:26: joyous disruptors.
00:39:26 --> 00:39:29: We're going to have to disrupt the banking system to
00:39:30 --> 00:39:33: the place where we forced a moral decision on bankers,
00:39:33 --> 00:39:36: so this project became personal in the sense of we
00:39:36 --> 00:39:39: needed this deal to land so that now banks couldn't
00:39:39 --> 00:39:41: say there was no comps in the area.
00:39:41 --> 00:39:44: They would just have to decide where they're willing to
00:39:44 --> 00:39:45: lend money to.
00:39:45 --> 00:39:48: People who didn't look like them or not.
00:39:48 --> 00:39:50: And so we actually found a wealthier.
00:39:50 --> 00:39:52: Guy, then the Scotch guy and found a new bank
00:39:53 --> 00:39:55: and that new bank required us to give up additional
00:39:56 --> 00:39:57: equity to give to this guy,
00:39:57 --> 00:40:01: but he guaranteed the debt and that really unlocked phase
00:40:01 --> 00:40:01: one.
00:40:01 --> 00:40:04: And so phase one was Centennial Health and then recently

00:40:04 --> 00:40:07: we just opened up a brand new grocery store that
00:40:07 --> 00:40:11: was a public private partnership between the local grocery
store
00:40:11 --> 00:40:14: and nonprofit. Who is on the east side.
00:40:14 --> 00:40:17: And it was in response to the fact that the
00:40:17 --> 00:40:21: last grocery store on the east side of town closed
00:40:21 --> 00:40:23: about a year ago,
00:40:23 --> 00:40:26: and so residents in this community we're having to drive
00:40:26 --> 00:40:29: 3 hours on the bus to get to the closest
00:40:29 --> 00:40:30: grocery store.
00:40:30 --> 00:40:33: And so. That was phase one and we're super proud
00:40:33 --> 00:40:34: of it.
00:40:34 --> 00:40:36: And really, what that did was that was a catalyst
00:40:36 --> 00:40:38: so we could go to phase two,
00:40:38 --> 00:40:40: which was the retail project which is.
00:40:40 --> 00:40:43: What this is now you can see below what it
00:40:43 --> 00:40:44: was before,
00:40:44 --> 00:40:46: and so in that what we did was I like
00:40:46 --> 00:40:50: I previously talked about our our equity component we we
00:40:50 --> 00:40:53: with when we negotiate with the city we agreed to
00:40:53 --> 00:40:55: not sell the building for 10 years,
00:40:55 --> 00:40:58: and so we're in for the long haul.
00:40:58 --> 00:41:01: And So what we asked was our tenants to join
00:41:01 --> 00:41:04: us in that we created all of this really kind
00:41:04 --> 00:41:07: of generous sub letting language so that if they didn't
00:41:07 --> 00:41:10: they didn't want to give up their equity but they
00:41:10 --> 00:41:11: didn't.
00:41:11 --> 00:41:15: Wanna maintain their business? They could help us find a
00:41:15 --> 00:41:16: tenant to sublet for them,
00:41:16 --> 00:41:18: and so we're currently 90%
00:41:18 --> 00:41:22: leased, so we've got updated photos that I wasn't able
00:41:22 --> 00:41:24: to get into this slide deck.
00:41:24 --> 00:41:26: But some of the 90%
00:41:26 --> 00:41:30: leased. We've got 50% of that are minority female tenants
00:41:30 --> 00:41:31: and about 85%
00:41:31 --> 00:41:37: of that is black owned or minority owned business owners
00:41:37 --> 00:41:38: and so.
00:41:38 --> 00:41:40: As we engage into this phase,
00:41:40 --> 00:41:43: what we did was we decided to pay the Community
00:41:43 --> 00:41:47: basically what we would consider a brokerage fee to help
00:41:47 --> 00:41:47: us tenant it,
00:41:47 --> 00:41:50: and so our thought process was,

00:41:50 --> 00:41:53: it's not. It's not our job to bring the white
00:41:53 --> 00:41:55: side of OKC to the black community.
00:41:55 --> 00:41:58: Our job is to actually help create an Ave so
00:41:58 --> 00:42:02: that local businesses who have maybe had to move out
00:42:02 --> 00:42:06: of their community could come back to the community that
00:42:06 --> 00:42:08: they love and so we didn't.
00:42:08 --> 00:42:11: Actually, take any tenants who are shutting down space on
00:42:11 --> 00:42:13: the east side and moving into our building.
00:42:13 --> 00:42:16: We actually only took new startup businesses or businesses that

00:42:16 --> 00:42:18: were from that were located on the West side of
00:42:18 --> 00:42:20: town and were wanting to move back from the east
00:42:20 --> 00:42:22: to the east side of town.
00:42:22 --> 00:42:25: And so as we did this project.
00:42:25 --> 00:42:27: I was trying to see if there was any other
00:42:27 --> 00:42:28: pictures here.
00:42:32 --> 00:42:34: As we did this project.
00:42:34 --> 00:42:38: What I didn't realize was dumb.
00:42:38 --> 00:42:43: How? Difficult and how little we understood the relationships that

00:42:43 --> 00:42:45: we needed to have on the east side,
00:42:45 --> 00:42:48: and so we failed a lot trying to figure out
00:42:48 --> 00:42:51: how do we communicate that well and a great example
00:42:51 --> 00:42:54: is the guy who's sitting kind of in the stool
00:42:54 --> 00:42:57: on the far left side of this picture.
00:42:57 --> 00:43:00: His name is JB. He's probably the most prolific rapper
00:43:00 --> 00:43:02: from our state and his Emmy Award winning artist,
00:43:02 --> 00:43:05: and he called me one day and said,
00:43:05 --> 00:43:08: hey, you need to meet with me.
00:43:08 --> 00:43:11: And so we pulled over to East Point and he
00:43:11 --> 00:43:14: says I want to introduce you to somebody.
00:43:14 --> 00:43:17: And so we walked down a couple blocks and we
00:43:17 --> 00:43:21: walk into this nondescript door that just says Barber on
00:43:21 --> 00:43:21: it.
00:43:21 --> 00:43:25: And so we walk into this barbershop and there's two
00:43:25 --> 00:43:26: guys playing NBA2K.
00:43:26 --> 00:43:29: And then there's one guy getting a haircut.
00:43:29 --> 00:43:32: And then there's a dude who's probably 6 foot four,
00:43:32 --> 00:43:36: no body fat, one of the strongest people that I've
00:43:36 --> 00:43:37: ever seen in person.
00:43:37 --> 00:43:40: And he's sitting there. He starts talking to me and
00:43:40 --> 00:43:42: he starts asking me questions and so I know I'm
00:43:43 --> 00:43:43: on the spot.

00:43:43 --> 00:43:45: I don't really know why I'm on the spot,
00:43:45 --> 00:43:48: but I'm on the spot and so we finally get
00:43:48 --> 00:43:49: done and he says,
00:43:49 --> 00:43:50: man, I like what you're doing,
00:43:50 --> 00:43:53: you're good and so JB and I walked out and
00:43:53 --> 00:43:53: I said,
00:43:53 --> 00:43:56: JB, what you know, what the hell just happened man
00:43:56 --> 00:43:58: and he goes well I needed you to meet the
00:43:58 --> 00:44:01: mailman and I was like OK and he's like he's
00:44:01 --> 00:44:03: made and I was like he's made what does that
00:44:03 --> 00:44:03: mean?
00:44:03 --> 00:44:07: He's like he's an OG and I'm like.
00:44:07 --> 00:44:09: Original gangster I don't know what that means.
00:44:09 --> 00:44:11: I'm like, but what does that mean?
00:44:11 --> 00:44:14: And he's like he he ends up giving me the
00:44:14 --> 00:44:17: backdrop that you know this guy who's a crip who
00:44:17 --> 00:44:21: had just got out of prison but was respected by
00:44:21 --> 00:44:24: all of the community because of what he's done needed
00:44:24 --> 00:44:27: to put blessing on our building and what hit me
00:44:27 --> 00:44:30: what was so humbling was that JB risked everything to
00:44:30 --> 00:44:33: get me in that room because it wasn't just me
00:44:33 --> 00:44:36: that was on the line whenever I was getting interviewed
00:44:36 --> 00:44:37: it was.
00:44:37 --> 00:44:40: Actually, JB's reputation within the community and he only
00:44:40 --> 00:44:43: did
00:44:40 --> 00:44:43: that because he trusted me to be his friend.
00:44:43 --> 00:44:44: And so as we've gone in,
00:44:44 --> 00:44:48: you know what we typically say in closing is.
00:44:48 --> 00:44:51: The greatest lie that I think wealth UM gives us
00:44:51 --> 00:44:54: is that it gives us the illusion that we can
00:44:54 --> 00:44:55: be protected from pain,
00:44:55 --> 00:44:58: and so I know, I know a lot of 50
00:44:58 --> 00:45:02: and 60 year old men who are are really lonely.
00:45:02 --> 00:45:04: They have a lot of money,
00:45:04 --> 00:45:06: but they're protected, right? They have everything covered,
00:45:06 --> 00:45:08: but when you protect yourself from pain,
00:45:08 --> 00:45:11: you also prevent yourself from being able to experience joy.
00:45:11 --> 00:45:15: And so one of the things that has become integral
00:45:15 --> 00:45:17: to our company as we've gone in is that we
00:45:17 --> 00:45:19: need to place ourselves in.
00:45:19 --> 00:45:23: In positions that make us feel uncomfortable because we
think

00:45:23 --> 00:45:26: that joy is is a bedfellow to that discomfort,
00:45:26 --> 00:45:30: and so this project is almost been the end of
00:45:30 --> 00:45:31: us we.
00:45:31 --> 00:45:34: Have it's it's been five years and coming but there's
00:45:34 --> 00:45:36: no project that has created more joy for us than
00:45:36 --> 00:45:39: this and our lives are better for it and what's
00:45:39 --> 00:45:41: come out of that as we now have a small
00:45:41 --> 00:45:44: development team out of the east side that was going.
00:45:44 --> 00:45:45: We're working on right now.
00:45:45 --> 00:45:47: A black owned boutique hotel we're working on.
00:45:47 --> 00:45:50: We're getting ready to open up a black owned breakfast
00:45:50 --> 00:45:52: concept and and all of this would have never happened
00:45:52 --> 00:45:54: had we not jumped in on this and and been
00:45:54 --> 00:45:56: accepted by them. So anyways,
00:45:56 --> 00:45:58: I think I'm like right at 15 minutes,
00:45:58 --> 00:46:00: so I don't want to go over time,
00:46:00 --> 00:46:01: but I really appreciate you guys.
00:46:01 --> 00:46:03: Getting a or allowing me to share.
00:46:05 --> 00:46:08: Jonathan said thank you so much.
00:46:08 --> 00:46:13: Great inspiring story and it is.
00:46:13 --> 00:46:16: True that it it. It takes relationships and how you
00:46:16 --> 00:46:20: build those relationships when everything is so fractured is is
00:46:21 --> 00:46:23: going to make you uncomfortable.
00:46:23 --> 00:46:26: And I I really appreciate your honesty.
00:46:26 --> 00:46:30: I think we're going to learn from all of that.
00:46:30 --> 00:46:33: I am going to turn it over to Keith and
00:46:34 --> 00:46:38: and our Caroline to have us move to the next
00:46:38 --> 00:46:39: part of the day.
00:46:39 --> 00:46:43: So thank you again. Both speakers really appreciate it.
00:46:43 --> 00:46:45: There may be some questions in the chat.
00:46:45 --> 00:46:47: Jonathan, you might just want to look at and maybe
00:46:47 --> 00:46:49: respond to appreciate it.
00:46:51 --> 00:46:54: Thank you my pleasure. Right,
00:46:54 --> 00:46:58: thank you I, I just want to thank both Chris
00:46:58 --> 00:47:00: and Jonathan for.
00:47:00 --> 00:47:04: For two extraordinary examples. Uh,
00:47:04 --> 00:47:09: and and really what? I think the challenges before us
00:47:09 --> 00:47:13: that you've even begun to lay out.
00:47:13 --> 00:47:17: Is not only the understanding of healing.
00:47:17 --> 00:47:21: Within projects listening to voice of community and making
00:47:21 --> 00:47:22: sure
you're driven by some very,

00:47:22 --> 00:47:27: very important principles, but also just the practical side of
00:47:27 --> 00:47:28: the challenge ahead.
00:47:28 --> 00:47:33: Because these things are full of layers and complexities,
00:47:33 --> 00:47:37: and if you are really desiring to get to an
00:47:37 --> 00:47:38: endpoint,
00:47:38 --> 00:47:42: it can happen. But it ain't gonna be easy,
00:47:42 --> 00:47:45: but it does require a level of commitment.
00:47:45 --> 00:47:48: So thank you so much for your presentation and your
00:47:48 --> 00:47:49: commentary.

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