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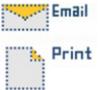
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Sunday, March 05, 2006

TIF district filling up

BY RON OSBURN



Ground has been broken near the intersection of Experiment Farm Road and Towne Park Drive on the first of five planned office buildings targeted to medical arts professionals.

Construction crews have laid the concrete foundation for the first 12,000-square-foot, one-story office building on a 6-acre parcel owned by Miller-Valentine Co., a Dayton-based real estate developer. The parcel is one of the building lots within the city's special 67-acre Tax Increment Financing district, roughly bounded by West Main Street, Experiment Farm Road and Interstate 75.

"We anticipate we'll have the first building open in May," Miller-Valentine development director Jason Woodward said recently.

Plans eventually call for an office condominium park, with five glass and brick, stand-alone office buildings, each about 12,000-square-feet, Woodward said. The key feature is that the interiors can be custom-designed, and will be available for either lease or purchase.

"This allows for flexibility. You can have the benefits of ownership, or lease if it fits your needs better. With the current low interest rates, it makes sense for some (entities) to buy, especially medical office users, who are stable and generally don't expect to move very often," Woodward said.

"We're negotiating with a couple of tenants right now," he said. Once the first building is substantially sold or leased, construction will commence on a second building, and so forth.

Miller-Valentine was attracted to Troy's "great demographics," Woodward said. "Troy is an upscale community similar to (Dayton's) south suburbs. But compared to residential and commercial growth, the office market has been slower to respond, so we saw this as a real opportunity to fill a void."

Leasing space is available from 1,500-square feet to an entire building, he said. Lease rates are \$13.75 per square foot, and the purchase rate is \$130 per square foot, Woodward said. He can be contacted at 297-1336.

TIF DISTRICT

The medical condominium project is the latest development in Troy's rapidly developing TIF district.

TIF's are an increasingly popular method of publicly financing infrastructure within

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Rep. John Boehner

TDN Poll

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a specific area in order to spur private development. Under terms of Troy's TIF, the city in 2003 agreed to finance a \$1.8 million, 30-year bond to pay for development of Towne Park Drive and associated infrastructure.

The Miller-Valentine project has city officials especially excited because the TIF was created specifically to lure to Troy the kinds of stable, high paying jobs that are created by the office project. Those jobs pay significantly more taxes than retail or fast food, city service and safety director David Anderson has told city council members. In fact, as part of the TIF negotiations and to insure that the TIF attracts those high paying jobs, the city and the land owner, Dayton-based Singer Properties, agreed that at least 40 percent of the development must be devoted to office or industrial uses.

The medical office park is "exactly the type of employment enterprise we're looking to create in the TIF," city development director Jim Dando told members of the city's Enterprise Zone Tax Incentive Review Council on Feb. 24. The EZTIRC annually reviews tax incentive agreements in Troy, including the TIF district agreement, and makes recommendations on their continuance to Troy City Council, who has final approval.

"This project has good growth potential. It's the most significant development to date in the TIF," Dando enthused.

A council committee Thursday recommended council continue the TIF, and learned that after the initial two-year start-up phase, the city could begin seeing the first payments from the TIF later this year. Those payments will be made to the Troy school district and to the city to pay the bond debt, and will increase incrementally as more development occurs.

Council could vote on continuing the TIF -- along with the city's 24 current Enterprise Zone Agreements -- as soon as tomorrow's regularly scheduled council meeting.

W.W. GRAINGER

Along with the medical offices, another building in the TIF district nearing completion is the 17,500-square-foot W.W. Grainger building on three acres next to the Outback restaurant.

The outer shell is complete and workers are now installing interior fixtures, said Debra Ceffalio, spokesperson for Grainger, based in the Chicago area.

"We expect to open sometime this summer," Ceffalio said.

Grainger bills itself as North America's leading distributor of facilities maintenance supplies. The Troy warehouse is not a walk-up retail operation, but will be stocked with 25,000 products tailored to the needs of its local commercial and industrial customers, Ceffalio said.

NEW URBANISM

With the Grainger building and the medical office condo project, more than half of the TIF acreage is under development already, according to Alex Kolodesh, vice-president and treasurer of Singer Properties, which is also developing the Miller Lane area, among other properties.

"We anticipated a five-to-seven-year build out, so I think this puts us right on schedule," Kolodesh said Friday, standing at the site of the medical office project. In addition, he said he is "very close" to announcing a new development for a key,

2.5-acre site at the southeast corner of Experiment Farm Road and Town Park Drive. Koldesh said he hope to confirm within a month that an "upscale" specialty food retailer, along with another "complimentary" business, would occupy the site. That development, and the building on the other side of Towne Park Drive housing Winan's, Jay and Mary's Little Professor bookstore and Cassano's, would then serve as a "gateway" to Towne Park Drive and the TIF district, he said.

The Towne Park Apartment complex is not part of the TIF. But it was included in the overall concept, which is to create "an integrated, mixed-use area" of retail, commercial and office and residential, also known as "new urbanism," Kolodesh said.

"You can live in the apartments, work in the offices nearby, walk across the street and get a cup of coffee, or walk five minutes away and go shopping at (Troy Towne Center). Everything you need is just a few minutes away," Kolodesh said.

A large 14.5-acre site in the center of the TIF and adjacent to Town Park Apartments, along with an 18-acre-long strip of land along I-75 between the Grainger building and The Children's Learning Center, is virtually all that's left undeveloped in the TIF now, Kolodesh said.

He expects retail and some high-intensity office users, like financial services firms or medical specialists, will locate into that area relatively soon, drawn by Troy's favorable demographics, and lease or purchase rates one-half to two-thirds that of the Miller Lane area, he said.