

3. ECONOMIC VITALITY

Goal

A prosperous and fiscally strong community with a diverse and resilient economy where growth improves the city's ability to provide a high level of services and amenities.

Objectives

- *Increase the city's income tax base*
- *Slow the long-term increase in costs while maintaining desirable infrastructure conditions and levels of service*
- *Seek alternative sources of revenue or financing solutions to ensure growth pays its fair share of long-term impacts*
- *Provide places to grow the city's employment and competitive position in the region*

Economic vitality is about more than just growth, it is about growth that improves the community. It is about managing community resources — land, infrastructure, and public places to improve their quality and value while ensuring long-term financial health for the City. Hilliard's success in shaping where and how it grows will have a direct impact on its future financial health, its ability to provide outstanding services, and its ability to attract and retain businesses and people. This chapter focuses on the relationship between growth, physical development, and economic vitality.

This chapter also includes strategies that are more fully explored in the city's recently completed Economic Development Strategic Plan (2022). These include helping the city be a key player in the regional economy, supporting and strengthening the viability of existing industries, fostering a stable and competitive business climate to draw business to the City, encouraging new business start-ups, and encouraging growth in several targeted sectors.



Chapter organization

- Fiscal Analysis
- Market and Economic Conditions
- Target Industries
- Objectives and Actions

FISCAL ANALYSIS KEY FINDINGS

A city's revenue and costs over the long-term are greatly impacted by how land is used and what is built on that land. To understand those impacts, the comprehensive planning process involved an analysis of revenue and cost of land use specific to Hilliard. This fiscal understanding is grounded in the future land use map, focus area concepts, and other recommendations throughout the plan. The following key findings are explained in this section.

- 1. Income tax is critical for the city.**
- 2. Infrastructure costs will be higher in the future.**
- 3. Residential does not pay for itself regardless of the pattern.**
- 4. Low density, car-oriented commercial is the least fiscally beneficial non-residential land use, followed by warehousing and logistics.**
- 5. Mixed-use developments that include commercial, office, and residential uses are typically fiscally beneficial.**
- 6. Infill or redevelopment to utilize existing infrastructure (rather than adding new) will bring more revenue while minimizing costs per acre.**
- 7. Hilliard schools see more benefit from recent mixed-use and apartment development compared to other residential.**

Factors influencing the fiscal impact of land uses

Local revenue structure

Every community has at least one major revenue source, and, in some cases, several on which it is reliant. Examples include property tax, local sales tax, and state shared revenues. These formulas vary even between similar cities in a state or region. In Ohio, income taxes make up most of a city's revenue, while other types of local governments like townships and schools are funded by property taxes. An important component of revenue structure is the distribution/ collection formulas for various sources.

Services provided

Another important factor in the fiscal equation is the services provided by the jurisdiction. Police and fire protection are two examples. Hilliard provides police service, but fire and EMS are provided by the townships. Also, Hilliard maintains its local water and wastewater distribution system, while Columbus provides water treatment. Also schools in Ohio (as in many states) are separate entities with their own tax rates and revenue structure.

Levels of service

Levels of service generally vary from community to community. Examples of level of service standards are fire/ EMS response times, road miles paved annually, parkland per capita, etc.

Characteristics of development

Next to a community's revenue structure, no other factor has as great an impact on the net fiscal results as the demographic and market characteristics of different land uses. Examples for residential development include average household sizes, student generation rates, market value of housing units, trip generation rates, density per acre, and average household income. Characteristics for nonresidential development include square feet per employee, number of employees, wages of employees, trip generation rates, market values per square foot, sales per square foot (retail), and floor area ratio. In income tax funded municipalities, the number of jobs and wages of those jobs have a significant impact on the revenue of land uses.

Capacity and condition of existing Infrastructure

A community with excess infrastructure capacity could absorb substantially higher growth over time without making additional infrastructure investments than a community without these capacities. This excess capacity results in lower capital costs over time. This is an important factor in the fiscal equation, since costs for upkeep and eventual replacement of infrastructure are substantial. However, excess capacity over the long-term can be a liability as all infrastructure has a lifespan and must be maintained whether it is fully utilized or not.

Summary of estimated annual net fiscal impact per acre by land use type in Hilliard

RESIDENTIAL

Rural Edge



NET INCOME

-\$2k

Represents only large lot single-family residential (primarily unplatted lots). If employment uses are present, net will be higher, possibly positive.

Suburban Residential (L)



NET INCOME

-\$7k

Represents the average of all platted single-family in the city today excluding Heritage Preserve. Suburban residential types have the greatest cost per acre of all land uses.

Suburban Residential (M)



NET INCOME

-\$7k

Represents small to mid-size multi-family and attached housing including duplexes. These tend to be older apartments/condos. There are few existing examples compared to other types.

Conservation Residential



NET INCOME

-\$5k

Represents the single-family portion of Heritage Preserve including open space. Cost per acre is moderately lower than typical suburban residential.

Urban Residential (M or H)



NET INCOME

-\$4k

Represents existing apartments of twenty to forty units per building and urban townhome developments like LC Brooklands. If density were reduced, costs and revenue would decline slightly.

Senior Living



NET INCOME

\$0

Represents age restricted apartments and independent senior living facilities. They have higher revenue due to on-site employment, and have a neutral to slight negative net impact. Care-focused facilities are similar to medical office in net impact.

COMMERCIAL AND EMPLOYMENT

General Commercial



NET INCOME

-\$1k

Existing big box and highway oriented retail and commercial areas have higher cost per acre due to greater impacts of public service and infrastructure.

Warehouse / Light Indust.



NET INCOME

-\$1-10k

Existing warehouse or logistics facilities tend to have a negative net due to the low amount of employment. Existing light industrial averages net positive but is lower than other non-residential types. Both types have low cost per acre.

Flex Employment



NET INCOME

\$10-20k

This is a conceptual hybrid of office and light industrial (assumes about 20% office, 10% commercial, and 70% light industrial). A greater amount of jobs, or higher paying jobs, would yield greater revenue.

Conservation Employment



NET INCOME

\$3-7k

This is a conceptual hybrid of flex employment in a conservation pattern that preserves 50% open space and may feature other low impact development.

Prem. Office / Institutional



NET INCOME

\$58k

Represents existing corporate office or multi-tenant offices greater than three stories. These uses have the greatest revenue per acre of any existing development.

Medical / Standard Office



NET INCOME

\$28-35k

Medical office facilities vary widely in revenue depending on job density and incomes of employees. Small-scale office tends to have less employment per acre, yielding less revenue, but is still highly productive.

MIXED-USE

Neighborhood Center



NET INCOME

\$5-9k

Represents existing neighborhood-scale mixed commercial nodes. It assumes 10% residential and 15% small office.

Village Mixed-use



NET INCOME

\$9-25k

Low end of range is based on residential above ground floor commercial. High end of range is if commercial or office uses are predominant.

Village Mixed (Old Hilliard)



NET INCOME

\$9-20k

Based on existing Old Hilliard pattern and assumes increasing residential and non-residential development. Cost per acre is higher in Old Hilliard.

Urban Mixed-use (Res)



NET INCOME

\$9-12k

This concept assumes residential above ground floor retail is the primary use but 10-20% of the area is an employment use.

Urban Mixed-use (Emp)



NET INCOME

\$50-60k

This concept assumes a multi-story office is the primary focus of a walkable mixed-use site. It could include secondary uses such as ground-floor retail or nearby residential. It may include structured parking.

Annual per acre (typical)
■ Revenue (see page 40)
■ Cost (see page 41)

Revenue: Income tax is critical for the City. Employment intensive land uses that have a high concentration of jobs or include high-wage jobs have the greatest net fiscal benefit to the City.

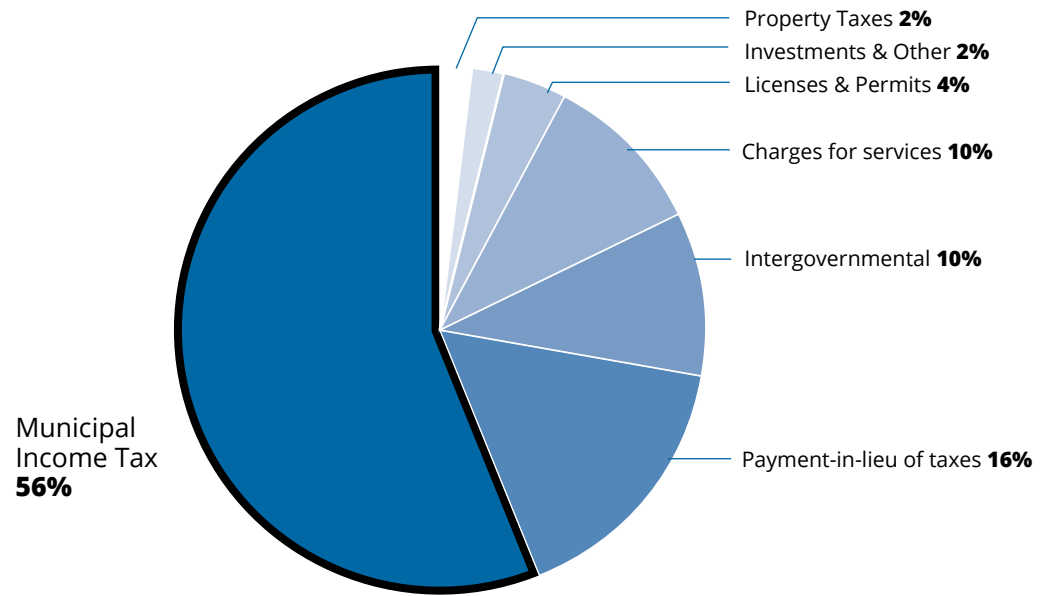
Due to Ohio's local government revenue structure, cities rely on income tax earned within their jurisdictions. In Hilliard, income taxes currently account for fifty-six percent of the City's budgeted revenue, while property taxes account for only two percent.

In 2021 Hilliard voters approved a fifty percent income tax increase. That additional revenue is to be used for parks and recreation, initially funding a new community recreation center.

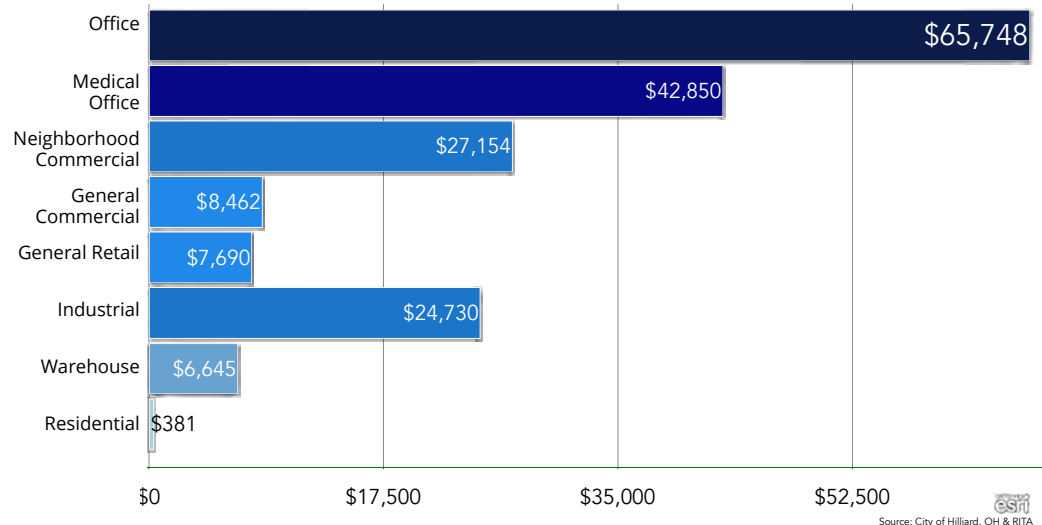
The current income tax of 2.5% is levied on all who earn income in the City, as well as residents who earn income in a city or township with an income tax of less than 2.5%. An offsetting credit is available when income tax has been paid to another city.

Income tax revenue can vary widely between different land use types. For instance, in Hilliard, the annual net income (revenue minus cost) generated per acre from a premium office development is between eight to fifty times greater than an auto-oriented retail or warehouse development. Uses that generate the most income tax revenue are those that either have a high density of employees or have high income employees (or both). Generally, one high paid employee in a large facility would be less productive as many lower paid employees in a similar sized facility. Also, facilities that have twenty-four hour staffing, such as hospitals and nursing homes, are especially productive.

Hilliard Revenue by Source (2021)



Generalized annual income tax revenue per acre of existing land uses in Hilliard



Source: City of Hilliard, OH & RITA

Cost: Infrastructure costs will be higher in the future.

The primary capital costs tied to land use in Hilliard are the cost of maintaining roads, the water distribution system, the wastewater (sanitary sewer) system, and stormwater infrastructure. In many cases, new infrastructure is built by developers and deeded to the city. The city then bears the long-term cost of maintaining or replacing that infrastructure. The city also pays for major system improvements such as upgrades to streets, paths, and intersections.

Most of Hilliard's infrastructure is relatively new so the city hasn't experienced full costs for maintenance and replacement that many older cities face. However, to fund the future maintenance and eventual replacement of existing infrastructure, the city may need to spend roughly double what it spends today for capital improvements (in today's dollars). This assessment of cost assumes annual spending needed to maintain the existing infrastructure once that infrastructure reaches "full replacement" age and includes ongoing maintenance and the replacement cost.

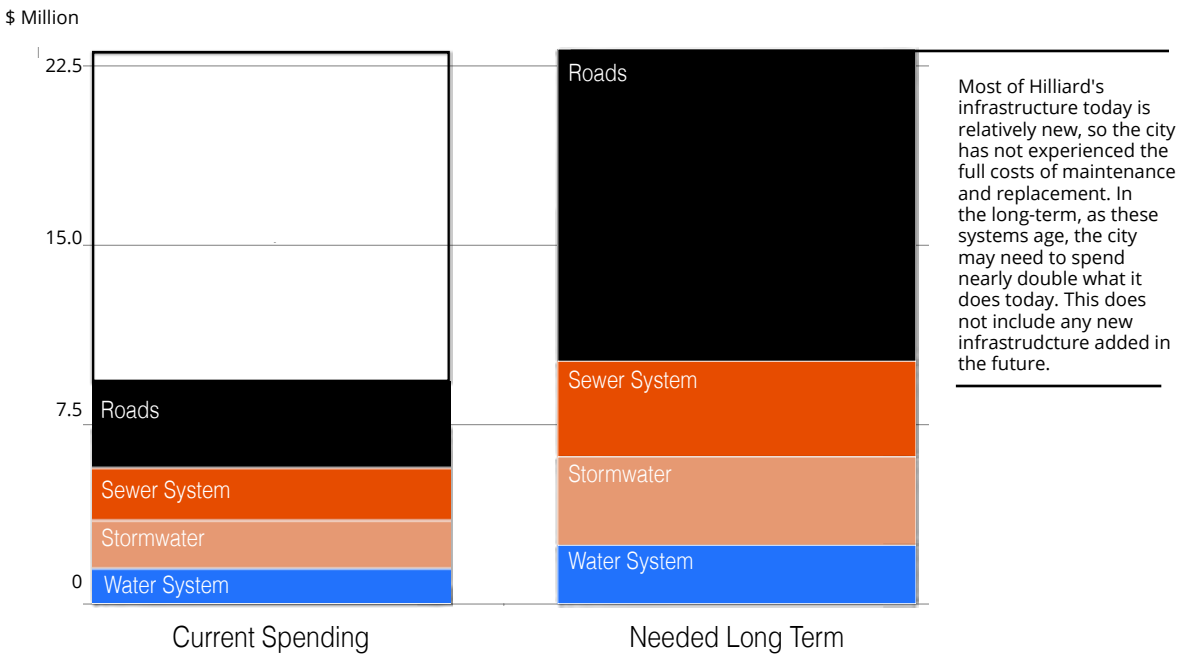
Infill or redevelopment to utilize existing infrastructure (rather than adding new) will bring more revenue while minimizing costs per acre.

There is less variation among land use types in per-acre costs compared to revenue, but costs are much easier to bear for mixed-use or high density urban residential where the same amount of street or pipe may have many more users to help pay for it. The most effective way to minimize long-term cost is to use existing infrastructure more efficiently. This strategy adds revenue without adding significantly to cost.

Minimizing long-term costs will involve maximizing the use of existing infrastructure through infill and redevelopment (assuming there is sufficient capacity), and creating more compact, mixed-use places that use new infrastructure efficiently.

This plan's emphasis on directing growth within the focus areas, creating a mix of uses, and prioritizing non-residential uses is intended to strengthen the city's fiscal health over the long-term.

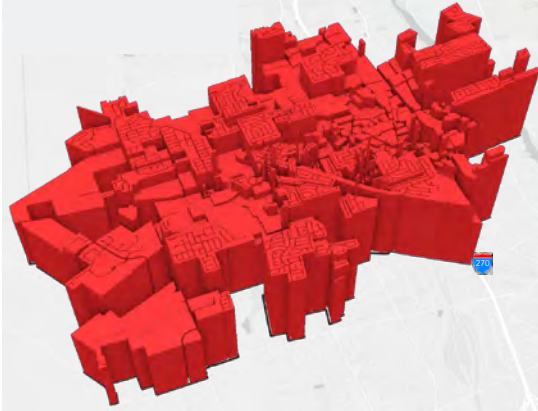
Annual Spending Today and Estimated Future Needs for Existing Infrastructure



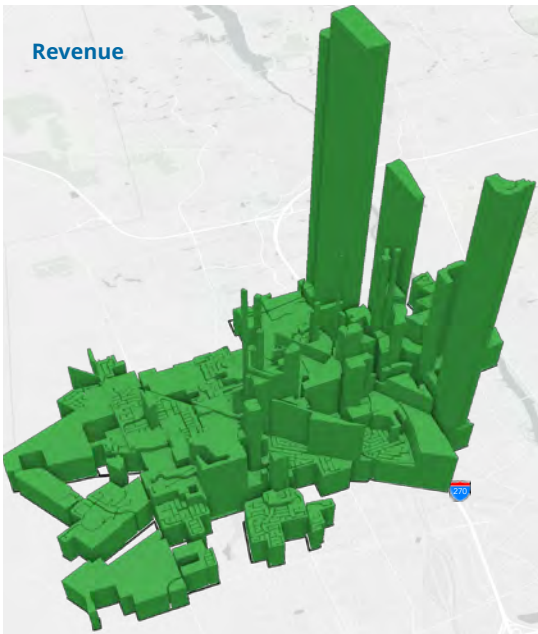
Revenue and cost per acre generalized to neighborhoods or blocks (existing conditions)

Cost

These costs include the prices of streets and pipes long term replacement and maintenance averaged into yearly terms. That infrastructure cost varies by development patterns.



Revenue



Annual Per Acre
Revenue ■
Costs ■

Green areas shown below are locations where total revenue per acre exceeds costs per acre. In red areas, costs per acre are greater than revenue.

Commercial and Mixed-use Areas

Old Hilliard and other commercial, smaller office, or mixed-use development (such as along Cemetery Road) tend to produce more revenue than cost.

Old Hilliard

Scioto Darby Road

Roberts Road

Premium office areas

Areas along I-270 with high concentrations jobs and highly paid jobs have revenue that far exceeds the long term cost. These are the most fiscally productive places in Hilliard today.

Residential areas

Residential areas, which make up most of Hilliard's land, do not produce enough revenue to offset the long-term cost of infrastructure and services to these areas.



Residential does not pay for itself regardless of the pattern.

These areas only generate significant revenue for the city if residents work from home. Low density single-family neighborhoods are the most expensive land use type. The revenue generated from employment areas is needed to offset the net cost of residential areas.

Suburban residential development types (low density single-family) typically generate higher property tax revenues per acre but that does not significantly impact the city's revenue. Income taxes from these areas depends on where residents work. In terms of cost, these places often require extension and maintenance of streets, water, and utilities and often require more infrastructure compared to urban or town center residential. Also, according to the Institute of Transportation Engineers (ITE), low density single-family neighborhoods generate more vehicle trips per housing unit than a unit in a multi-unit structure. Single-family residential units in Hilliard have more persons per household than units in multi-unit structures, which generates more vehicle trips, and demands for public safety, and parkland capital investments.

Low density, car-oriented commercial is the least fiscally beneficial non-residential land use, followed by warehousing and logistics.

Given the revenue structure, the best means to maintain fiscal sustainability is to diversify and intensify the land uses where appropriate with an emphasis on nonresidential uses. However not all non-residential uses are equal.

While large retail areas generate income tax revenue, wages tend to be lower than in other employment areas. Costs per acre tend to be higher due to a greater amount of infrastructure, traffic and public safety needs. Smaller, neighborhood serving commercial areas tend to perform better fiscally than community and regional commercial. Warehouse and logistics areas tend to have very low concentrations of average to low-wage jobs. From a fiscal perspective, replacing these uses with more productive employment uses over time will benefit the city from a fiscal perspective.

Mixed-use developments that include office, retail, and residential uses are typically fiscally beneficial.

Of non-residential uses, office uses generate the highest revenue per acre. However business trends over the past several decades indicate that large single-use office developments are becoming less attractive business locations compared to more mixed-use settings. In terms of fiscal impact, developments that integrate employment uses with commercial and residential in a compact, walkable pattern, whether horizontally on a site or vertically within buildings typically have a net benefit from lower cost per acre and more revenue per acre. For example in "urban mixed-use" areas, if five-to-ten percent of a site or building is commercial or office and the remainder is residential, that development will likely have net positive revenue. For "neighborhood mixed-use" areas, the amount of commercial or office would need to be greater than thirty percent.

While it is essential that fiscal impacts are well understood and are a part of the decision-making process, It is important to acknowledge that they should not be the only consideration in determining which development types are appropriate. Multiple goals and objectives in this plan should be taken into consideration. Ultimately a variety of uses are needed to create a desirable community with a strong quality of life.

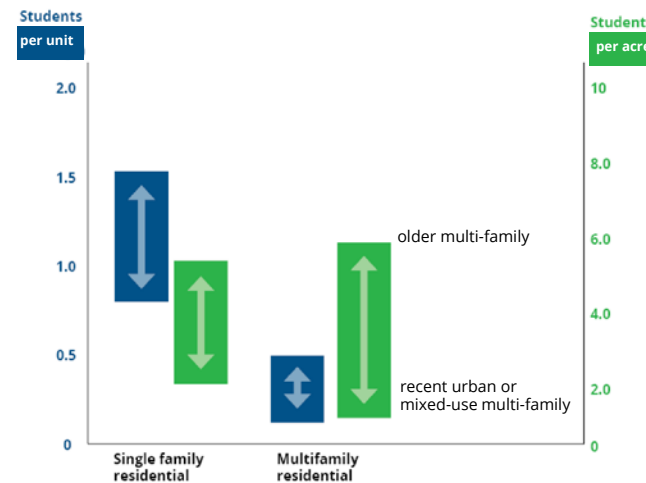
Hilliard schools see more benefit from recent mixed-use and apartment development compared to other residential.

School districts in Ohio are primarily funded by property taxes so land uses with high property values per acre are important to school revenue. Costs (as they relate to land use) are largely driven by the number of students that are generated by those land uses. Data from Hilliard City Schools reveals that:

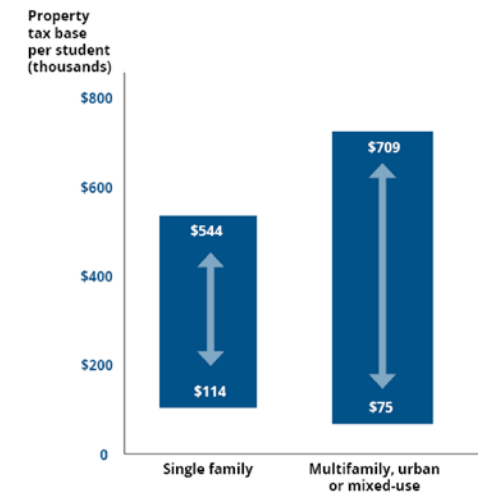
- In terms of students, single-family neighborhoods generate more students per unit and often per acre (and therefore greater costs) than recently developed multi-family residential.
- Multi-family and mixed-use residential development built in the past ten years has higher property values per acre and yields greater revenue for the schools than similar age single-family neighborhoods.
- Overall, tax base per student is generally higher for recent multi-family or mixed-use development. This may be because these newer residential developments are marketed to young, single people and empty-nesters, and have smaller units and higher price-points.
- Multi-family residential with lower price-points or larger units tend to generate more students and have less tax base per student. Similarly, single-family residential at the high end of the market may generate fewer students and have a higher tax base per student.

How Residential Land Use Impacts Hilliard Schools:

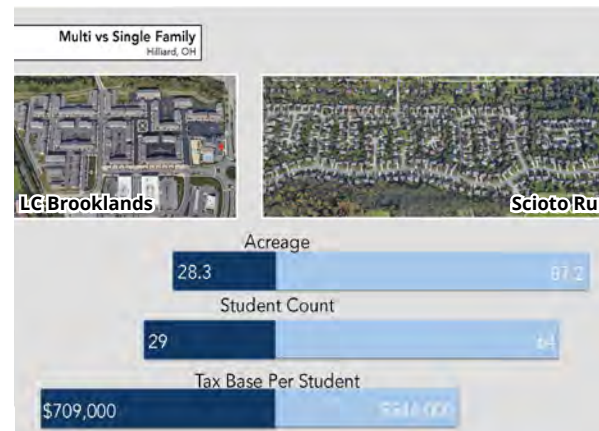
Student yield by housing type across all neighborhoods in the district



Property tax base (taxable value) per student across all neighborhoods in the district



Outlier examples of single-family and multi-family within Hilliard



Student yields of select housing developments (2021)

Residential, Low (single-family)	Year Built	Acres	Units	Housing Units/Acre	Student/Acre (K-12)	Students per 100 Housing Units
Anderson Meadows	2013	26.6	81	3.0	2.7	87.7
The Estates At Hoffman Farms	2007	139.0	335	2.4	2.8	116.1
Lakewood	2003	200.9	461	2.3	1.9	81.8
Hoffman Farms	2001	222.3	519	2.3	2.1	88.2
Britton Farms	1995	119.7	299	2.5	1.8	70.9
River Landings	1990	123.8	401	3.2	1.6	48.4
Residential, Medium (small apartments/condos)						
Hilliard Square Apts	1986	13.1	156	11.9	0.5	3.8
Crystal Lake Apts	1988	17.5	204	11.6	6.1	52.5
Parkside Apts	1988	4.7	51	10.9	4.7	43.1
Leap Rd Village Apts	1985	5.6	60	10.8	2.3	21.7
Heritage Green Apts	1997	37.1	179	4.8	3.1	64.8
Tremont Club Condos	1995	33.1	150	4.5	0.5	12.0
Coventry Manor	2000	30.7	136	4.4	0.3	6.6
Residential, High (large apartments)						
Landmark Lofts	2016	6.6	204	31.0	1.8	5.9
Eagle Pointe (Heritage Preserve Apts)	2017	25.1	300	11.9	1.2	10.3
The Pointe	2016	17.9	218	12.2	1.4	11.5
Brooklands	2014	28.5	446	15.7	1.0	6.3
Avery Pointe	2015	12.3	190	15.4	4.5	29.5
The Square At Latham Park	2017	16.9	174	10.3	1.6	15.5

Hilliard City Schools

Hilliard City Schools serves an area of approximately sixty square miles and includes portions of the City of Columbus, the City of Dublin, and five surrounding townships. The school district encompasses a population of about 87,000. It is the 8th largest district in the State with over sixteen thousand students.

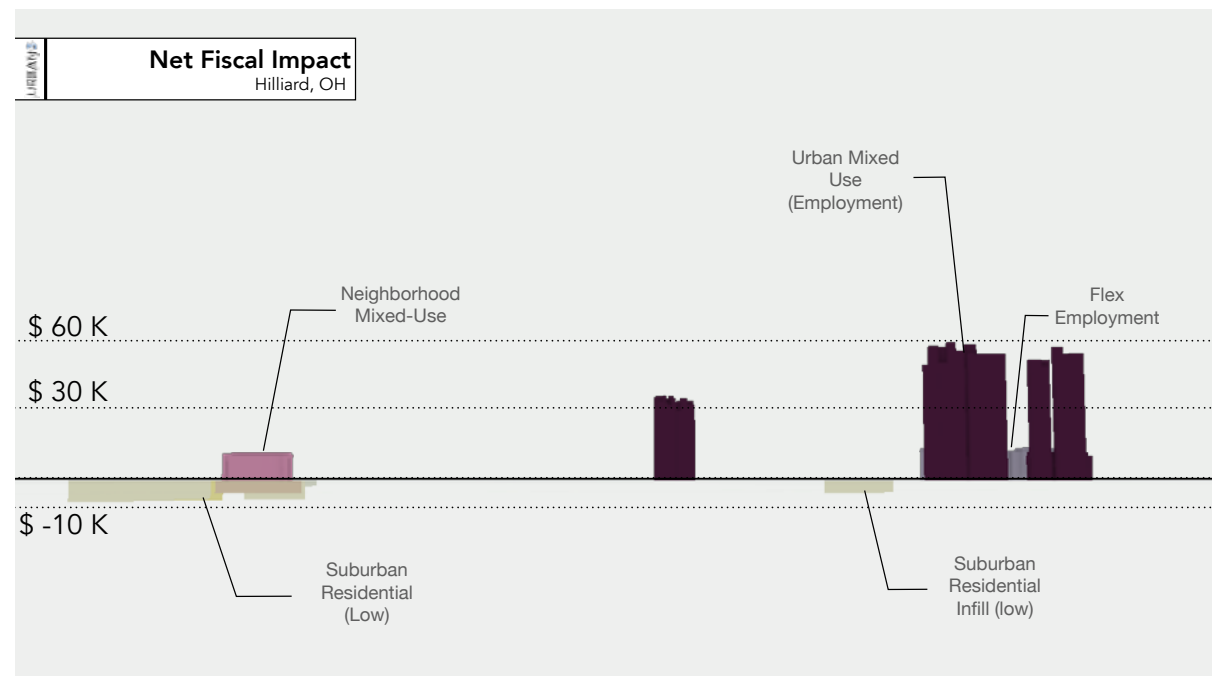
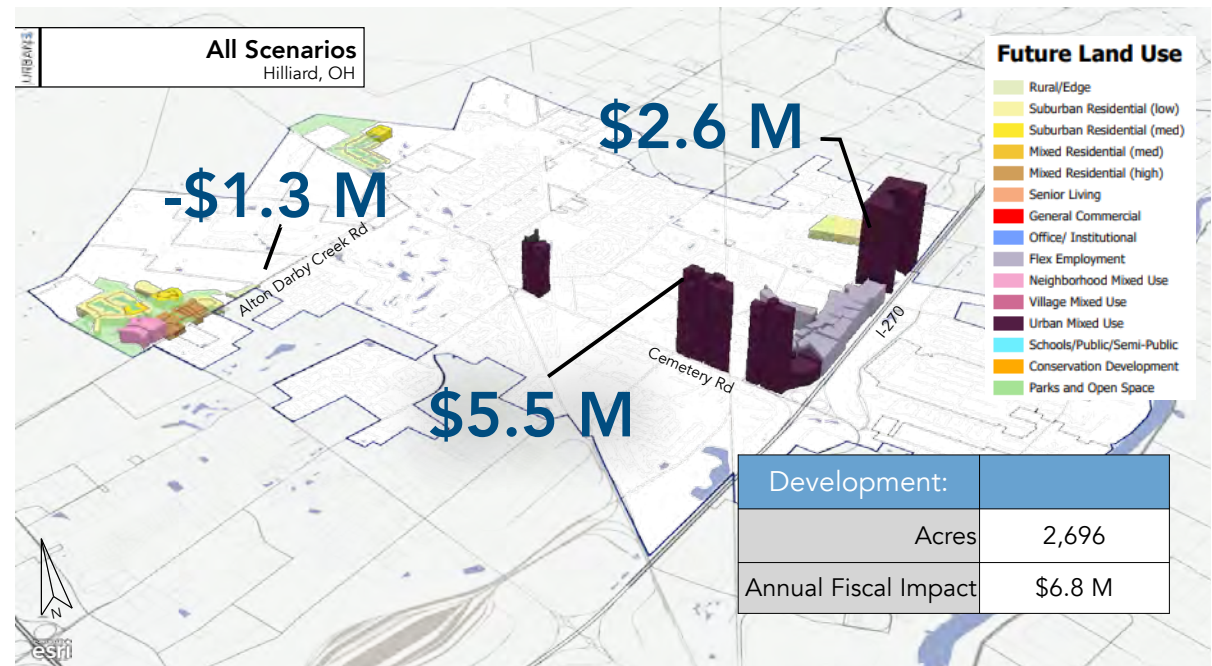
Hilliard City Schools is largely funded by property taxes collected within the district. Approximately fifty-seven percent of the Hilliard City Schools' budget is funded from property tax.

The district regularly updates its facility plans to account for anticipated growth within the area. The district's most recent facilities master plan assessed conditions and projected needs between the years 2019 and 2028.

As the largest jurisdiction within the district, the City of Hilliard's policies about where and how to develop could impact the school district. City officials are currently participating in an update to the school district's facility master plan update.

Fiscal impact scenarios based on Future Land Use map

The future land use plan is intended to improve the city's long-term fiscal strength. Since it is unlikely that all of the land in the Focus Areas will change in the next ten years, to demonstrate the plan's performance, a selection of land within the Focus Areas was modeled to calculate the impact of recommended development patterns. The adjacent figures represent the net impact of changing existing uses in approximately twenty-five percent of the city, either developing on vacant land or redeveloping less productive land.



ECONOMIC & MARKET CONDITIONS

The overall context from the 2011 plan's market assessment are still relevant today. Specific forecasts for absorption of different land uses was not analyzed as part of this plan as they have little value for over the long-term. More important are the overall trends that impact competitiveness and viability of various land uses. The COVID-19 pandemic accelerated several of the trends that were emerging between 2010-2020. The pandemic's long-term impacts on the real estate market are not known.

Retail Uses

Many existing retail centers and corridors are becoming non-competitive in the local and regional marketplace. Though retail vacancy rates within Hilliard are below regional averages, reinvestment and redevelopment of aging centers should be encouraged to maintain quality tenants and improve the image of several of the retail corridors.

Industrial Uses

Existing large single-use industrial space may not be viable for future tenant needs. Current and future demand is tenant specific and therefore built to specific tenant needs. Older less competitive industrial space in and around Old Hilliard and the Lacon Road area should be replaced with more compatible uses such as flexible office/industrial hybrids or mixed-use.

Office Uses

Older suburban class 'A' office product has struggled in recent years with high vacancy. A large supply in Dublin has affected Hilliard's ability to attract highway oriented office. The past decade has seen multiple large corporate tenants relocate from suburban highway-oriented office parks to more urban mixed-use areas in Central Ohio such as Grandview Yard and Bridge Park. Hilliard has and continues to adapt, promoting the development of smaller, flexible office space. This has improved the office condition in the city by competing in a segment of the office market that attracts small to medium-sized businesses.



Economic Development Strategic Plan

The Opportunity Hilliard plan, prepared in 2022, contained strategies to diversify the city's economic base. It identified five target industries for economic development, which are shown on the following page. The plan also contained a number of goals and strategies. Those strategies are organized into five topics:

1. Business Recruitment
2. Existing Business Support
3. Livability & Cultural Opportunities
4. Workforce/Talent
5. Marketing/Communications

TARGET INDUSTRIES FOR ECONOMIC DEVELOPMENT

In 2022, Hilliard contracted with Boyette Strategic Advisors to create an Economic Development Strategic Plan. The plan, called Opportunity Hilliard, analyzed data and contained strategies to diversify the city's economic base. It identified five target sectors that are growing both nationally and regionally, that pay high wages, that Hilliard has a talent pipeline to support, and that fit within Hilliard's community values. Details on each sector and specific focuses are included in that plan. The target sectors are:



Automotive Technologies

The Automotive Technologies sector deals with vehicle operation, specifically in terms of technological design and creation. Automotive Technologies systems include vehicle parts and mechanics, as well as computer technology.



Business Services & Regional HQ

The Business Services sector provides services, including advertising, marketing, consultation, and logistics. Business Services entities work to support business growth and operations. Regional Headquarters (HQ) typically provide a specific support function for a corporation, such as sales or customer service.



Entrepreneurs & Startups

Entrepreneurs are a community and economic development asset that encourages the development of innovative products and ideas.



Information Technology & Associated Manufacturing

The Information Technology (IT) sector includes software support, computer and software systems design, data processing facilities management, and data storage. Smart manufacturing examples include automation and robotics, predictive analysis, and artificial intelligence (AI).



Healthcare Services & Applied Technologies

The Health Services sector pertains to the use, costs, quality, delivery, organization, financing, and outcomes of healthcare services. Digital Health represents an intersection of technology and health, increasing the efficiency of Health Services.



Film Media & Arts

The film, media, and arts sector includes companies that produce and distribute films, television series, commercials, and videos, arts, music, and other forms of digital media. Digital entertainment is a type of entertainment that is digitally displayed on electronic devices.

EXISTING DEVELOPMENT INCENTIVES

Hilliard offers a comprehensive package of development incentives to assist and encourage business growth in Hilliard. The city's Economic Development Director evaluates each project on its own merits to determine if economic incentives should be extended. Should it be determined that the City should offer assistance, the Director will negotiate the incentive package tailored to meet each businesses' unique needs. Key factors include a business' quality of payroll, growth prospects, compatibility within the community, level of investment and commitment to stay in Hilliard.

Tax Increment Financing (TIF)

Hilliard has used Tax Increment Financing to generate funding for public infrastructure improvements necessary to accommodate new development. For properties within a TIF district, the property tax revenue generated from a property's increase in value (land and improvements made possible by infrastructure improvements) is directed to pay for the public improvements needed to support the development. Generally a TIF district is dissolved once the public improvements have been paid for. In 2009, Hilliard had 37 TIF districts. In 2021, there were forty-four active TIF districts.

The prevalence of TIF across Central Ohio communities has effectively created an environment where non-TIF areas grow more slowly than their TIF counterparts.

Community Reinvestment Areas (CRA)

The Community Reinvestment Area (CRA) Program permits property owners to receive tax incentives for investing in real property improvements. The CRA program is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new buildings. Real property may be abated up to one hundred percent for up to fifteen years. Currently, all of Hilliard's existing and proposed commercial and industrial areas have been designated as CRA's.

New Community Authorities (NCA)

An NCA is an area established by a petition filed by a person or entity that owns or controls the property within that area, and allows for the levying of a community development charge within the NCA to help finance certain community facilities and other improvements. An NCA is a separate public body governed by a board of trustees that may oversee, coordinate, construct and finance public infrastructure improvements and community facilities. Hilliard has several NCAs including Alton Place and Carr Farms.



Hilliard's Charter and TIF

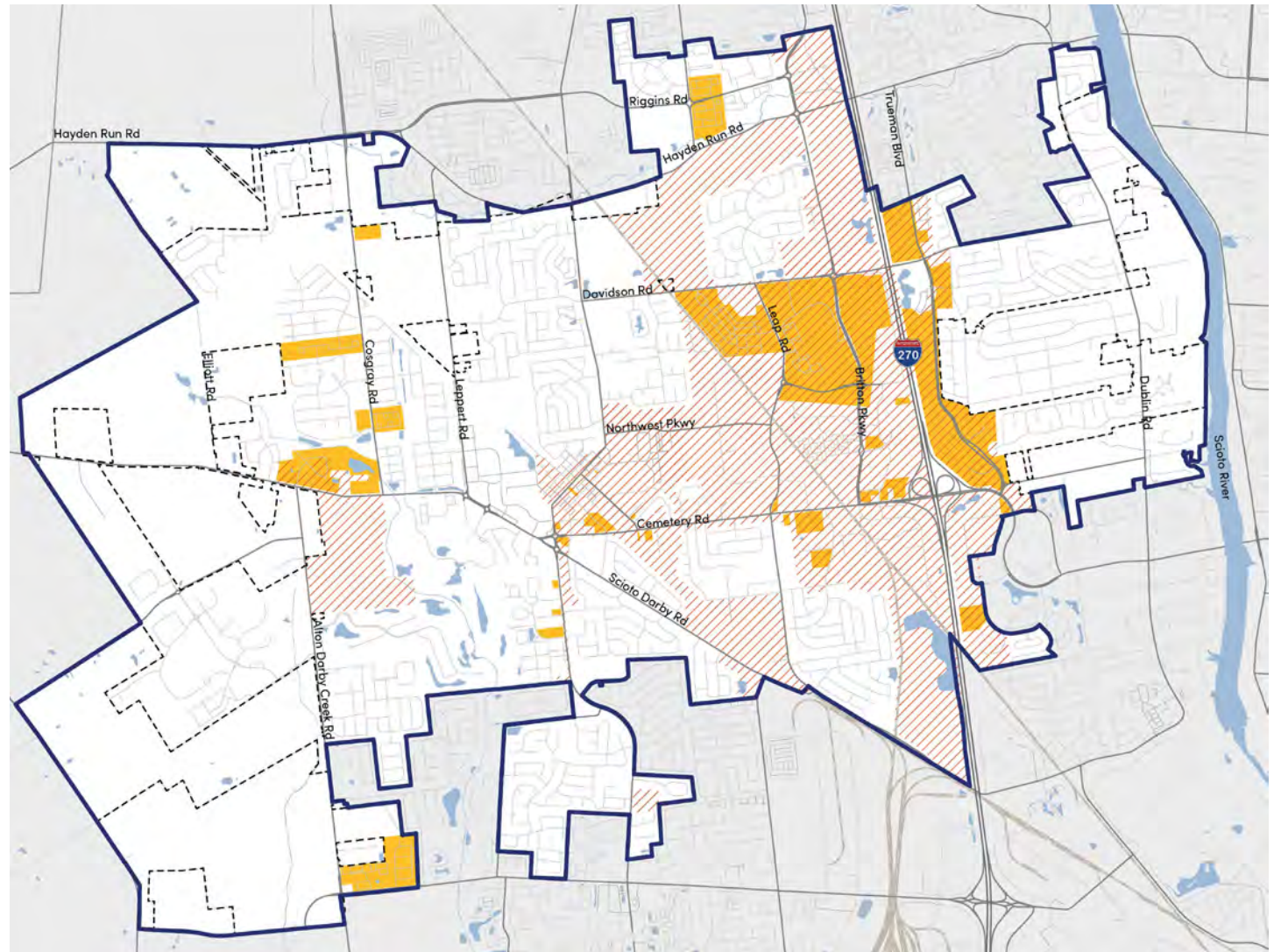
Tax Increment Financing is a popular tool but its use has different impacts on the various types of local governments based on their revenue structure—cities, schools, and townships.

Hilliard's current requirements for new TIF financing districts is unique in Central Ohio. In 2015, a group of local elected officials and other citizens including members of Hilliard City Council, the Hilliard School Board and the Norwich Township Board of Trustees initiated a referendum to amend the City Charter prohibiting the use of new TIF districts for any residential development. That referendum was passed by voters.

In 2019, the Charter language was amended again to allow a TIF to be applied to a residential development provided approval is given by the Hilliard Board of Education and the Norwich Township Trustees. Ohio law has long given school boards a seat at the table for TIF negotiations, but not townships. Since Norwich Township provides the Fire/EMS services for the greater Hilliard community, and therefore bears the substantial cost of operating those services, community leaders felt it was important that the Township should be involved in consideration of new TIFs.

Map 3.1. Existing Incentive Districts

-  Tax Increment Financing
-  Community Reinvestment Area



ACTIONS

The following actions support the goal and objectives for Economic Vitality. These actions are strategic projects, policies, and programs that may supplement existing city activities. They are organized by the objectives, but most of these actions support multiple objectives.

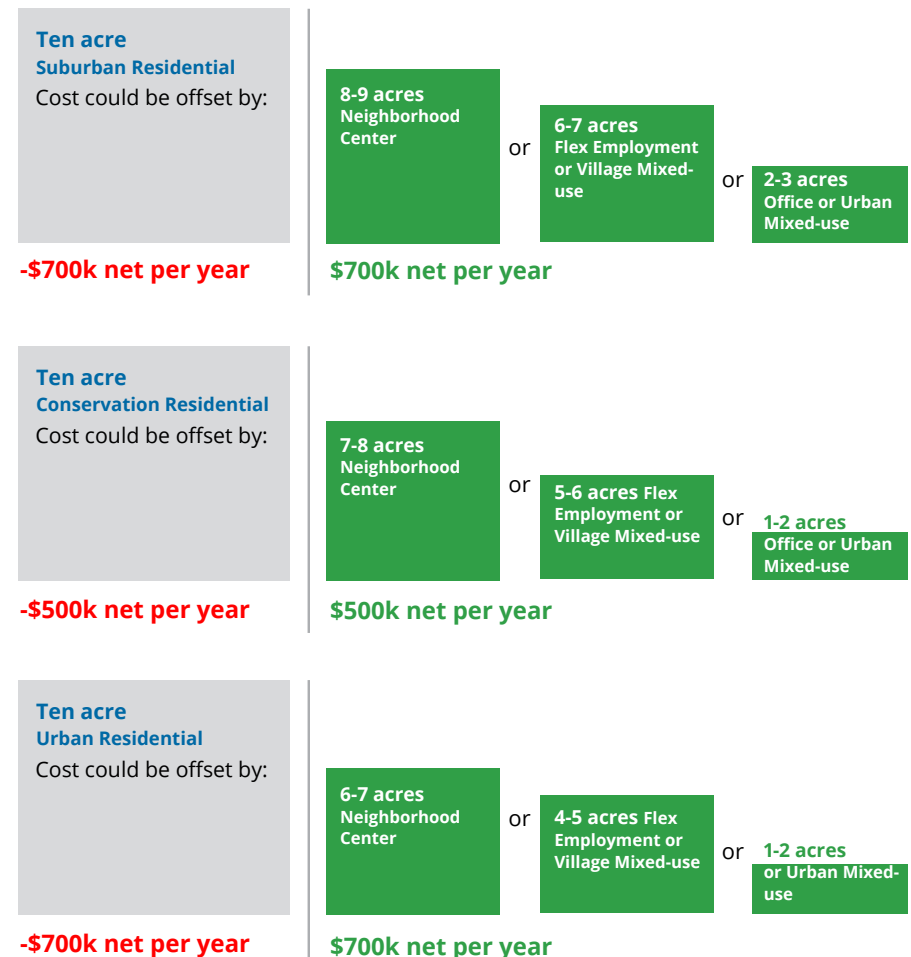
Increase the city's income tax base

EV 1 Prioritize non-residential or mixed-use development.

Residential development of all types is a net fiscal drain on the city (costs exceed revenue). While there is strong demand and development pressure for additional housing, to strengthen its fiscal health over the long term, the city should focus on encouraging employment generating development. It should ensure that enough employment generating development is created to offset the net cost of new residential development (see adjacent conceptual illustrations). Residential, particularly higher density types, should be supported in locations and intensities where it can be served by existing infrastructure in order to be less of a fiscal burden.

EV 2 Support multi-family residential as a component of a mixed-use development. Residential uses should be supported as a component of a mixed-use developments, but limits to the amount of residential use within a mixed-use area should be established in the zoning code. It is not the intent for mixed-use areas to be largely residential. For example, in general within a village mixed-use or urban mixed-use area (on the Future Land Use Map), residential uses should not occupy more than twenty percent of the ground floor area of the development along major thoroughfares. A small site within a mixed-use area could be mostly one use and still contribute to the mix of the district. Additional metrics could be considered in a development application such as residential unit size and the leasable square footage of each use. Potential cost of infrastructure improvements should be considered.

Approximate acres of a non-residential land use needed to offset the net cost of a ten acre residential use.



- EV 3** **Utilize density bonuses to encourage employment uses within mixed-use developments.** Establish density bonuses that allow for additional building area, lot coverage, or height, in development projects that include a vertical mix of uses where most of the use is non-residential. See LU 6. For more about density bonuses.
- ZC**
- EV 4** **Support the use of financial incentives for mixed-use developments.** Incentives such as TIF, CRA, and NCAs should be used to encourage mixed-use or employment generating developments. This may include some residential as a component of the mixed-use development, but there should be sufficient non-residential uses to create a net fiscal benefit for the project. Such financing incentives should not be used for projects that are residential-only or do not include sufficient non-residential development to have a net fiscal benefit.
- EV 5** **Track the net change in jobs, population, and land use type.** Increasing the income tax base involves growing the number of jobs in the city or growing the average income of those jobs, or both. To assess progress, the city should collect and annually summarize data on the total number of jobs in the city, average income of all jobs, total residents, or other relevant metrics. The former two metrics should increase at a faster rate than the total population.
- EV 6** **Develop an incentive program for remote workers.** Develop and market an incentive program to recruit people to live in Hilliard and work from home where they would be subject to municipal income taxes.

Slow the long-term increase in costs while maintaining desirable infrastructure conditions and levels of service

- EV 7** **Maximize the use of existing infrastructure before creating new infrastructure.** Prioritize development projects and consider incentives for development that can utilize existing infrastructure such as water, wastewater, stormwater systems and streets. Development that is adjacent to existing development or can be served without expanding system capacity should be a priority.
- EV 8** **Undertake infrastructure replacements or upgrades that would minimize long-term costs.** Optimize replacement schedules to maintain acceptable levels of service and infrastructure conditions while minimizing costs. Consider opportunities to utilize materials, products, or technologies that would extend the life of infrastructure.

Seek alternative sources of revenue or financing solutions to ensure growth pays its fair share of long-term impacts

- EV 9** **Secure funding from non-city sources.** Continue to seek funding for transportation or utility infrastructure improvements from federal, state, county and developer contributions.
- EV 10** **Continue to use financial incentive districts to support development in focus areas.** Use Tax Increment Financing (TIF) or Community Reinvestment Areas (CRAs) and other types of financing districts to fund new growth, where appropriate. Periodically assess the city's incentive programs and structures with respect to those provided in competitive jurisdictions.

- EV 11 Use Public-Private Partnerships.** Seek public-private partnerships where appropriate to share costs for the development and operation of future capital facilities and city services. New Community Authorities (NCAs) are a form of public-private partnership that the city has used successfully. Development Agreements created concurrently with a rezoning or plan approval process are another legal tool to structure such partnerships.
- EV 12 Collaborate with neighboring jurisdictions.** Use Economic Development Agreements and shared service agreements with neighboring jurisdictions to support business growth, infrastructure improvements and service provision.
- EV 13 Support the creation of special/business improvement districts.** A Special Improvement District (SID) is a mechanism through which property owners petition to voluntarily assess themselves to provide funding for extended services aimed at the enhancement of the area. A SID identifies a plan of services and then funds are used to support those services. A SID could be appropriate for focus areas where significant infrastructure improvements are needed to support redevelopment, such as in Old Hilliard or Cemetery Road.
- EV 14 Continue to review and establish city fees.** Regularly assess fees for development with respect to the costs to provide city services, the city's desired level of service, and the fees in neighboring peer communities. Consider special fees for development.
- EV 15 Establish dedicated funds to manage fees-in-lieu.** There are several opportunities to use fees-in-lieu for specific objectives including creating trail oriented development, obtaining land for the Darby Area greenbelt, or setting aside land for a multi-use path along Cemetery Road. For each purpose where it is used the city should monitor associated fee-in-lieu criteria and formulas to ensure the effectiveness of this program.

Provide places to grow the city's employment and competitive position in the region

The following are highlights from the Opportunity Hilliard Economic Development Strategic Plan (2022) that relate to physical development. That plan contains other strategies to diversify the city's employment, improve regional competitiveness, build an entrepreneurial ecosystem, nurture a pipeline of skilled workers, and address livability factors.

- EV 16 Identify and market properties to meet requirements of target sectors.** Inventory and assess all available greenfield sites and redevelopment opportunities of existing available office space. Develop a marketing strategy for available property. Identify space for small companies, existing incubators or accelerators so these businesses have spaces within Hilliard in which to grow.
- EV 17 Target key developers.** Identify key Central Ohio regional developers who may be partners in developing the office, mixed-use, and industrial/lab space needed by current prospects and targets. These developments should consider not just the space needs of key sectors, but also the infrastructure needs, transportation and commuting patterns, and the amenities to support the workforce for the businesses located in the facilities.
- EV 18 Ensure that zoning and land use policies encourage diverse amenities around or within existing and future employment areas.** Businesses often seek locations with amenities for their workforce in close proximity. These amenities include housing, dining options, retail stores, and service providers like dry cleaners and childcare. They also include health and wellness facilities or services such as workout facilities, walking and biking trails, and health clinics. Amenities such as these should be included in any approved office or mixed-use development plans. The city's zoning provisions should allow for more flexible land uses including a mix of uses with such amenities around employment sites.

