

COGENCE Alliance

Owners + Architects + Engineers + Contractors

Inspire. Educate. Unite.



Introduction: Cogence Alliance Central Ohio Chapter - Developer Roundtable Series

The Central Ohio real estate market is emerging as one of the most dynamic and investor-friendly in the Midwest. Central Ohio offers a compelling blend of affordability, strong economic fundamentals, and steady population growth—factors that continue to drive both owner-occupier and investor interest.

With a rapidly expanding tech sector, rising demand for housing, and property values that remain below national averages, Central Ohio is drawing attention from out-of-state investors, first-time buyers, and institutional landlords alike.

According to One Columbus, the economic development arm of the Columbus Partnership, new census data shows Columbus leading the Midwest in population growth, with metro growth 38% higher than the national average in 2024.

The latest U.S. Census population estimates confirm that the Columbus metro continues to be a major driver of growth in the Midwest. The region reached 2,225,377 residents by year-end 2024, adding 30,348 new residents over the past year, a 1.38% year-over-year growth rate that outpaces both the national average (1.0%) and the Midwest (0.6%).



Central Ohio has continued to attract talent both globally and from within the U.S. Over the past four years, the region added 61,601 net new residents from international migration, making up 71.3% of total growth, compared to 83.4% nationally. Over this same period, the Columbus Region announced 50 international projects totaling nearly 4,000 new jobs, \$266.4 million in new payroll, and \$147 billion in capital investment.

Key Points from the U.S. Census:

- Columbus metro growth 38% higher than the national average in 2024
- The region's growth exceeded peer Midwest metros, including Indianapolis (1.24%), Cincinnati (0.88%), and Cleveland (0.26%).
- 2024 was the fastest rate of growth for the metro since 2017 (1.48%).
- Columbus' growth was similar to other high-growth metros like Raleigh, Jacksonville, Nashville, and San Jose.
- Six of the top 10 fastest-growing counties in Ohio are in the Columbus Region, including the top six statewide.

In consideration of this tremendous growth, The Cogence Alliance Central Ohio Chapter commenced a series of three bi-monthly roundtables to discuss how the process of finding, securing, and executing on development deals is evolving, how Public-Private-Partnerships are influencing Central Ohio development, and how architects, engineers, and contractors can improve their collaboration with developers to create more efficient and successful projects.



Cogence Central Ohio Chapter Roundtable Series on Developer-led Projects

Program 1: Anatomy of a Deal – and Why it Matters to You! November 21, 2024

Panelists:

- *Matt Canterbury, VP of Development, The Daimler Group*
- *Joe Gavin, VP of Development, Elford Development*
- *Kevin Zeppernick, CEO, Thrive Companies*

Part one of this three-program series was about setting the context. "Anatomy of a Deal" was to provide insights into what makes a project work from the perspective of the Developer. Understanding why some projects get off the ground, and others don't, could help inform the design & construction community about how they might show up on a developer-led project in a more productive way. In alignment with Cogence values, we aimed to build understanding around the Developer mindset/expectations as a segment of our industry that isn't well represented in our partnership.



Anatomy of a Deal – and Why it Matters to You!

Key Discussion Points:

- **Impact of Politics:** Concerns about the new federal administration's policies and their implications for development projects.
- **Up Front Costs: Thrive - Quarry Trails Development:** \$100M invested before generating revenue, highlighting the financial risks and challenges.
- **Funding and Speed to Market:** Exploring the typical timeline and how funding impacts project delivery.
- **Top Risks for Developers:** Budget is the primary concern, closely followed by communication. Construction costs dominate at 70%, with soft costs at 20% and land at 10%. Developers face significant effort (80%) to secure 20% of the funding.
- **Project Uniqueness:** Each project has its own "WHY," emphasizing the importance of understanding individual goals and challenges.



Anatomy of a Deal – and Why it Matters to You!

Key Discussion Points:

- **Role of Incentives:** Incentives are crucial for project success. Communication is vital for incentives to work effectively. Thrive notes that no project can succeed without municipal incentives, especially in the Columbus market.
- **Construction Costs:** Economics of supply and demand dictate affordability. Legislative measures alone cannot solve the issue; building is essential.
- **Office to Residential Conversion:** Discussion on downtown projects and the potential for repurposing office spaces.
- **Support Projects:** Identifying developer-led initiatives that complement larger projects.



Anatomy of a Deal – and Why it Matters to You!

Anatomy of the Deal:

- Understanding the target residents is crucial - building in Pataskala differs from Short North.
- Evaluating the municipality is key to the development process.
- The “essence” of the deal and a positive collaboration plug for Columbus.
- Speed is a priority – tasks that used to take months can now be completed internally in days.
- Contracts: The company operates the development but does not own the property. Confirm which company or state that the developer doesn't always own the property.

Weaknesses in the System:

- Funding for K-12 education in the state is imbalanced.
- Market products have slowed.
- Previous mindset: "Anyone can be a developer" without depth or the backing of a large firm.



Anatomy of a Deal – and Why it Matters to You!

Breakout Session Insights:

- How Cogence constituents can better facilitate developers.
- A thorough due diligence package supplemented by strong narratives aids pricing.
- Speed in execution is vital.
- It is important that Design teams have experience with the client and focus on priority-driven designs.
- Balancing living vs. amenity space is an important consideration.
- Starting small and fostering relationships is necessary due to project risks.
- Familiarity with the design team helps reduce the risks for developers
- Community incentives for taking on risk—could preliminary studies be compensated with project equity?
- Educating the government on regulatory implications.



Anatomy of a Deal – and Why it Matters to You!

Key Takeaways:

- Identifying decision-makers early ensures linear design progress and minimizes rework.
- Integrated communication is essential for meeting the speed and decision-making pressures.
- Standard AIA contracts don't always align with unique projects.
- Developer entry barriers remain challenging—how to appeal to them?
- Developers need a single point of contact, even across multiple deals.



Anatomy of a Deal – and Why it Matters to You!

Audience Polling: What do you need to understand better to be successful on developer-led projects?

- Need to understand expectations, goals, parameters in a transparent honest way. At times important information feels as though it's kept secret, or the goals are expressed in an overly optimistic way.
- What aspects of this project are specific to this project and must take priority for this process?
- Having a better understanding of how the construction manager can get involved earlier in stages of development to build the relationship and gain trust to deliver the fastest and most desirable outcome
- Clear guardrails on client interface,
- Design/Engineering team need direction on cost of materials to use or not
- Understanding all players needs/wants.



Anatomy of a Deal – and Why it Matters to You!

Audience Polling continued: What do you need to understand better to be successful on developer-led projects?

- **What is needed and when:** Drawings, design, narratives code/zoning info etc
- **Deliverables:** Clarity about what deliverables will be used for pricing at different milestones and interim design points.
- **Clear expectations:** Design Packages/Submissions:
 - * Understanding of what expectations are for design package submissions.
 - * Level of detail needed, whether they are being used for pricing, permit only, etc.
 - * Schedule & Deliverables expectations
 - * The process and everyone's expectations
- **Up front Support:** How to best support them in their upfront process of making a project go forward.
- **Overall typical process:** of a developer led project.
- Understanding how the PM/ GC fits in



Cogence Central Ohio Chapter Roundtable Series on Developer-led Projects

Program 2: PPPs and Me – How Public Private Partnerships are Influencing Central Ohio Development, January 16, 2025

Panelists:

- *Amanda Hoffsis - OSU PARE, SciTech, Campus Partners*
- *Amy Taylor - Downtown Columbus*



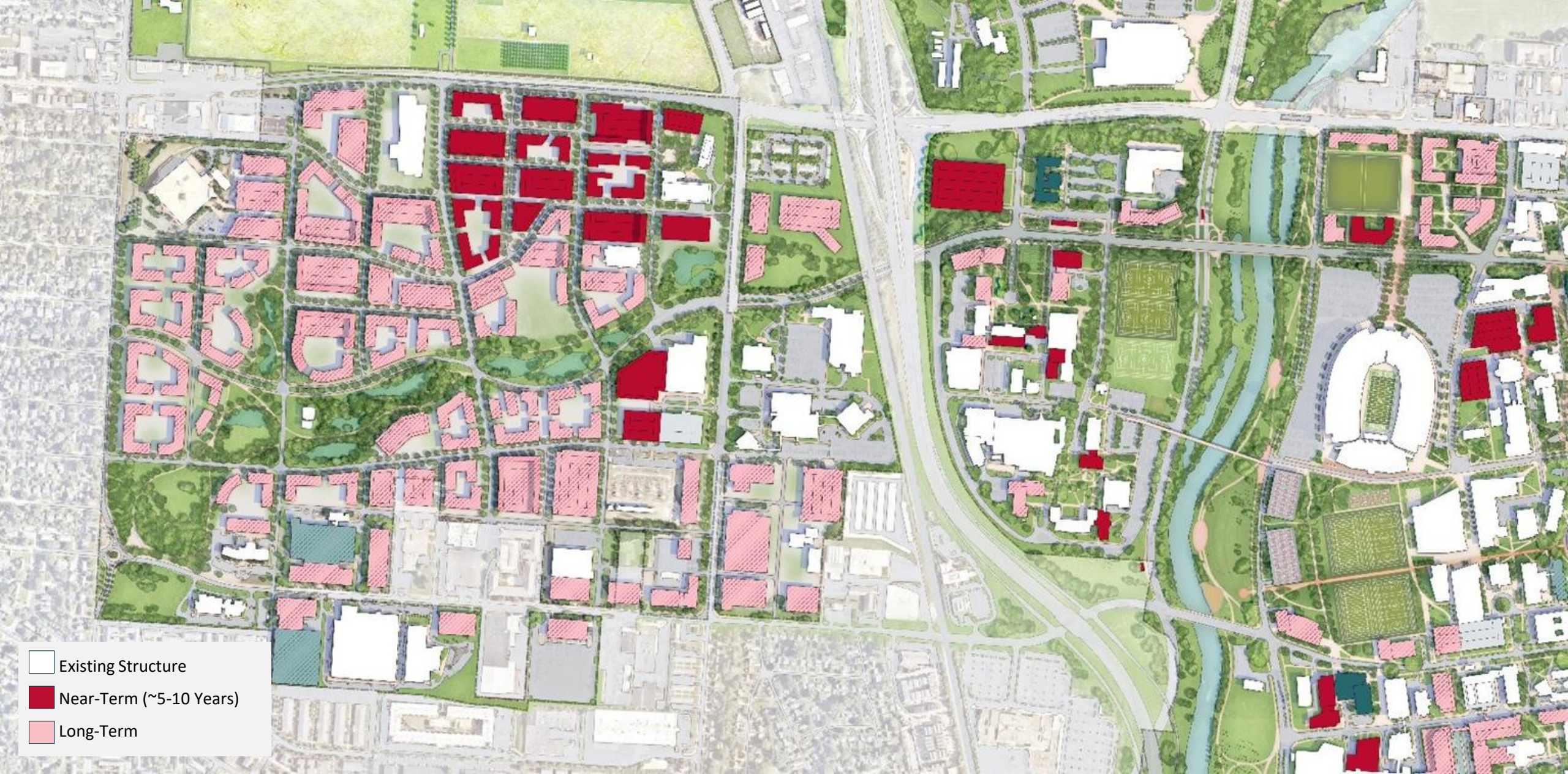
PPPs and Me – How Public Private Partnerships are Influencing Central Ohio Development

Public-Private Partnerships (PPPs) Considerations:

- **Ohio State University (OSU):** Engages in PPPs when a building type is outside their expertise, when they prefer not to own or operate a non-academic facility (such as retail or non-student residential), or when they are not the majority tenant.
- **City of Columbus:** Often it does not own buildings but supports projects through enabling efforts and encourages private sector investment.

Key Advantage: Both entities benefit from the **greater speed to market** that private partners provide.

Pro Tip (Amy): When engaging in work related to Downtown Columbus, understanding the specific language used in that environment is crucial.



Downtown Columbus: The black line represents the area under purview of Downtown Columbus Inc.



The Peninsula

At the convergence of Downtown's central business district and the historic Franklinton neighborhood, The Peninsula brings together the best of all worlds – just around the bend of the Scioto River.

Scioto Mile Fountain

Since opening in 2011, the Scioto Mile Fountain has been a downtown riverfront icon. The Scioto Mile Fountain serves as a key part of summer in our community, provided the iconic image of Downtown and has been well loved by people of all ages.

Columbus Commons

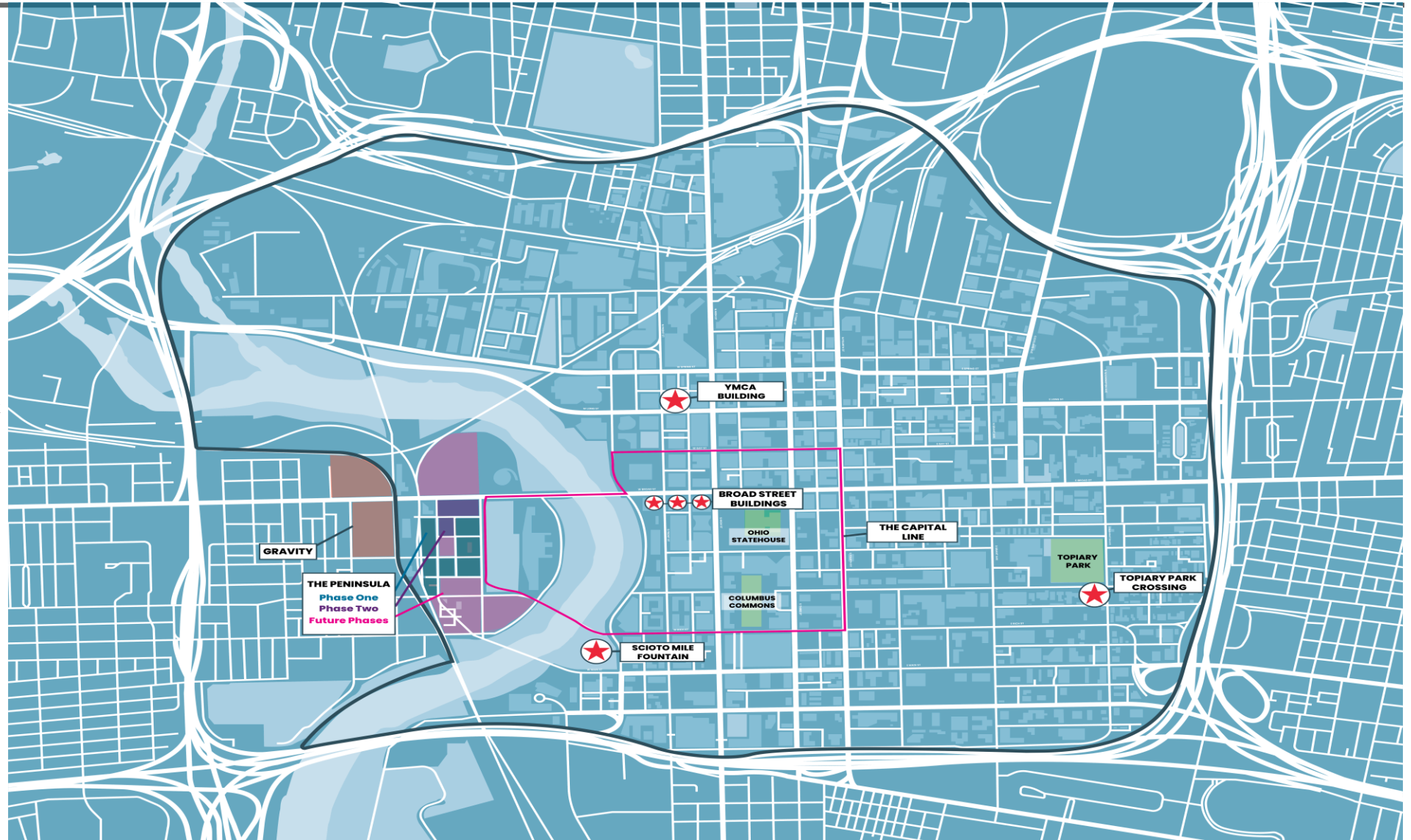
Located in the heart of Downtown, Columbus Commons is a premier urban park that's designed to multitask: it serves the neighborhood as a vital green oasis, while offering features that make it the perfect spot for City-wide events.

Capital Line

The Capital Line is a two-mile urban pathway in Downtown Columbus, Ohio, designed for pedestrians and cyclists. It aims to connect vibrant attractions, enhance urban mobility, and stimulate local businesses.

Topiary Park Crossing

Situated in Downtown Columbus' vibrant Discovery District, Topiary Park Crossing offers unparalleled proximity to cultural gems like the Columbus Metropolitan Library, Columbus College of Art and Design, Columbus Museum of Art, and the iconic Topiary Park.



Inspire. Educate. Unite.



PPPs and Me – How Public Private Partnerships are Influencing Central Ohio Development

Audience Polling: What do you need to understand better to be successful on developer-led projects?

- What is success for everyone
- What success looks like
- What are the true parameters of a project? What is a must have, what is a like to have, and what is a can't have?
- Fee structure
- Priorities
- Schedule and budget
- It would be helpful to understand what the developer values most
- Cost per square foot. Exterior finish level of quality
- That full financing is in place.
- Contract terms
- Funding reliability
- Substantial and measurable metrics for project partners
- Teaming arrangements



PPPs and Me – How Public Private Partnerships are Influencing Central Ohio Development

Audience Polling: What do you need to understand better to be successful on developer-led projects?

- Transparency in the project budget vs project costs throughout the design and construction process.
- Overarching goals of all partners involved to inform decisions
- Budget and successful ASR processes
- Better understanding of contractual relationships and how to best leverage what the developer can bring to the table
- Contractually how the P3s work?
- What type of oversight is typical for managing P3s?
- Prior notice of upcoming opportunity
- Know the client, know the project.
- What are the different business structures that a developer can take on (design build operate) and how does a developer attract financing?



Cogence Central Ohio Chapter Roundtable Series on Developer-led Projects

Program 3: Building the Future: Defining Success and Strengthening Relationships Between Developers, Architects, Engineers, and Contractors, March 20, 2025

Panelists:

- *Chris Tumblin, VP Residential Development, Casto*
- *Mackenzie Makepeace, Managing Director, DiGeronimo Companies*
- *Steve Waltham, CEO Equity/ECS*

Our final program of the series responded to questions from the audience polling of the first two programs.



Building the Future: Defining Success

Question: Define the working relationships between developer, design team, and constructors. What, if anything, do each of you do in-house that non-developer projects would utilize design and construction companies to accomplish?

- As Developers, they do not often do competitive selections. They award business based on the relationships that they have with their vendors.
- They look for relationships with vendors that specifically have experience with loans, push/pulls, and schedules.
- They appreciate designers who are willing to share the risk and who understand working with developers and have knowledge of the local market.
- Bringing on the Construction Management Team at the right time is critical to overall success.
- Casto has in-house AE staff to execute cookie cutter projects. They stressed how important land planning is for all their projects.
- Projects start with a budget and the project must fit:
 - Do not let the Architect design the project, have your hand on theirs during design!
 - Have a strong Pre-Construction person assigned to the project early to keep it on track.



Building the Future: Defining Success

- Partner with your groups early. This provides an opportunity to build trust.
- Have your CMR/GC bring on subs early on complex projects.
- For an AE to get exposure to an organization that awards business based on past relationships by using degrees of separation. For example, team with a vendor who has established relationships. Price is important, but relationships are more important.

Question: How can architects, engineers, and contractors improve their collaboration with developers to create more efficient and successful projects? What skillset and approach are you looking for from them?

Demonstrate a skill set and attitude that accomplishes the following:

- a. Ability to solve problems
- b. Creativity and analysis. Creative suggestions that save money
- c. Timely communication
- d. Passionate about design and construction
- e. Making it fun!



Building the Future: Defining Success

Question: How does an AE or contractor position themselves to be an attractive partner for a developer?

- Roll with the punches and keep an even keel. Projects "die" over and over during the life of the project. Help the developers stay on task.
- Construction knowledge. There's not a lot of confidence in design teams understanding cost.
- The whole team needs to understand the standards of the market in which you are developing.
- Columbus is strong as a market. Inflation has not halted development
- Municipalities want offices that generate employee income tax revenue.
- Positives - taxes and easing of regulation will likely benefit growth



Building the Future: Defining Success

- What are the developers offering to offset the stigmas around development?
- Get over the NIMBY (Not In My Back Yard)
- Questions on contingency. How much do they allow? Owner contingency drops to 0 at closing of the deal. Allow the GMP to retain construction contingency.
- DiGeronimo wants to still carry owner's contingency. FFE costs always go high
- Casto also carries owner contingency, especially when hiring 3rd party CM.
- Who is carrying tariff risk on material cost in current climate? Previously bought futures on lumber.
- Recognize the need to work through the tariffs once they actually occur. Don't want to see partners go out of business.
- **Break Out Groups:** Each group was given time to strategically think about how to present themselves to the panel to win a project.



Building the Future: Defining Success

Audience Polling: What are your key takeaways from today's roundtable?

- Relationships. Shared risk. Complexity offers opportunities.
- Developer-driven projects are completely bottom-line driven, and very formulaic in how they are realized.
- The relationship matters on finalizing the deal
- Good discussion on project cost risk.
- Flexibility and speed to respond, bring ideas to the table. Pertinent experience is critical.
- Interesting what and how services are procured for developers
- Understanding what is important to developers when selecting contractors and designers for their projects.
- Relationship building involves shared risk.



Building the Future: Defining Success

Audience Polling: What are your key takeaways from today's roundtable?

- Great perspective from significant developers. Unguarded advice and fun round table prompt.
- Differentiate
- Percentage Allocation
- Being a team player and willing to share risk with the rest of the team goes a long way.
- Partnering/Collaboration/Relationships
- Very informative
- Great examples of successful experiences in the developer world and noted common thread that working together is common across all project types.
- Relationships and building trust with partners