



**HILLTOP/WEST BROAD CORRIDOR
MARKET ANALYSIS**

Final Report

Prepared For:

**THE HILLTOP BUSINESS ASSOCIATION
And
THE CITY OF COLUMBUS
Columbus, Ohio**

Prepared By:

**BOULEVARD STRATEGIES
Columbus, Ohio**

May 2008

**BOULEVARD STRATEGIES THANKS THE HILLTOP/WEST BROAD CORRIDOR
BUSINESSES AND STAKEHOLDERS LISTED BELOW FOR THEIR
TIME AND INPUT ON THIS STUDY**

Businesses

- AA Precision Repair
- A-1 Radiator
- Beck & Orr Bookbinding
- Beyond Mobile
- Connie's Westmoor Salon
- The Cycle Company
- Elleman & Newcome Attorneys
- Enterprise Rent-a-Car
- Ford Flowers
- Gearhardt's Hardware
- Greek Village Gyros
- Haldeman Cleaners
- Hill's Alterations
- Hilltop Marketplace
- Hilltop Title Agency
- Hilltop Wellness & Chiropractic
- King of the Hill Automotive
- La Chapparita
- Marathon Oil
- Midas Muffler
- Walgreen's Pharmacy
- Ohio Auto Kolor
- Phsa Thmei Market & Laundry
- Rally's
- Rigg's Carryout
- Schoedinger Funeral Home
- Spears Funeral Home

Citizens and Stakeholders

- John Contonio, Resident
- Dan Dougan, Resident/Entrepreneur
- Bryan & Joleen Fenstermacher, Residents
- John & MariAnn Binder Fulty, Residents
- Tammi Gourley, Resident
- Don & Linda Haley, Residents, Hilltop Area Commission, Westgate Community Recreation Council, Others
- Dr. Walter Hauser, Property Owner
- Steve Hermiller, Resident
- Chuck Patterson, Dave Horn, Hilltop Area Commission
- Todd Kemmerer, Commercial Real Estate Broker
- Sue Laughlin, Resident, Hilltop Area Commission, Friends of the Hilltop/Westgate Park
- John & Barbara Lowry, Local Realtors, HBA, Friends of the Hilltop, Highland West Redev., Others
- Patrick Maclean, Ex-Chair, GHAC
- Debbie McCoy, Hilltop Kiwanis, HBA, Others
- Nancy Rhynard & Taylor Trimble, RI Investments Group, Property Owners
- David Ringlein, Resident
- Mark Potts, Resident
- Dan Stewart, Resident, State Representative
- Bill Webster, Betsy Meleski, Boyce Safford, Donna Hunter, Mike Stephens, Keena Smith, City of Columbus
- Gary Baker, Karen Whitman, HBA
- Lelia Cady, Ken Paul, Columbus City Council
- Many Others at Various Community Meetings

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I. INTRODUCTION

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

I. INTRODUCTION

A. Project Background

- Boulevard Strategies Was Hired By The Hilltop Business Association in August 2007 to Compile a Market Analysis for Land Uses Along the Hilltop Portion of West Broad Street
 - Boulevard Strategies is a Columbus-Based Economic Development Consulting Firm That Specializes in Market Studies for Urban Commercial Environments
 - This Study Was Made Possible Through a Grant by Columbus City Council
 - The Market Study Area Extends from Highland Avenue on the East to Demorest Avenue on the West Along West Broad Street
 - West Broad Street Opened in 1833 as a Segment of the 228 Mile Historic National Road in Ohio Which Opened Up the State of Ohio for Settlement and Commerce
 - This Study Emphasizes Retail and Dining Market Trends But the Potential for Other Uses Such as Office and Residential Is Examined, As Well
- This Market Analysis Seeks to Accomplish the Following:
 - Identify Retail Market Trends and Opportunities
 - Assess Current and Potential Hilltop/West Broad Corridor Retail Performance
 - Identify Regional Trends in Urban and Senior Housing and Small Office Development
 - Assess Hilltop/West Broad Corridor for Office/Housing/Mixed Use/Other Developments (i.e., Non-Retail)
 - Understand Assets and Challenges as They Relate to West Broad Street Business Environment

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

I. INTRODUCTION

A. Project Background (Cont'd)

- Suggest Improvements to Current Business Conditions, Including New Businesses to Recruit
- Provide Market Information and Strategies to Assist the HBA and Local Property Owners in Recruiting Target Businesses
- It Is Also Important to Understand the Study's Parameters
 - It Is Not A Land Use Plan or Zoning Code Though It May Touch on Those Areas
 - It Does Not Address Global or Non-Business Issues Such as the National Economy, Race Relations, Immigration Policy, Etc. Other Than to Acknowledge Impact where Relevant
- This Report Attempts to Connect the Hilltop Community Desires for Commercial Development on West Broad Street with Market Realities

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

I. INTRODUCTION

B. Methodologies and Sources

- Information Presented in This Report Was Gathered From a Wide Variety of Sources and Methods:
 - In-Person Interviews and Open-Ended Surveys with Over 50 Hilltop Business and Property Owners, Residents, and Non-Profit Groups
 - Database of Newspaper Articles and Past Plans and Reports Regarding the Greater Hilltop Area and Information Provided by Hilltop Business Association
 - Topic Files Covering Over 200 Subjects Related to Retailing, Real Estate, and Urban Planning
 - Economic and Real Estate Data from the Columbus Chamber of Commerce, Grubb Ellis Adena Realty, CB Richard Ellis, Xceligent, the Ohio Department of Development, Columbus Board of Realtors, and Others
 - Employment and Demographic Forecasts from the U.S. Census Bureau, Sites USA, Mid-Ohio Regional Planning Council, and City of Columbus
 - Field Observations Collected on Frequent Visits to Hilltop/West Broad Corridor and the Surrounding Area Over Past Several Months
 - Feedback and Discussion from Greater Hilltop Area Commission, Hilltop Business Association, Hilltop Kiwanis Club, Westgate Neighborhood Association, and Hilltop Neighborhood Commercial Revitalization Program Meetings
 - Retail Spending Patterns and Market Share Estimates Generated by Consultant's Proprietary Models Based on U.S. Department of Labor Consumer Expenditure Survey and Dollars and Cents of Shopping Centers
 - Comparison to Past Market Studies in Other Urban Commercial Districts in Columbus and Throughout Ohio

II. RETAIL MARKET OUTLOOK

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

A. Regional Retail Trends

- Columbus Retail Market is Recovering from Avalanche of New Construction in Late 90's/Early 00's
 - Vacancy Rate Peaked at 12% in 2002 (4th Highest in USA That Year)
 - . Easton/Polaris/Tuttle Too Much at Once
 - . Game of Chicken Among Fierce Big Box Competitors
 - . Overheated Dining and Entertainment Sector (60% Increase in Sit-Down Restaurants/Movie Screens vs. 15% Increase in Stomachs/Eyeballs Over Past 10 Years)
 - Vacancy Rate Should Remain Around 11% in 2008 (Still Above USA Average of 8%)
 - . City Center Will Be Taken Off The Market (Could Westland Be Next?)
 - . New Construction Down by 30-40% vs. 1998-2002 Era
 - . Wal-Mart Backing Off Predatory Expansion Strategy as Same-Store Sales Drop
 - . Suburban Shopping Center Overbuilding Has Ripple Effect on Urban Commercial Corridors

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

A. Regional Retail Trends (Cont'd)

- Retailers Respond to Aging Baby Boomers' Concerns About Health and Environment
 - Medical and Retail Uses Merge as Stores Add Walk-In Clinics While Day Spas, Alternative Medicine/Healing and Sports Performance/Fitness/Wellness Centers Seek Out Retail Locations
 - Organics Go Mainstream as Natural/Gourmet Grocers Expand and Farmers Markets Proliferate All Over Central Ohio
 - Wal-Mart Leads the Green Wave With Sales of Compact Fluorescents, Ethanol, Reduced Packaging, and Use of Recycled Construction Materials, and Alternative Energy Sources at New Stores
 - Shift from Product Sales to More Services (Computer Repair, Home Installation, Etc.) As Boomers Become "Do It For Me" Consumers
- Success of Easton Spurs Spread of Lifestyle Centers
 - Lifestyle Centers Are Open-Air Environments That Emphasize Dining and Entertainment Venues with Outdoor Patios and Trendy Home and Leisure Goods
 - . This Is In Sharp Contrast to Old Enclosed Mall Concept That Relies on Department Store Anchors and Look-Alike Fashion Chains
 - . Architecture Often Mimics Smalltown Downtowns and Main Streets
 - Lifestyle Retail Acknowledges Use of Time Being As Important to Busy Boomers as Product Purchases
 - . Rise of Coffee Shops, Gourmet-To-Go Counters, Fast-Casual Concepts Respond to Time Pressures

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

A. Regional Retail Trends (Cont'd)

- The 3 Most Important Variables in Retail Real Estate? Parking, Parking, Parking
 - Parking Challenges Threaten the Vitality of Urban Corridors and Suburban Downtowns Throughout the Region
 - . Even If Mostly Perception in Some Situations, This Still Places Independents at Further Disadvantage vs. Chains Out On The Freeways Surrounded by Asphalt
 - . Solutions Lie in Enforcement/Management of Coveted Spaces, New Meter Technologies, Encouragement of Alternative Transportation (Including Walking) and Cooperation/Common Sense
- Retail Developers Now Consider Mixed-Use as First Choice Instead of Fall-Back Option
 - Condos and Small Offices Thrive In Lifestyle Centers and Fun Commercial Districts
 - . These Uses Provide a Base of Everyday Customers for Retailers
 - Parking Can Be A Challenge As Different Uses Have Different Needs
 - . Some Projects Count on Too Much On-Site Demand and Reduce Parking for Retail

II. RETAIL MARKET OUTLOOK

A. Regional Retail Trends (Cont'd)

- E-Commerce Steadily Increases Retail Market Share
 - Still Growing by About 20% Per Year (Should Account for 8% of All Retail Sales in 2007)
 - . Removal of Glitches, Better Shipping/Return Policies, Smarter Websites, Alternative Payment Methods, and Greater Customer Comfort Contribute to Sustained Growth Rate
 - Does Increase in Clicks Cause Trouble for Bricks?
 - . Not Necessarily Since 41 of Top 50 Internet Retail Sites Owned by Traditional Chains
 - . Greater Impact on "Back-Room" Inventory/Logistics Aspects
 - . Finely-Focused Niche Retailers Can Reach Broader Market for Unique Products

**HILLTOP/WEST BROAD CORRIDOR
TRADE AREA DEMOGRAPHICS**

POPULATION AND HOUSEHOLD TRENDS

<u>Population</u>	<u>Hilltop Trade Area</u>	<u>City of Columbus</u>
1990 Census	67,153	648,034
2000 Census	68,151	711,467
2007 Estimate	67,208	745,750
2017 Forecast	65,970	791,106
Annual Growth Rate, 1990-2000	+0.1%	1.0%
Annual Growth Rate, 2000-2017f	-0.1%	+0.6%
Persons Per Square Mile, 2007	4,217	3,477
<u>Households</u>		
1990 Census	25,380	261,482
2000 Census	26,503	301,059
2007 Estimate	29,851	357,065
2017 Forecast	34,331	376,926
Avg. No. HH Formed/Yr., 1990-2000	112	3,958
Avg. No. HH Formed/Yr., 2000-2017	460	4,463
Avg. HH Size, 2007	2.25	2.04
Avg. HH Size, 1990	2.65	2.48
% Family Households, 2007	62.3	53.8
% Married w/Child(ren), 2007	19.0	17.0
% One Person, 2007	29.3	34.3

SOURCES: U. S. Census Bureau, SITES USA, and Boulevard Strategies

HILLTOP/WEST BROAD CORRIDOR
EDUCATION, OCCUPATION, AND INCOME

<u>Educational Attainment, 2007</u> (Adults, 25 and Over)	<u>Hilltop Trade Area</u>	<u>City of Columbus</u>
Less Than High School	29.5%	16.3%
High School Grad/GED Only	39.4%	27.5%
Some College/Associate's Degree	22.2%	27.4%
Bachelor's Degree Only	6.6%	19.6%
Graduate Degree	2.3%	9.2%
TOTAL	100.0%	100.0%
<u>Occupation Type, 2000</u>		
White Collar	48.7%	65.9%
Blue Collar	51.3%	34.1%
TOTAL	100.0%	100.0%
<u>Household Income Distribution, 2007</u>		
Less Than \$25,000	32.8%	28.7%
\$25,000-\$49,999	34.3%	30.6%
\$50,000-\$74,999	20.4%	20.4%
\$75,000-\$99,999	8.1%	10.7%
\$100,000+	4.4%	9.6%
TOTAL	100.0%	100.0%
Median Household Income	\$39,088	\$44,649
Per Capita Income	\$19,860	\$26,492

SOURCES: U. S. Census Bureau, SITES USA, and Boulevard Strategies

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

B. Local Retail Demand

- The West Broad Corridor Primarily Serves Large Dense Group of Neighborhoods to the South
 - Trade Area Population Is About 67,000 Persons in 30,000 Households
 - . If the Greater Hilltop Trade Area (as Defined by Area Commission Boundaries) Were Its Own City, It Would Be The 11th Largest City in Ohio
 - . Population Growth Has Leveled Off While Household Formation Continues at a Steady Pace
 - . Many of Columbus's Older, Inside-the-Outer-Belt Neighborhoods Have Lost Population and Households in Recent Decades
 - . Population/Density in Hilltop Area is 20 % Higher Than City as a Whole
 - Family Households Dominate the Hilltop Area (62% vs. 54% City-Wide)
 - . However, Household Size is Declining As Nests Begin to Empty
 - . Hilltop Age Distribution Has High Proportions of Children, Middle-Aged Adults, and Seniors (But Relatively Few Younger Adults) Compared to City as a Whole
- Composition of Hilltop Population Changes as New Wave of Immigrants Settle on Columbus's West Side
 - Hilltop Trade Area is Still Majority White (79% vs. 68% Citywide) While Those of Hispanic Heritage Are Increasing (Hispanics Can Be of Any Race)
 - Also Pockets of Somalians and Gays are Emerging

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

B. Local Retail Demand (Cont'd)

- The Hilltop Trade Area Consists of a Blend of Blue Collar and White Collar Households
 - Low Levels of Education Among Adults Aged 25 and Over
 - 29% Have No High School Diploma (vs. 16% Citywide) and only 9% Have College Degrees (vs. 29% Citywide)
 - 50/50 Split Between White Collar and Blue Collar Occupations (vs. 2/3 White Collar, 1/3 Blue Collar Citywide)
 - 55% of Households Earn Between \$25K and \$75K Per Year (vs. 51% Citywide)
 - Median Household Income of \$39.1K is 12% Below Citywide Median (\$44.6K)
 - Per Capita Income of \$19.9K is 25% Below Citywide Average (\$26.5K)

HILLTOP BROAD CORRIDOR WESTGATE DEMOGRAPHICS

	<u>Westgate Subdivision</u>	<u>Hilltop Trade Area</u>	<u>City of Columbus</u>
Estimated 2007 Population	4,468	67,208	745,750
Person Per Square Mile, 2007	6,475	4,217	210
Estimated 2007 Households	2,107	29,851	347,065
Average No. HH Formed/Year, 2000-2017f	26	460	4,463
Average HH Size, 2007	2.23	2.25	2.04
% Family Households, 2007	61.2	62.3	53.8
Less Than H.S. Diploma, 2007	19.9%	29.5%	16.3%
Bachelor's Degree +, 2007	17.2%	8.9%	28.8%
White Collar Occupations, 2000	56.1%	48.7%	65.9%
% Earn Less Than \$25,000, 2007	25.5%	32.8%	28.7%
% Earn More Than \$50,000, 2007	44.7%	32.9%	40.7%
Median Household Income, 2007	\$48,397	\$39,088	\$44,649
Per Capita Income, 2007	\$23,748	\$19,860	\$26,492
Homeowners/Renters, 2007	74/26	58/42	51/49
Median Years in Residence, 2007	4.9	3.7	3.0
Median Household Home Value, 2000	\$89,978	\$80,240	\$100,796
Median Monthly Rent, 2000	\$306	\$339	\$480
Median Age of Home	59.8 Yrs.	43.4 Yrs.	30.0 Yrs.

SOURCES: U. S. Census Bureau, SITES USA, and Boulevard Strategies

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

B. Local Retail Demand (Cont'd)

- The Westgate Section of the Hilltop Trade Area is Often Compared to Other Established Middle Area Neighborhoods in Columbus Area Such as Clintonville and Grandview
 - Westgate (Bounded by Broad, Hague, Sullivant, and Demorest) Consists of About 4,500 Persons in 2,100 Households
 - . This Represents About 7% of the Hilltop Trade Area's Total Population
 - Compared to the Rest of the Hilltop, Westgate:
 - . Has More Young Adults Ages 25-44 (33% vs. 30%)
 - . More Whites (88% vs. 79%)
 - . Fewer Persons of Hispanic Origin (2% vs. 6%)
 - . Has More Education (17% with College Degrees vs. 8%)
 - . Is More White Collar (56% with White Collar Occupations vs. 49%)
 - . Has a Higher Household Median Income (\$48,400 vs. \$38,400)
 - . Has a Higher Per Capita Income (\$23,700 vs. \$19,600)
 - However, Westgate's Education and Per Capita Income Trail Citywide Average
 - . About 29% of Columbus Adults Have a College Degree (vs. 17% in Westgate)
 - . Per Capita Income Citywide is \$26,500 (vs. \$23,700 in Westgate)
 - On The Other Hand, Westgate Represents Only About 10% of the Hilltop Trade Area's 9,500 Households That Earn \$50,000 a Year or More
 - . This Subset of Households Has a Median Income Of \$70,000 Per Year But Generally Do Not Have Mortgage Burdens That Their Suburban Counterparts Face

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

B. Local Retail Demand (Cont'd)

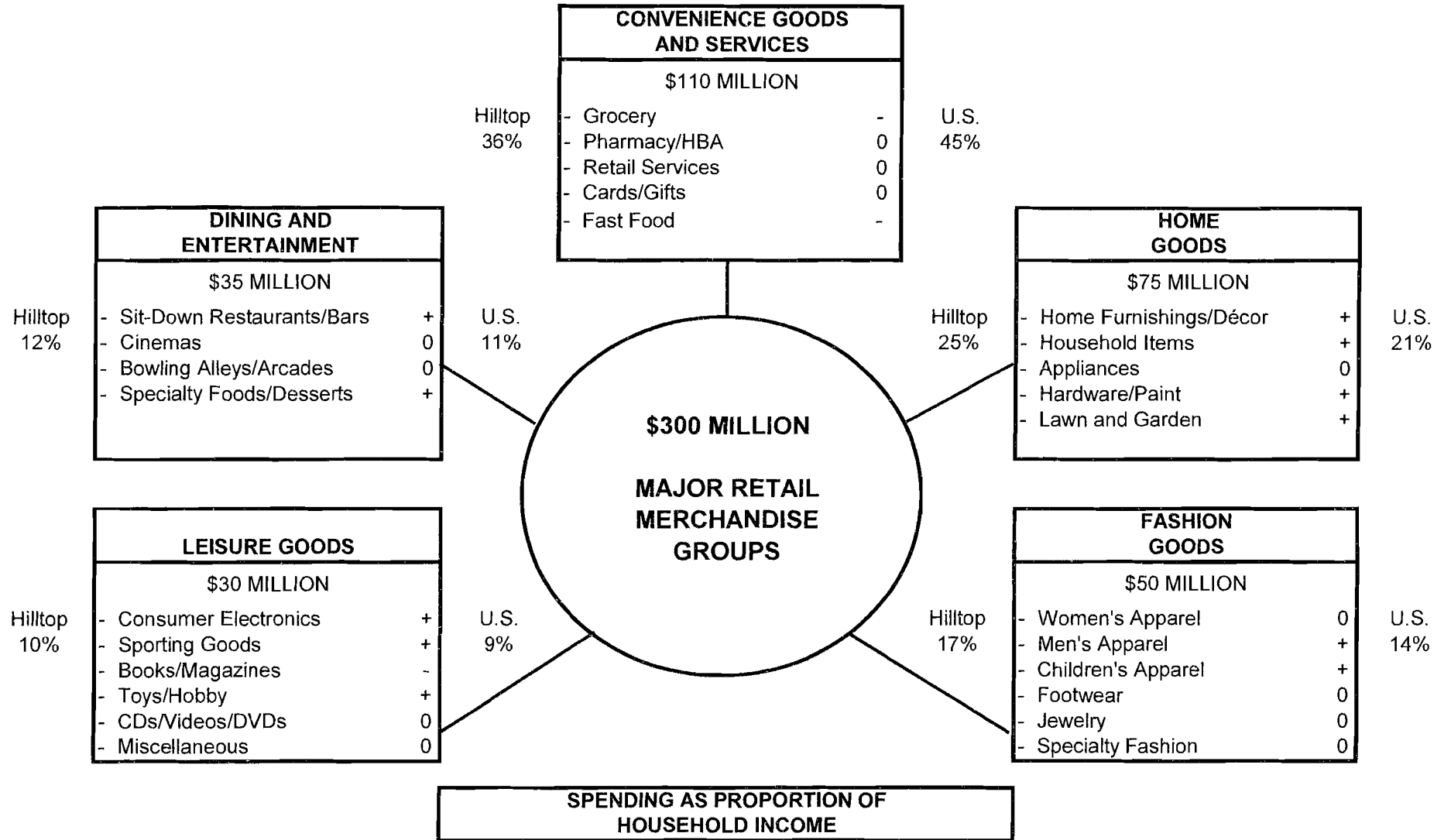
- Many of the Hilltop/West Broad Corridor's Retailers Are In Convenience Goods and Services Categories and Target Only the Nearby Portion of the Trade Areas Residents and Workers
 - About 30% of the Hilltop Trade Area's Population Resides Within 1 Mile of the West Broad and Hague Avenue Intersection
 - . This Includes About 20,000 Persons in About 8,400 Households
 - . Age Distribution 1 Mile Radius Skews Just Slightly Younger Than Rest of Trade Area
 - . Racial Distribution is Nearly Identical to Rest of Trade Area with Slightly Higher Proportion of Blacks (16% to 12%) and Lower Proportion of Hispanics (2% vs. 6%)
 - 1-Mile Radius is Slightly More Blue Collar (53% to 50%) With Slightly Lower Per-Capita Income (\$18,800 to \$20,200) Than Rest of Trade Area
 - In Addition to Residents, There Are Over 500 Establishments with 5,400 Employees Within 1-Mile Radius of Broad and Hague
 - . 67% Employed in White Collar Positions
 - . Over 800 Government Employees, 2,800 Service Workers (Primarily Medical/Social/Non-Profit)

**HILLTOP BROAD CORRIDOR
1-MILE CONVENIENCE RADIUS**

	<u>1-Mile Convenience Radius</u>	<u>Hilltop Trade Area</u>	<u>City of Columbus</u>
Estimated 2007 Population	19,969	67,208	745,750
Person Per Square Mile, 2007	6,360	4,217	210
Estimated 2007 Households	8,421	29,851	347,065
Average No. HH Formed/Year, 2000-2017f	95	460	4,463
Average HH Size, 2007	2.46	2.25	2.04
% Family Households, 2007	63.4	62.3	53.8
Less Than H.S. Diploma, 2007	30.1%	29.5%	16.3%
Bachelor's Degree +, 2007	9.7%	8.9%	28.8%
White Collar Occupations, 2000	47.2%	48.7%	65.9%
% Earn Less Than \$25,000, 2007	33.8%	32.8%	28.7%
% Earn More Than \$50,000, 2007	30.9%	32.9%	40.7%
Median Household Income, 2007	\$38,972	\$39,088	\$44,649
Per Capita Income, 2007	\$18,633	\$19,860	\$26,492
Homeowners/Renters, 2007	62/38	58/42	51/49
Median Years in Residence, 2007	3.9	3.7	3.0
Median Household Home Value, 2000	\$73,241	\$80,240	\$100,796
Median Monthly Rent, 2000	\$306	\$339	\$480
Median Age of Home	60.9 Yrs.	43.4 Yrs.	30.0 Yrs.

SOURCES: U. S. Census Bureau, SITES USA, and Boulevard Strategies

RETAIL SPENDING PATTERNS HILLTOP TRADE AREA \$50K+ HOUSEHOLDS



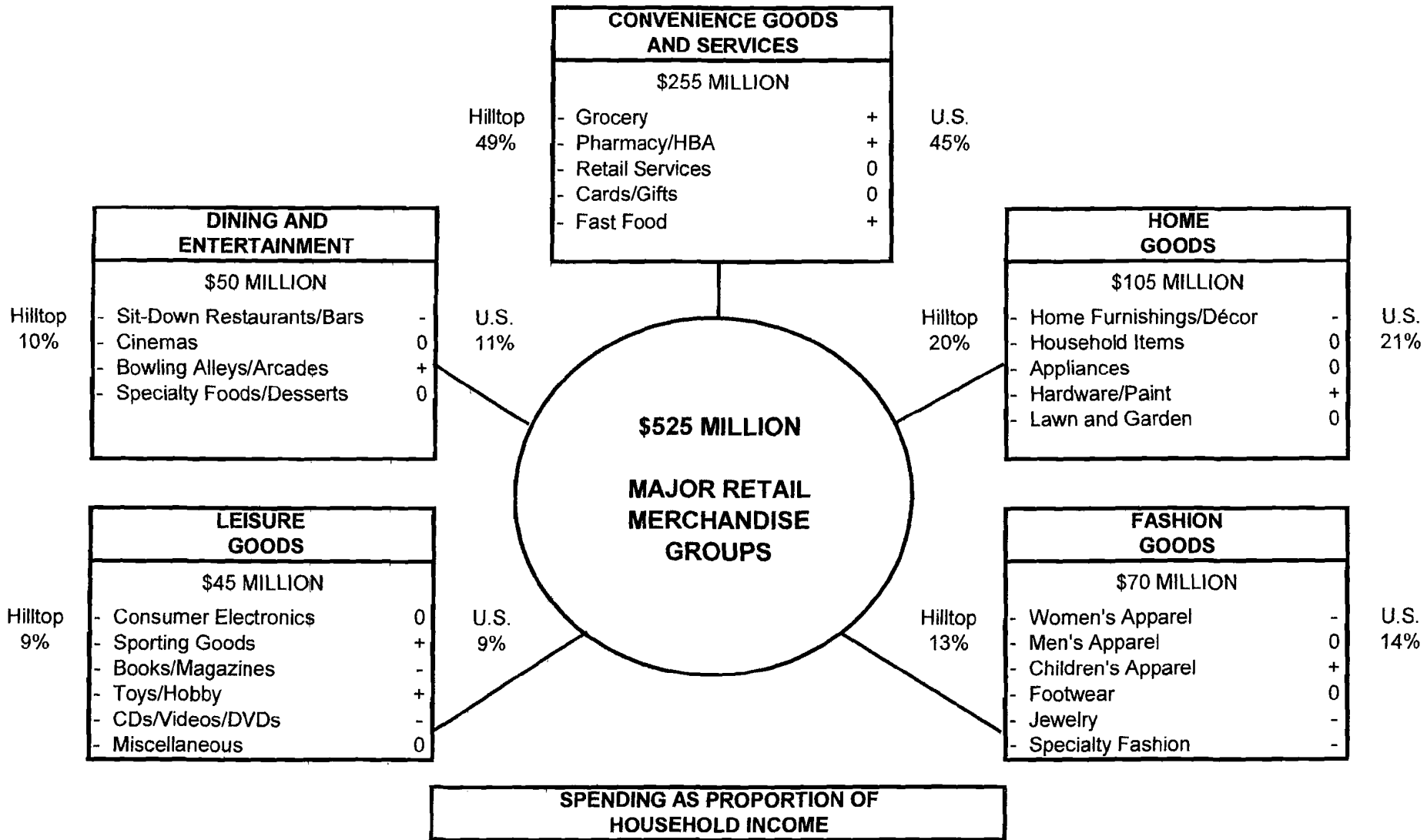
+ Above-Average Spending

0 Average Spending

- Below-Average Spending

Hilltop07-15

RETAIL SPENDING PATTERNS HILLTOP TRADE AREA



+ Above-Average Spending

0 Average Spending

- Below-Average Spending

Hilltop07-15

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

C. Hilltop Retail Spending Patterns

- Boulevard Strategies Estimates That Hilltop Trade Area Residents Will Collectively Spend \$525 Million on Non-Automotive Retail Purchases in 2007
 - Due to Lower Per-Capita Incomes, Hilltop Residents Spend Above-Average Proportion of Retail Dollars on Everyday Basic Goods (Groceries, Pharmacy, Fast Food, Hardware/Paint)
 - Hilltop Also Spends Above Average Amounts on Youth-Oriented Categories Such as Children's Apparel, Sporting Goods, Toys/Hobby, and Bowling Alleys/Arcades
- Westgate Residents Will Spend About \$40 Million on Retail Purchases This Year
 - This Includes About \$5 Million Spent on Dining and Entertainment Uses, Enough to Support About 20,000 Square Feet of Space (If It Could Be Captured in One Place)
- Those Who Live Within a 1-Mile Ring of Broad and Hague Comprise a \$150 Million Per Year Market
 - This Includes Expenditures of About \$80 Million on Convenience Goods and Services
- Workers Within 1-Mile Radius Add About \$10 Million Per Year in Retail Spending
 - This is Primarily Split Between Convenience Goods and Services and Dining and Entertainment Categories
 - Lying Just Beyond the 1-Mile Radius to the East Are Ohio Department of Transportation (6,000 Employees) and Ohio Public Safety Division (4,000 Employees) Headquarters
 - . These Facilities Have Cafeterias But Workers Like to Have Opportunities Especially For Group Outings Such as Birthday Celebrations, Etc.
 - . On the Other Hand, a Large Percentage of the 10,000 Workers Stationed at These Facilities Are Out in the Field on Any Given Day
 - . Regardless, this is Another Larger, Underserved Market Within Reach of the Hilltop/West Broad Corridor

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

C. Hilltop Retail Spending Patterns (Cont'd)

- About 1 in 3 Hilltop Trade Area Households Earn At Least \$50,000 Per Year Yet Those 9,500 Households Account For 57% of Trade Area Retail Spending (\$300 Million Out of \$525 Million)
 - These Households Account For About 70% of the Hilltop Trade Area's Spending on Home Goods, Fashion Goods, Leisure Goods, and Dining and Entertainment
 - Middle to Upper Income Households in the Hilltop Trade Area Spend \$35 Million a Year at Dining and Entertainment Establishments
 - The 2/3 of the Hilltop Trade Area Households That Earn Less Than \$50,000 per Year Comprise About a \$145 Million/Year Market for Basic Convenience Goods and Services, About 57% of Overall Spending on This Category by Hilltop Residents
 - These Residents Spend a Whopping 64% of Their Retail Budgets on Everyday Goods and Services (vs. 45% Nationally), Leaving Little for Discretionary Purchases
 - The Hilltop/West Broad Corridor Currently Captures About 20% of Convenience Goods and Service Spending by These Households, a Respectable Share Based on Our Past Experience in Similar Markets

HILLTOP/ WEST BROAD CORRIDOR RETAIL COMPETITION

<u>Top Competitors Named</u>	
National Chains	54%
Local Independents	46%
<hr/>	
TOTAL	100%
 <u>Locations</u>	
1. West Broad Street	44%
. Includes Hilltop, Westland, Franklinton, Lincoln Village Portions	
2. Hilliard-Rome Road	12%
3. Grove City	9%
4. Sullivant Avenue	8%
5. Georgesville Road	6%
6. Wilson Road	5%
7. Others	16%
<hr/>	
TOTAL	100%

Hilltop Merchants' Top 5 Competitive Advantages

1. Superior Customer Service: Fast, Friendly, Personalized, Flexible to Meet Individual Needs, Stay Open Later
2. Longstanding Reputation: Family-Owned, Word-of-Mouth Referrals, Take Pride in Work, Loyal Customer Base
3. Moderate Prices: Results of Low Overhead, Labor Costs
4. Great Location: Accessible, Visible, Easy In/Out, Handicap/Elderly Friendly, Clean and Comfortable
5. Unique Products/Services/Brands: Still Do Things Old-Fashioned Way, Ethnic Foods, Local Ingredients

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

D. West Side Retail Competition

- Each Merchant Interviewed Was Asked to Name Their Top 3 Competitors
 - National Chains Were Mentioned 54% of the Time
 - Hilltop/West Broad Corridor Retailers Primarily Compete With Other Businesses Located on West Broad Street From Franklinton Square Shopping Center on the East to Prairie Township on the West
 - Big Box Retail has Flourished in Grove City (Stringtown Road) and Hilliard-Rome Road South of Hilliard
 - . Wal-Mart at Georgesville Road Also Serves Hilltop Area
 - Sullivant Avenue is Complementary Commercial Strip to West Broad Street
- The Southwest Retail Submarket was Afflicted with 1,341,638 Square Feet of Vacant Space at Year-End 2007, According to Grubb & Ellis/Adena Realty Advisors
 - This Translates into an 19.6% Vacancy Rate, the Worst Among Franklin County's Submarkets and an 1.8% Increase over Year-End 2006
 - On the Other Hand, This is an Improvement Over 2006 as Over 100,000 Square Feet of Space Has Been Absorbed This Year (Primarily in Grove City)
 - Neighborhood Strip Center Space is Renting for \$8/Sq. Ft. on Average (Compared to \$5.50/Sq. Ft. on Hilltop/West Broad Corridor and \$11/Sq. Ft. Countywide)
 - Most of West Side's Vacant Space is Concentrated in Westland Area as Retail Action Follows New Rooftops to South and West

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

D. West Side Retail Competition (Cont'd)

- There Are 20+ Sit-Down Restaurants with Liquor Licenses That Currently Serve Southwestern Franklin County, Including the Hilltop Trade Area
 - They Range from Red Lobster, the Florentine, and Outback Steakhouse at High End to Sports Bars Such as BW3 and Roosters as More Affordable Alternatives
 - Typical Dinner Check, Not Including Drinks or Desserts, Is in \$8-\$11 Range
 - . Independents are \$1 Below This Average While Chains Are \$1 Above
 - Also Numerous Family Restaurants (Bob Evans, TeeJaye's, Perkins, Cracker Barrel, Frisch's), Buffets (Hometown, several Chinese) and Cafeterias
 - Ten Restaurants Ten Minutes Away on Stringtown Road

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

II. RETAIL MARKET OUTLOOK

E. Hilltop/West Broad Retail Performance

- The Hilltop/West Broad Corridor's Retail Mix is Dominated by Convenience Goods and Services
 - 31 of the Strip's 51 Retail Businesses Serve Everyday Needs of Local Residents and Workers
 - . Anchors Include Walgreens and Gearhardt's True Value Hardware
 - Rest of Mix Includes Mini-Marts/Carry-Outs, Hair/Barber Salons, Fast Food, and Retail Services
 - There are Relatively Few Specialty Shops or Sit-Down Restaurants
 - The Hilltop Marketplace Closed at the End of Last Year and Will Be Replaced with a Buckeye Ranch Counseling Center
 - These 51 Businesses Occupy an Estimated 125,000 Square Feet of Space Altogether
 - . All of the Corridor's Retail Space Could Easily Fit Inside a Wal-Mart Supercenter (Which Are Usually at Least 200,000 Square Feet)
 - New Post Office is Not Considered to Be a Retail Business But It Does Drive Traffic to West Broad Street
- The Hilltop/West Broad Corridor Recorded an Estimated \$28 Million in Retail Sales in 2007
 - The Majority of These Sales Fell in the Convenience Goods and Services Categories (\$20 Million, or 70%)
 - . \$285 Sales Per Square Foot Performance is Just 5% Shy of Industry Standard of \$300

II. RETAIL MARKET OUTLOOK

E. Hilltop/West Broad Retail Performance (Cont'd)

- Sales are Meager in Other Major Retail Merchandise Groups
 - . Independent Retailers in Specialty Niches Find It More Difficult to Complete With Category Killers, Big Box Discounters, and Internet Retailers
 - . On the Other Hand, Independent Restaurants and Specialty Food/Beverage Venues are Thriving, on Other Commercial Strips Throughout Columbus
- The West Broad Corridor is Capturing About 5% of the Hilltop Trade Area's Annual Retail Spending
 - Market Share Ranges from 8% in Convenience Goods and Services Categories to Less Than 1% of Fashion Goods
 - . West Broad Street is Capturing Only \$1 Million Out of \$55 Million Hilltop Residents and Nearby Workers Spend on Dining and Entertainment Each Year
 - . A Sit-Down Restaurant with 100 Seats Needs About \$1 Million Per Year in Sales to be Successful (i.e., \$10,000 Per Seat)
- If West Broad Corridor Were Firing on All Cylinders, We Estimate that It Could Capture Up to 8% of Hilltop Trade Area Spending in a Best Case Scenario
 - This Assumes That Half of Vacant First Floor Commercial Space is Filled by Viable Retail and Food Service Concepts
 - And, That Improvements in the Business Environment are Implemented, Resulting in a 10% Sales Increases Across the Board
 - This Would Increase the West Broad Corridor's Annual Retail Sales to \$42.5 Million or \$250 Per Square Foot and Would Add 200 New Jobs to the West Broad Corridor

III. OFFICE MARKET OUTLOOK

III. OFFICE MARKET OUTLOOK

A. Regional Office Trends

- According to Grubb & Ellis, the Greater Columbus Market Has an Office Vacancy Rate of About 15%
 - This Is a Considerable Improvement From 2002 When It Had the Nation's Highest Vacancy Rate at Over 24%
 - Improvements to This Rate are Decelerating as New Construction Slowly Picks Up and Office-to-Condo Action Slows Down
 - About 300,000 to 350,000 Square Feet of Net Absorption Per Year
 - Class C Vacancies Increased Slightly to 14% This Year
 - Rents Generally in \$10 to \$14 Per Square Foot Range vs. \$16 to \$25 Per Square Foot for Class A/B Space
- Emerging Office Trends in This Decade Include:
 - Mixed-Use, Amenity Rich Settings Favored Over Sterile, Single Use Office Parks
 - More Flexibility, Energy Efficiency, Team Spaces in New Designs
 - Niche Concepts Such as Office Suites, Office Condos, Mobile Offices, Shared Jobs, Telecommuting, Business Incubators, and Home Offices Are Re-Shaping Office Market
 - Parking, Security, Utilities, and Tax Incentives Gain in Importance Alongside Location, Amenities, and Occupancy Costs in Office Tenants' Decision-Making Choices
 - Medical Office, By Far, Is The Hottest Segment of the Office Real Estate Industry as Baby Boomers Age and Hospitals Become More Competitive
 - Medical Office Site Selection Process Driven by Patient Demographics, Relationships with Hospitals, Complementary Practices With Other Physicians

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

III. OFFICE MARKET OUTLOOK

B. Hilltop/West Broad Office Market

- The Hilltop Portion of West Broad Street Has Twice as Much Occupied Office Space (Est. 250,000 Sq. Ft.) Than Retail Space (Est. 125,000 Sq. Ft.)
 - There Are An Estimated 70 Office-Based Businesses Along the Corridor
 - West Broad, Between Mount Carmel and Doctor's West Has Attracted Concentration of Doctors/Dental Offices and Medical Clinics
- The West Side is Among the Smallest Submarkets for Office Space in Central Ohio
 - There is Not Much Office Space from Which to Choose South of I-70 In Franklin County
 - Office Rents on the West Side Exceed Retail Rents by \$4 Per Square Foot on Average

IV. HOUSING MARKET OUTLOOK

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

IV. HOUSING MARKET OUTLOOK

A. Regional Housing Trends

- After 6 Straight Record-Breaking Years, the Central Ohio Single Family Housing Has Hit the Skids the Last 2 Years
 - National Housing Market Is Worst in 16 Years, According to Fed Reserve Chairman
 - Number of Housing Units Grew By Percentage Double the Rate of Population Increase While Number of Jobs Declined in Central Ohio From 2000 to 2004
 - Aggressive Sales Tactics, Inflated Appraisals, and Subprime Lending Have Resulted in 9-Fold Increase in Foreclosures in Ohio vs. 10 Years Ago
 - . Columbus Has 23rd Highest Rate of Foreclosure Among USA's Top 100 Metropolitan Areas According to Realty Trac
 - . Communities Such as the Hilltop Suffer Further as Criminal Activity Moves Into Vacant Properties and Spills Over Into Less Impacted Neighborhoods and Commercial Strips, Driving Down Property Values
 - Other Side Effects Include Bad Renters (Due to Owner's Desperation), Looting (Especially Wiring), Graffiti, Fires (To Stay Warm), and Poor Image for Whole Neighborhood to Potential Homebuyers
- Regardless of Overall Housing Market, Condos Have Been Hottest Segment
 - Currently Account for 14% of All Home Sales vs. Only 7% in 1990
 - Desirable Amenities Include Dedicated Parking, Storage Space, Upscale Finishes, 1 Bathroom Per Bedroom, Green Space, Security Presence, and Nearby Shopping and Restaurants
 - Typical Buyers Include Empty Nesters, Young Couples (First Time Buyers), Single/Divorced Women in 30's/40's

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

IV. HOUSING MARKET OUTLOOK

A. Regional Housing Trends (Cont'd)

- Condo Market Experiencing Softness Currently as Empty Nesters Have Trouble Selling Homes
 - . Also, There Appears to Be Too Much Product at High End (Especially in Downtown/Arena District/Victorian Village)
- Apartment/Rental Market Benefits From Downturn in For-Sale Housing Market
- First Baby Boomers Started Collecting Social Security This Year
 - 20 Million Will Reach Retirement Age Over Next 5 Years
 - Typical 65-Year-Old Can Expect to Live to Age 83 Today
 - . Will Life Expectancy of Boomers Increase (Medical Advances) or Decrease (Obesity)?
 - Boomers Will Ease Into Retirement and Will Seek to Age In Place
 - . Will Continue to “Play Hard” (Travel, Outdoor Activities, Exercise)
 - . Will Seek Lifelong Learning Experiences and Second Careers
 - . Will Seek Out Social Experiences with All Ages Not Just Peers

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

IV. HOUSING MARKET OUTLOOK

A. Regional Housing Trends (Cont'd)

- Baby Boomers Will (Still) Be In Age Denial
 - . Have Already Spent Record Amounts on Health Clubs, Home Exercise Machines, Cosmetic Surgery, Organic Foods, Vitamins, Bottled Water, Hair Color, Botox, and Viagra
- Toxic Reaction to Anything Labeled “Senior” or “Mature”
- Housing in Active Commercial Corridors Offer Opportunities for Seniors to Stay Active and Connected to Their Communities
- Groups Most Attracted to Market Rate Urban Housing Alternatives Unlikely to Have Children Present
 - But They Are Very Likely to Have Pets for Companionship
 - . 70% of Columbus Area Households Have at Least One Dog or Cat (vs. 63% Nationally)
 - . Pets Gain Status as Full-Fledged Family Members
 - Places That Are Pet-Friendly Have Distinct Emotional Edge
 - . Dogs, In Particular, Need Outdoor Places to Walk and Socialize
 - . Dogs Also Provide a Measure of Security for Residents

HILLTOP/WEST BROAD CORRIDOR

HOUSING CHARACTERISTICS

	Hilltop Trade Area	City of Columbus
Housing Costs, 2006		
2006 Median Household Value	\$105,610	\$132,100
2006 Median Monthly Rent	\$444	\$629
Household Occupancy, 2007		
Owner-Occupied	52.7%	46.7%
Renter-Occupied	38.6%	45.6%
Vacant	8.7%	7.7%
TOTAL	100.0%	100.0%
Household Stability, 2007		
In Current Residence, 5+ Years	34.4%	29.6%
Annual Turnover	19.5%	22.9%
Median Years In Residence	3.7	3.0
Homes Built By Year, 2000		
Before 1950	34.5%	21.9%
1950's/1960's	39.6%	28.7%
1970's/1980's	16.7%	32.0%
1990's	9.2%	17.4%
TOTAL	100.0%	100.0%
Median Age of Home	43.4 Years	30.0 Years

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

IV. HOUSING MARKET OUTLOOK

B. Hilltop/West Broad Housing Market

- The Hilltop Is One of The Most Affordable and Stable Areas of Columbus
 - Housing Values Track 20% Below Citywide Median
 - . Rents Were Running 30% Below Citywide Median Which May Be a Sign That Better Rentals Are Needed
 - . There Are an Estimated 300 Houses in Foreclosure in the Hilltop Area
 - Owner Occupancy (58% of Occupied Units) is 7% Higher Than the Citywide Average
 - . This Leads to Longer Tenure Among Hilltop Residents (16% More Likely to Have Lived in Same Residence as 5 Years Ago Than Typical City Resident)
 - Many Newcomers Drawn to Historic Neighborhoods with High Quality Pre-WW II Construction
 - . The Typical House In Hilltop Area Was Built in 1957 But About One-Third Were Built Before World War II
 - New Housing on Wheatland Moving Forward Again
 - . Meanwhile, Homes on the Hill and Other Groups Boost Homeownership Efforts

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

IV. HOUSING MARKET OUTLOOK

B. Hilltop/West Broad Corridor Housing Market

- There Are An Estimated 50 to 60 Residential Units Scattered Among the West Broad's Commercial Uses
 - Most Are Apartments and Other Rental Units
 - Many Older Homes Have Been Split Into Apartments or Converted to Offices
 - Apartment Rents Are So Deflated on West Broad Street That Some Landlords Prefer to Leave Them Vacant Given the Quality of Tenants Attracted and Problems/Damage That Occurs
 - Local Real Estate Professionals Not Bullish on Market for Condos on West Broad
 - . Too Many Choices in Other Urban Neighborhoods for Young Professionals and Suburban Empty Nesters
 - Senior Housing Could be a Potential Opportunity, On the Other Hand If Safety Issues Are Addressed
 - . Market to Older Boomers Who Want to Stay in Hilltop Community
 - . Proximity to Pharmacies, Medical Offices, and Bus Lines Would Appeal to Seniors with Limited Mobility

V. HILLTOP/WEST BROAD COMMERCIAL CORRIDOR

**HILLTOP BROAD CORRIDOR
CURRENT BUSINESS MIX**

<u>First Floor Commercial Spaces*</u> <u>Types of Uses</u>	<u># of Businesses</u>	<u>Estimated Sq. Ft.</u>		<u>Estimated Employment</u>
Retail	51	125,000	24%	375
- Convenience Goods/Services	31	70,000		200
- Home/Fashion/Leisure Goods	14	45,000		140
- Dining/Entertainment	6	10,000		35
Services	56	120,000	23%	350
- Medical/Legal/Professional	32	70,000		200
- Finance/Insurance/Real Estate	6	20,000		40
- Automotive	18	30,000		110
Other	46	185,000	36%	525
- Government/Non Profit/Religious	21	125,000		275
- Other Businesses	25	60,000		250
Vacant	<u>27</u>	<u>90,000</u>	<u>17%</u>	<u>0</u>
TOTAL	180	520,000	100%	1,250

*On West Broad Street between Highland and Demorest Avenues, does not include 50-60 residences

SOURCES: Merchant Interviews, Field Surveys, SITES USA employment data, and Boulevard Strategies

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

V. HILLTOP/WEST BROAD COMMERCIAL CORRIDOR

A. Current Business Mix

- Approximately 180 First Floor Spaces Totaling 520,000 Square Feet of Commercial Space
 - 90,000 Square Feet Vacant
 - . 17% Vacancy Rate is Slightly above City-Wide Average (14%)
 - . Represented by 27 Spaces, 2/3 of which are East of Hague
 - 133 Businesses Occupy 330,000 Square Feet of Commercial Space
 - . Also 20 Non-Profit/Religious/Governmental Uses Occupy About 100,000 Square Feet of First Floor Space on West Broad Street
 - Estimated Total Employment of 1,250 Jobs
 - . 1,050 in Private Sector, 450 Retail Positions (Many Part-Time)

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

V. HILLTOP/WEST BROAD COMMERCIAL CORRIDOR

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HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

V. HILLTOP/WEST BROAD COMMERCIAL CORRIDOR

A. Current Business Mix (Cont'd)

- Retail Mix is Dominated by Convenience Goods and Services
 - 31 of 51 Retail Businesses Serve Everyday Needs of Local Residents and Workers
 - . Anchors Include Hilltop Marketplace (Which is Struggling and Will Close Soon) and Walgreens
 - . Rest of Mix Includes Mini-Marts/Carry-Outs, Hair/Barber Salons, Fast Food, and Retail Services
 - Relatively Few Specialty Shops and Sit-Down Restaurants
- Services Businesses Outnumber Retail Businesses 56 to 51
 - High Number of Doctor/Dentist Offices and Medical Clinics
 - Also, Active Automotive Supply/Repair Sector

HILLTOP BROAD CORRIDOR MERCHANT PROFILE

<u>Years of Operation</u>	<u>Overall</u>	<u>Current Location</u>	<u>Store Size</u>	
0-10	42%	52%	< 2,000 Sq. Ft.	42%
11-20	16%	12%	2,001-5,000 Sq. Ft.	42%
21-30	16%	16%	5,000 Sq. Ft. +	16%
30+	26%	20%	TOTAL	100%
TOTAL	100%	100%		
			Median Store Size	2,600
Median Years In Business	15	10	<u>Miscellaneous</u>	
			Median Retail Transaction Size	\$20.25
<u>Tenure</u>			Median Weekly Transactions	150
Own Space	58%		% Transactions on Fri./Sat.	35%
Rent Space	42%		Closed Sunday?	55%
TOTAL	100%		E-Commerce Website?	29%
Avg. Rent per Sq. Ft.	\$5.50			

SOURCES: Merchant Interviews

Hilltop07-5

HILLTOP BROAD CORRIDOR ATTRIBUTE RATINGS

<u>Attribute</u>	<u>Rating (Rating on Scale of 1 to 10)</u>
1. Merchant Cohesion	Good (7.1)
2. Friendly Service	Good (6.5)
3. Store Hours	Ok to Good (5.0)
4. Competitive Prices	Ok to Good (4.8)
5. Cleanliness	Ok to Good (4.7)
6. City Services	Ok (4.5)
7. Available Parking	Ok (4.3)
8. Selection of Service Businesses	Ok (4.1)
9. Selection of Stores	Ok (3.1)
10. Appearance of the Area	Poor to Ok (3.0)
11. Safety/Crime	Poor to Ok (2.7)
12. Selection of Restaurants	Poor (1.8)
OVERALL	Ok (4.3)

SOURCES: Merchant Interviews and Stakeholder Surveys

Hilltop07-8

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

V. HILLTOP/WEST BROAD COMMERCIAL CORRIDOR

B. Merchant Profile

- Personal Interviews Were Conducted With 25 Business Owners on West Broad Street
 - Broad Mix of Large and Small Retailers, Chains and Independent, Old Timers and Newcomers
 - Majority (58%) Own Space
 - . Rent Per Square Foot is Generally \$4-\$8/Sq. Ft.
 - . Median Store Size = 2,600 Sq. Ft.
- Typical Business Draws About 60% of Its Customers from Greater Hilltop Area
 - Retailers Draw Over 70% of Customers from Hilltop on Average
 - Gender Split Among Customers is 50/50 Overall, Though It Varies Widely Among Individual Businesses
 - Largest Age Group is Middle Aged Adults Aged 45 - 64 (36%) Closely Followed by Young Adults Aged 25-44 (32%)
- Hilltop Businesses Rely on Superior Service and Unique Products to Compete for Retail Dollars
 - This Results in Loyal Customers and Word-of-Mouth Referrals
 - West Broad Offers A Convenient Location for Hilltop Customers Yet Low Overhead Costs For Business Owners

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

V. HILLTOP/WEST BROAD COMMERCIAL CORRIDOR

C. Current Business Climate

- Merchants and Stakeholders Were Asked to Rate the Hilltop/West Broad Corridor Business Environment on a Dozen Attributes on a Scale Using “Excellent” (10 Points), “Good” (7 Points), “Ok” (4 Points), or “Poor” (1 Point)
 - Rated “Good” Are Merchants’ Attitudes, Including Friendliness Toward Customers and Each Other
 - Rate “Ok to Good” Are Store Hours, Competitive Prices, and City Services
 - Rated “Ok” Are Cleanliness, Available Parking, Selection of Service Businesses
 - Rated “Poor to Ok” Are Appearance of the Area and Selection of Stores
 - Selection of Restaurants and Safety/Crime are Regarded as Being “Poor” By Just About Everyone
- Overall Rating of Business Environment is “Ok,” Reflecting a Mediocre 4.2 Rating of Scale of 1 to 10
 - Boulevard Strategies Estimates That a 1 Point Improvement on This Measure Would Result in About a 6% Gain in Retail Sales Performance (i.e., \$2 Million/Year) Across the Board for West Broad Businesses and Vice-Versa
 - . This Assumes That 25% of a Retailer’s Sale Performance Can Be Attributed to Environmental Factors (vs. Internal Management, Competition, Industry Trends, Economy, Etc.)

HILLTOP BROAD CORRIDOR SUGGESTIONS FOR IMPROVEMENT

Top 5 Suggestions to Improve the Hilltop's Business Climate

1. Let's Clean Up Our Act: Tear Down Blighted Buildings, Step Up Code Enforcement/Hire More Officers, Property/Business Owners Pick Up Trash, More Frequent Trash Removal by City, Upgrade Bus Stops and Railroad Overpasses, Improve Recycling Programs, Beautify Streetscape, Paint Storefronts, Address Alleys, Reach Out to Absentee Landlords
2. Seek Financial Assistance From City: Infrastructure Improvements/Maintenance/Repairs, Provide Tax Incentives and Training for Small Business/Property Owners
3. Crime Patrol: Get More Foot Patrols, More Sting Operations, Support Police/Block Watches, Follow Through on Arrests, More Off-Street Lighting, Invest in Security Systems, Enforce Curfews, More Church Youth Programs
4. Redevelop Blighted Properties: Tear Down and Rehab Into Senior Housing, Mixed Use, If Not Suitable for Retail, Add Onstreet and Offstreet Parking and Directional Signage, Be Reasonable in Property Values and Rents
5. Come Together: Market the Hilltop to Outside World, Restore Identity as "National Road," Create Saturday Farmers Market with Green Power Theme, Create Festival with Civil War Theme, Assemble Land for Large Projects Beneficial to Community, Recruit More Broad Street Businesses Into HBA, Tap Into Local Creative Class (Artists/Musicians/Etc.), Be Open to New Ideas, Add Skate Park

Top New Businesses Needed on the Hilltop

1. More Sit-Down Restaurants: Upscale Diners, Healthy/Organic Choices, Different Ethnic Specialties, Better Latino Fare, Place for Breakfast
 2. Coffee Shop: Informal Community Gathering Spot, Relaxing Place to Lounge, Infusion of Music/Arts/Books/Culture, Not Necessarily A Chain, Combine With Bakery/Pastries?
 3. More Fast Food: Something Besides Rally's and Others, Healthier Options Such as Delis and Sandwich Shops
 4. Upscale Sports Bar: Keep It Simple, Big Screen TVs/Wings/Beer, Maybe Irish Pub Concept, After-Work Gathering Spot
 5. Gift/Craft/Antique Shops: Unique Products That Require Specialized Expertise, "Stuff You Can't Find At Wal-Mart"
- Also Mentioned: More Banks, Better Grocery Store, Used CD/DVD/Bookstore, Upscale Consignment Shop, Health Club, Organic Gardening Center

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

V. HILLTOP/WEST BROAD COMMERCIAL CORRIDOR

C. Current Business Climate (Cont'd)

- Each Respondent was Asked for Suggestions for Improvement:
 - The Top 3 Suggestions Involve Cooperative Efforts Between the City of Columbus and the Hilltop Citizenry
 - . These Include Improving the Appearance of the Area, Cracking Down on Crime, and Helping Small Businesses
 - In Addition, the Ingenuity/Drive of Private Investors and Developers Are Required to Rehab Properties for Adaptive Re-Uses
 - . Private Capital Will Not Be Invested Unless There Is a Reasonable Chance of Returns Regardless of Incentive Programs
 - Community Groups Can Bridge These Interests Together as Well as Marketing the Corridor
- Merchants and Stakeholders Are Unanimous in Recognizing Need for More Sit-Down Restaurants on West Broad Street (at Least One, Anyway)
 - Westgate Residents Are Especially Enthusiastic About Attracting a Coffee Shop
 - Employers Would Like to See More Fast Food for Retail/Service Workers With Short Lunch Breaks and Limited Means of Transportation (Residents Don't Necessarily Agree Unless There Are Healthier Options)
 - Everyone Wants More Things to Do, Not Just Buy, on West Broad Street

V. HILLTOP/WEST BROAD COMMERCIAL CORRIDOR

D. Future Visions

- Stakeholders and Citizens, Where Appropriate, Were Asked What Their Future Vision of the Hilltop/West Broad Corridor Is, As If They Were Writing a Letter to a Friend About the Changes in Their Community
 - Here Is a Summary of Their Thoughts:
 - . More Businesses, Particularly Locally Owned and Operated Restaurants Backed By Local Investors
 - . Clean and Safe, Inviting, Nostalgic Feel, Wide Sidewalks, Re-Habbed Buildings, Local Landlords
 - . Cultural and Age Diversity, Farmers Markets, Community Gathering Places, Mixed Use Developments
 - . Increase In Housing Values as Result of Revitalizing Commercial Corridor
 - . High Street in Clintonville, the Short North, and Grandview Avenue Were Mentioned as Role Models While Others Believe That a More Working Class Family Image is More Appropriate For Near Future

VI. CONCLUSIONS AND RECOMMENDATIONS

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

VI. CONCLUSIONS AND RECOMENDATIONS

A. Conclusions

- The Hilltop/West Broad Business Corridor Appears to be at a Tipping Point Where it Could be Revitalized or Could Decline Further
 - There is Clearly an Underserved Middle Class Market in Its Trade Area When Spending Patterns and the Current Business Mix Are Matched Up
 - However, Significant Barriers Exist to Corridor's Efforts to Resurrect Itself as Viable Retail District
 - . Crime and Blight
 - . Glut of Vacant Retail Space on West Side
 - . Hilltop's Image (Worse Than It Deserves In Terms of Spending Power)
 - . Preventing Sprawl of Businesses Most Consider to Be Less Desirable Will Be As Much Of a Challenge As Retaining Desirable Uses
- There Is A Wide-Open Opportunity for a Sit-Down Restaurant to Fill a Community's (Starving) Needs
 - Relatively Simple Concept Would Suffice (i.e., Diner, Ethnic, Beer/Wings Sports Bar, Etc.)
 - Other Dining and Entertainment Venues Should Follow Once Pioneer Blazes Trail
- Property Owners Can Be Expected to Continue to Seek Office Users
 - Build on Strong Base of Medical Uses and Other Professional Uses
 - Office Rents Exceed Retail Rents by \$4/Sq. Ft. on Average
- New Housing on West Broad Street Will Probably Need to Take Place in Mixed-Use Concepts to be Feasible
 - Seniors Appear to be Logical Target Market If Safety Issues Can Be Resolved

VI. CONCLUSIONS AND RECOMMENDATIONS

B. Current City of Columbus/HBA Initiatives

- The City of Columbus and the Hilltop Business Association (HBA) Are Working on a Variety of Initiatives to Address the West Broad Street Corridor's Challenges:
 - The HBA's Economic Development Strategies Include the Following:
 1. Pursuit of a Small Business Incubator Program
 2. Business Outreach and Membership Drive
 3. Joint Marketing Efforts Among Local Businesses
 4. Identity/Branding Development
 5. Preservation of Unique Architecture/National Road Streetscape/Pedestrian Nature
 6. Creation of More Parking Spaces/Improvements
 7. Creation of Property Owners Association/Funding of Hilltop Ambassadors Program
 8. Strengthening of Liaisons Among Police, Community Block Watches, and Code Enforcement
 9. Improvement of Nearby Housing Stock, Including New 20-Acre Housing Project on Wheatland (Highland Village)
 10. Development of New Westside Health Center at Former Fire Station

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

VI. CONCLUSIONS AND RECOMMENDATIONS

B. Current City of Columbus/HBA Initiatives (Cont'd)

- The Portion of the Hilltop/West Broad Corridor That Lies East of Hague Avenue Comprises 1 of the City's 15 Neighborhood Commercial Revitalization (NCR) Districts, Making the District and Its Businesses Eligible for Many Programs, Including Those in the Following Areas:
 1. Planning and Design Activities
 - Market Studies and Commercial Development Land Use Plans at District Level
 - Low-Cost Exterior Design Assistance for Commercial Property Owners and Tenants
 2. Public Improvement
 - Includes Street Trees, Pedestrian Scale Lighting, Sidewalk Replacement, and Other Enhancements
 3. Financial Incentives
 - Grants and Funds with Federal Backing and Regulations are Available to Encourage Renovation, Business Expansion, and New Investment
 - Matching Grants Up to \$3,000 Available for Exterior Renovation (Sign, Awnings, Painting, Lighting, Repairs, Etc.
 - 0% 5-Year Secured Loans Up to \$10,000 Available for Façade Renovation
 - NCR Commercial Improvement Low Interest Loans of \$7,500-\$25,000 With 10% Equity From Borrower, 10-15 Year Terms Available for Exterior Renovation for Commercial or Residential Properties
 - NCR Investment Fund Loans Up to \$200,000 (Amount, Terms, and Rates Vary According to Project Financing Needs and Strength of Proposal)
 4. Support for Business Association
 - City NCR Representatives and HBA Leaders Are Holding Meetings on Regular Basis and Plan New Outreach Effort and Block Watch Program in Coming Months

VI. CONCLUSIONS AND RECOMMENDATIONS

C. Market Positioning Strategies

- The Pages That Follow Outline a Series of 4 Market Positioning Strategies Designed to Re-Establish the Hilltop/West Broad Corridor as a Great Place for New Businesses to Locate and Existing Businesses to Stay and Expand
 - Each Strategy Includes Target Markets, Supporting Concepts, Core Competition, and Key Appeals for Target Customers to Change Their Current Shopping Patterns to Spend More Retail Dollars on West Broad Street

HILLTOP/WEST BROAD STREET CORRIDOR MARKET POSITIONING STRATEGIES

THEME #1: FOOD & FUN

Supporting Concepts

- Sit-Down Restaurants With Wine Lists, Outdoor Patios
- Family-Style Restaurants
- Deli/Sandwich/Sub Shop

Target Markets

- Hilltop Trade Area Middle Class Households (9,500 \$50K+ Income Households)
- Hilltop Trade Area Office Workers (17,000 White Collar Employees/3,000 Within 1-Mile Radius)
- ODOT/SHP Headquarters Workers (10,000 State Employees)

Key Appeals For Target Markets To Change Current Behavior

- Closer to Home/Work
- Places "Where Everyone Knows Your Name"
- Hilltop Pride/Network
- Reasonable Prices/Realistic Menus

Core Competition

- Chain Gangs on Georgesville Road, Hilliard-Rome Road, Stringtown Road
- Independents in Franklinton

VI. CONCLUSIONS AND RECOMMENDATIONS

C. Market Positioning Strategies (Cont'd)

THEME #1: FOOD & FUN

- As Shown In Facing Exhibit, This Strategy is Responsive to Sizable Dining and Entertainment Supply Side Market Opportunity Identified in Chapter II of This Report
 - A 3,000 Square Foot Space (the Typical Vacant Storefront Size on the Hilltop/West Broad Corridor) Could Accommodate a 100 Seat Restaurant
 - . Right Concept and Operator Could Expect to Generate 25,000 Lunch Patrons (Average Check/Person = \$10) and 60,000 Dinner/Bar Patrons (Average Check = \$12.50) Per Year Based on Industry Averages Resulting in \$1 Million in Revenues
 - . Typical Operating Expenses as a % of Revenues Include 30% for Food/Beverage Costs, 30% for Labor, 30% for Marketing, Other Operating Costs, and Depreciation of Equipment and Furniture
 - . Rent Would Probably be in the \$10/Square Feet Range
 - . This Would Leave About \$70,000 Per Year for Administrative Expenses and Licenses, Taxes, and Profits
 - Sports Bar Concept Could Be Combined with Sit-Down Restaurant ala BW3, Damon's, Roosters, Etc.

HILLTOP/WEST BROAD STREET CORRIDOR MARKET POSITIONING STRATEGIES

THEME #2: COMMUNITY & CULTURE

Supporting Concepts

- Ethnic Restaurants
- Coffee Shop with Art, Music & Books
- Bakery/Pastries
- Saturday Farmer's Market
- Heritage Festival with Local Arts & Crafts, Civil War Re-Enactments
- Promotion of National Road Status

Key Appeals For Target Markets To Change Current Behavior

- Closer to Home/Work
- Historic Architecture/Hilltop Tradition
- Emergence of Creative Class

Target Markets

- Westgate Residents
(4,500 Person in 2,100 Households)
- Hilltop Trade Area Middle Class Households
(Another 8,500 Households Not Including Westgate)
- Other Longtime Hilltop Residents
(About 30,000 Have Lived in Hilltop at Least 5 Years)

Core Competition

- Pockets of Ethnic Cuisine on Sullivant, West Broad, North Columbus
- Grandview Avenue, Downtown Grove City, Clintonville
- Over 20 Saturday's Farmer's Markets in Central Ohio and Counting
- Numerous Summer Festivals

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

VI. CONCLUSIONS AND RECOMMENDATIONS

C. Market Positioning Strategies (Cont'd)

THEME #2: COMMUNITY & CULTURE

- The Objective of this Strategy is to Create Special Venues and Recurring Events That Build on the Hilltop's (and Route 40's) Rich History and Ethnic Diversity
 - This Strategy Overlaps with Theme #1 of Food & Fun But Places More Emphasis on the Hilltop Area's Unique Character Within Columbus Not Just Basics (Like a Diner or a Sub Shop)
 - Coffee Shop Should be a Local Operator and Include Space for Arts, Acoustic Music Performances and a Decent Breakfast/Lunch Menu
 - . An Onsite Bakery Would be a Big Plus
 - There Are Several Lots Along the West Broad Strip that could Accommodate a Farmer's Market
 - . Farmer's Market Could Include Arts and Crafts and Organic Gardening Products
 - . Recruiting Farmers Can Be Difficult as There Are So Many Farmers Markets Throughout the Region
 - The HBA Could Build on Success of Its Annual Bean Dinner by Creating a Festival That Celebrates the Area's Civil War History at Camp Chase

HILLTOP/WEST BROAD STREET CORRIDOR MARKET POSITIONING STRATEGIES

THEME #3: RESALE & RECYCLE

Supporting Concepts

- Upscale Clothing and Furniture Consignment Shops
- Used Maternity/Infants/Childrens Clothing/Toys/Furniture
- Used Books/CDs/DVDs/Musical Instruments/Sporting Goods (Ex. Golf Clubs and Bicycles)
- Recycling Equipment/Organic Gardening/Nature/Outdoors Store/Co-op
- Antiques/Collectibles

Key Appeals For Target Markets To Change Current Behavior

- Closer to Home/Work
- Affordable for Families/Limited Incomes
- Inexpensive Way to Sample New Interests
- Representative of Hilltop's Progressive Edge- Thinking Global, Act Local

Target Markets

- Hilltop Family Households With Children (6,000 Households With 15,500 Children Under Age 15)
- Hilltop Households on Tight Budgets (10,000 Households With Incomes < \$25K Per Year)

Core Competition

- Grandview 5th Avenue, Grove City, Campus Area, Springfield, Yellow Springs, Clintonville, Quaint Downtowns, Local Garage Sales, E-Bay

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

VI. CONCLUSIONS AND RECOMMENDATIONS

C. Market Positioning Strategies (Cont'd)

THEME #3: RESALE & RECYCLE

- This Strategy Capitalizes on Mainstream Popularity of Environmental Awareness and the Win-Win Nature of Recycling:
 - Not Only Do Products Stay in Use Instead of Ending Up in Landfill But Both Seller and Buyer Benefit Economically
 - . This Keeps Dollars Circulating Within the Hilltop Area
 - Challenge Is to Find Good Operators as Strip Has Enough Low-End Pawn Shops and Used Appliance Dealers
 - . This Is Especially True of Used Furniture and Antiques Dealers
 - . Still, One Man's Junk is Another Man's Treasure
 - . Everyone, Regardless of Income, Loves a Bargain

HILLTOP/WEST BROAD STREET CORRIDOR MARKET POSITIONING STRATEGIES

THEME #4: CONVENIENCE & CUSTOMER SERVICE

Supporting Concepts

- Upgrade of Existing Operators Through NCR Initiatives and Training
- Discourage Spread of Undesirable Types of Business
- Add More Service Businesses in Non-Prime Retail Locations
- Focus on Improving Customer Service and Use of Technology/E-Commerce

Key Appeals For Target Markets To Change Current Behavior

- Closer to Home/Work
- "Special Orders Don't Upset Us" -- Outstanding Personalized Customer Service
- Synergy/Time-Saving Effect of Clustering Within Several Blocks

Target Markets

- 1-Mile Ring Residents
(Almost 20,000 Persons in 8,400 Households)
- 1-Mile Ring Workers
(5,400 Workers at 500+ Establishments)

Core Competition

- Shopping Centers in Central Point/Westland Area
- Sullivant/Mound/Harrisburg Pike Strips

VI. CONCLUSIONS AND RECOMMENDATIONS

C. Market Positioning Strategies (Cont'd)

THEME #4: CONVENIENCE & CUSTOMER SERVICE

- This Strategy is Aimed at Improving the Hilltop/West Broad Corridor's Strongest Retail Category - Convenience Goods and Services
 - Independent Operators Often in Need of More Training in Terms of Bookkeeping, Customer Services, Webpage Design and Operations, Etc. and Sources of Capital
 - Outstanding Customer Service is Key Differential Advantage for Almost Any Small Business
 - . This Include Staying Open When Customers Want to Shop
 - Opportunity for Small/Ethnic Markets to Pick Up Business When Hilltop Marketplace Closes if Owners Upgrade and Reach Out to New Customers
 - . Rigg's Carryout's Move Could be an Example for Others to Follow
 - More Service Businesses Will Be Needed As Overall Economy Continues to Shift Away from Products to Services
 - To Extent Possible, Convenience Goods and Services Should be Clustered Together to Save Time for Customers

HILLTOP/WEST BROAD CORRIDOR MARKET ANALYSIS - INTERIM REPORT

VI. CONCLUSIONS AND RECOMMENDATIONS

D. Business Recruitment Plan

- Recruitment of a Sit-Down Restaurant (or 2 or 3) Is Top Priority
 - Replace Dee's With Bar & Grill with Flat Screen TVs, Outdoor Patio, and Tiki Bar
 - Identify Properties West of Hague with Adequate Parking for Traditional/Ethnic Eateries
 - . Meet Property Owners and Discuss Community's Interest in Supporting a Restaurant
 - Discuss Possibility of Acquiring Outlots as Hilltop Marketplace After New Owner Occupies Property for a Family Restaurant and a Coffee Shop
 - Form a Restaurant Committee, Identify Local Favorite Restaurants (Not Chains), Contact Owners for an In-Person Visit/Meal to Discuss Their Interest in Opening a Second Location on the Hilltop
 - . Take Along Copy of This Market Study or Excerpts and Encourage Owner to Contact Us with Questions about the Study
 - Network to Identify Potential Restaurant Entrepreneurs and Investors in the Hilltop Trade Area
 - . Being a Restaurant "Part-Owner" Can Be Fun and Financially Rewarding
 - . Don't Wait for White Knight in Shining Armor to Come In and Save the Day
 - Capitalize on Publicity and Goodwill That Will Result from This Study
 - Grass Roots Efforts Are Underway and Gaining Momentum - This Is Best Form of Economic Development!