

An aerial photograph of a commercial area in Columbus, Ohio, featuring a multi-lane highway interchange. The scene includes several large parking lots, commercial buildings, and green spaces. The image is overlaid with a semi-transparent dark blue banner containing white text.

# **BRICE TUSSING MARKET STUDY**

**CITY OF COLUMBUS  
APRIL 2015**

## OVERVIEW

### PURPOSE

The Brice-Tussing real estate market study is intended to serve as a base for development of the upcoming Brice – Tussing Area Plan.

The objectives of the study are as follows:

- A complete commercial real estate market analysis of the retail, services, office, multifamily residential and light industrial/warehousing sectors within the study area – existing market and future forecasts.
- An objective and defensible perspective of the real estate market and development potential.
- Evaluation of the zoning and land use patterns relative to the market study findings.

### PREPARED BY:



**EDGE**

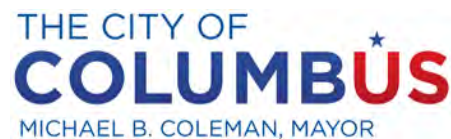
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## 1.0 EXECUTIVE SUMMARY

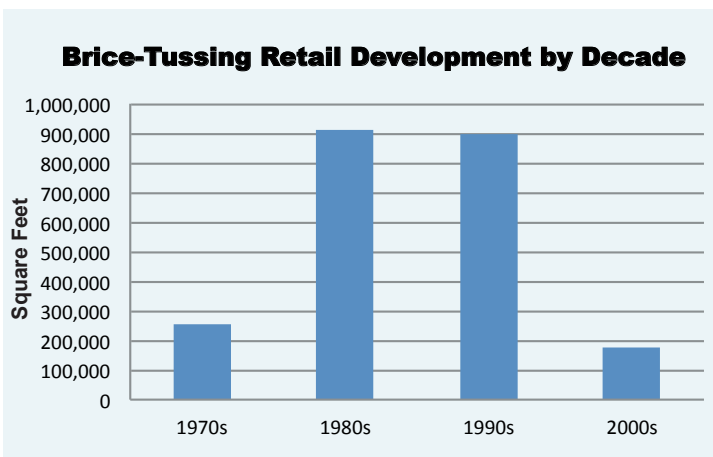
The following summarizes key findings and conclusions contained within the market analysis. Identifying market potential for the redevelopment of a once vibrant Brice Road corridor requires an understanding of the factors that contributed to the rapid development and subsequent decline of the area; what near term opportunities may exist based on current market conditions; and how the area can be in a position to accommodate and attract future development.

**From its inception, the Brice Road/I-70 interchange was poised to be a regional distribution, shopping, employment and hospitality center, based on the following factors:**

- Prime location as first exit east of I-270/ eastern gateway to Columbus.
- Direct visibility of the area from I-70 for both regional area residents and out-of-town travelers.
- Large number of nearby residents. Even today, there are more residents estimated within a ten minute drive-time of Brice Road than the interchanges at Polaris Parkway, Sawmill Road or Stringtown Road.

POPULATION PROXIMITY COMPARISON	
INTERCHANGE	POPULATION WITHIN 10-MIN DRIVE TIME
Brice Road/I-70	182,744
Polaris Parkway/I-71	156,474
Sawmill Road/I-270	163,332
Stringtown Road/I-71	112,693

Source: ESRI, Incorporated (2014 Estimates)



**The area experienced growth in the 1970s with a few national/regional distributors and select car dealerships capitalizing on freeway exposure and access, including:**

- JCPenney Outlet and Distribution Center; Kobacker Company
- Key Automotive (former Oldsmobile dealership); Honda East (now Lindsay Honda)

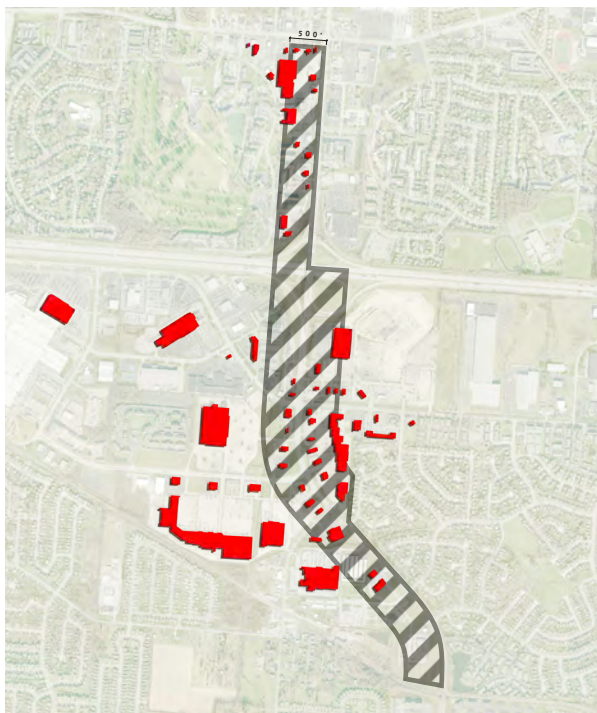
**The 1980s and 1990s brought nearly 2 million square feet of retail development to the area:**

- Brice Road was the beneficiary of overwhelming consumer spending and had accounted for 60% to 70% of the southeast Columbus region's added retail space.

NEW RETAIL CENTERS	
1980S	1990S
<ul style="list-style-type: none"> <li>• Consumer Square East</li> <li>• Brice Park</li> <li>• Meijer</li> <li>• Scarborough Square</li> <li>• Anderson's General Store</li> </ul>	<ul style="list-style-type: none"> <li>• Brice Outlet Mall (Scarborough Mall)</li> <li>• Target</li> <li>• Chantry Square</li> <li>• Lowe's</li> <li>• Builder's Square (now partially occupied by Hobby Lobby)</li> </ul>

**The demand for retail was so high, fundamental retail site characteristics were overlooked by many developers and retailers whose only concern was to have a place in the market.**

- Many retail centers had little to no visibility from primary transportation corridors, and limited vehicular access.
- Visibility for some “buried” retailers was dependent on traffic from other area retailers.
- Some retail buildings were ill-fitted to development sites, with entrances accessed away from Brice Road and other major thoroughfares.



*Retail buildings (in red) relative to 500' area along Brice Road (hashed lines)*

**Development became unsustainable because the interchange was never capable of accommodating the high demand required for the amount/type of development and related traffic.**

- Traffic congestion is often cited as a primary reason for the retailer exodus.
- The Brice interchange was found to be inadequate soon after it was completed in 1968, requiring modifications in the mid-1970s. That update added a “slip ramp” for eastbound travelers on I-70 to access Brice Road in a southbound direction. The westbound I-70 entrance ramp was also widened at that time.
- The proximity of Brice Road to a parallel stream bed, only a few hundred feet to the west, created odd access and building setback scenarios.

**After 2000, new competition along SR 256 and East Broad Street emerged. These developments included large scale shopping centers, such as Taylor Square, with the following attributes:**

- Closer to homes with a higher concentration of consumer spending.
- Easier vehicular access, reducing overall travel time.
- Better visibility for retail sites.

**The area’s retail development could not compete with the new shopping centers in the region.**

- Many of the retail anchors at Brice Road, including Sam’s Club, Best Buy, Meijer, Target and Babies R Us eventually relocated to more marketable outlying retail sites.

## 1.0 EXECUTIVE SUMMARY (CONT.)

**The retail vacancy rate in the Brice-Tussing area ballooned to today's 36.4%, triple that of Greater Columbus (9.5%). As a result:**

- Consumer Square East was demolished (except Sam's Club).
- There are five vacant big box retail spaces of more than 50,000 square feet each.
- JCPenney's retail outlet center closed (100,000 square feet of a two million square foot facility).

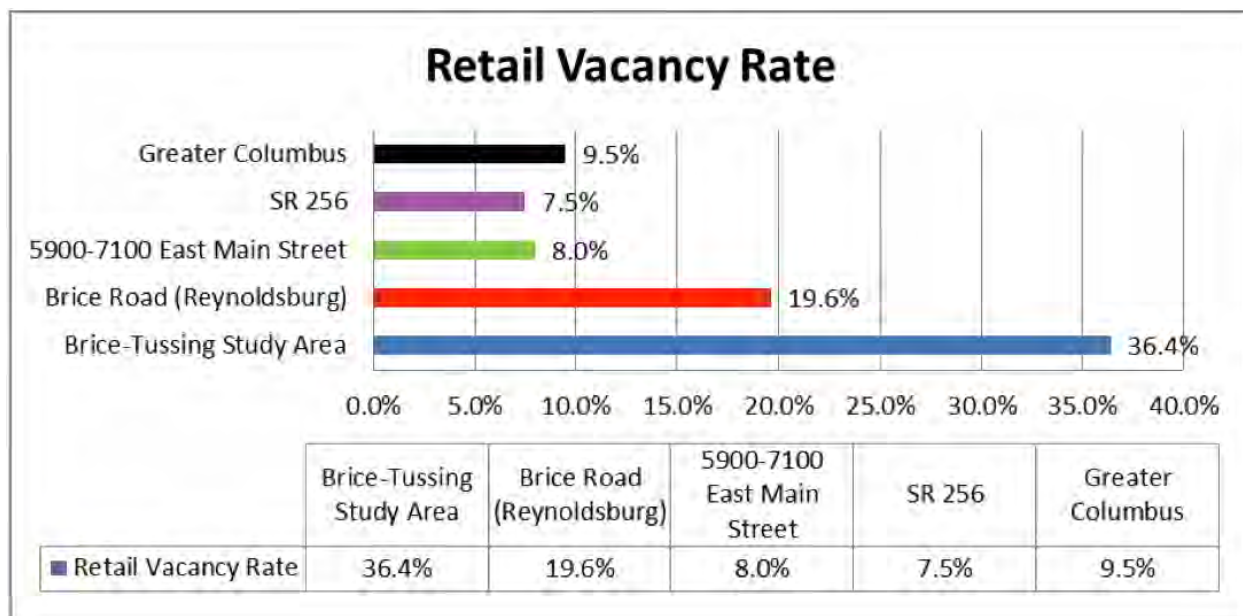
**Today, the region is over-retailed and the Brice-Tussing area will not experience again the levels of retail development achieved in the 1980s/1990s.**

- Most regional retailers are already in the southeast Columbus market (SR 256, East Broad and Main Street).
- The trade area is encircled by established grocery stores diluting opportunities for regional big box grocers.

- Household growth alone will not support new retail development, but will only serve to fill existing vacant neighborhood-scale retail space.
- Traffic congestion issues have still not been remedied.

**The decline of retailers caused disinvestment among many businesses and residents and an increasing apathy for maintaining the exterior of buildings and surrounding landscaping.**

- Many of these neglected sites are gateways to the area, near the Brice Road interchange.
- The lack of upkeep, particularly of high visibility locations, has been a disincentive to reinvestment in the area.
- Nearly half (46.7%) of the office space in the study area is vacant.
- Disinvestment has impacted the marketability of housing, resulting in declining new construction homeownership opportunities and below-average rental rates.



**In September 2014, the first major redevelopment project was completed by Steve Lindsay, with the opening of Front Room Furnishings in the vacant Meijer store.**

- The adjacent former 150,000 square foot Brice Outlet Mall was also acquired by Steve Lindsay and is currently being converted into a new Honda dealership facility.
- The reuse of such highly visible vacant sites is viewed by many area stakeholders as a catalyst for future redevelopment.



Site photo: Former Meijer Store



Site photo: Reuse as Front Room Furnishings

## 1.1 EXECUTIVE SUMMARY - NEAR-TERM OPPORTUNITIES

**Near-term market-supported opportunities (within five years) are most prevalent in the hospitality and recreational venues. Any gains in demand for retail and office space will go toward filling vacant space in the market.**

The near-term opportunities assume today's conditions and are not predicated on the improvement of the Brice interchange or Brice/Tussing intersection. Following is a summary of market demand for each development use and key market factors:

NEAR TERM MARKET ABSORPTION PROJECTIONS: STUDY AREA			
DEVELOPMENT TYPE	PROJECTED POTENTIAL GROWTH	GROWTH ALLOCATED TO FILL VACANT SPACE	ESTIMATED NEW DEVELOPMENT OPPORTUNITY
Midscale Hotel	70-110 Keys/Guest Rooms	-	70-110 Keys/Guest Rooms
Restaurants/Specialty Food (5-6 businesses)	25,000 SF	11,777 SF	13,223 SF
Specialty, Sports Theme Development	121,110 SF	61,110 SF	60,000 SF Indoor Training Facility
Housing	318 Households	68 Units/Homes	<ul style="list-style-type: none"> <li>• 40-60 Affordable Sr. units</li> <li>• 72-160 Class B Market-Rate Units</li> <li>• Up to 30 Single-Family Homes</li> </ul>
Retail (excluding food & beverage)	20,000 SF	20,000 SF	-
Flex/Light Industrial	40,000 SF	40,000 SF	-
Office	16,500 - 50,000 SF	16,500 - 50,000 SF	-

## 1.0 EXECUTIVE SUMMARY (CONT.)

MIDSCALE/MID-PRICED HOTEL
<ul style="list-style-type: none"> <li>• 70 to 110 Hotel Keys/Rooms</li> <li>• Occupancy rate of 66.6% among mid-priced hotels in competitive trade area</li> <li>• Average Daily Rate (ADR) - \$87</li> <li>• Increase in occupancy and ADR each year over the past 5 years</li> <li>• Location near interchange and adjacent restaurant</li> </ul>
RESTAURANT/SPECIALTY FOOD & BEVERAGE
<ul style="list-style-type: none"> <li>• 25,000 Square Feet</li> <li>• An estimated \$20 to \$25 million in restaurant spending leaving the market</li> <li>• Only 5 full-service restaurants in study area (17,036 square feet)</li> <li>• Reuse of 3 to 4 vacant former restaurant buildings</li> <li>• Construction of 2 to 3 new restaurants assuming internal roadway extensions/improvements</li> </ul>

INDOOR SPORTS COMPLEX/PRACTICE FACILITIES
<ul style="list-style-type: none"> <li>• Approximately 120,000 Square Feet</li> <li>• High sports participation rates in study area and region</li> <li>• Few sports facilities in region</li> <li>• Opportunity to reuse obsolete retail space at affordable rate</li> </ul>
HOUSING - SENIOR AFFORDABLE
<ul style="list-style-type: none"> <li>• 40 to 60 Units</li> <li>• There are five affordable senior housing developments in the market area, all are 100% occupied and operate from waiting lists</li> <li>• Increase of 100 low-income senior renters projected over the next five years</li> </ul>
HOUSING - CLASS B APARTMENTS
<ul style="list-style-type: none"> <li>• 72 to 160 Units</li> <li>• Development will most likely be an additional phase to an existing apartment community</li> <li>• Land is owned and zoned for apartment use</li> <li>• Average rental rates are slightly below \$1 per square foot</li> </ul>

## 1.2 EXECUTIVE SUMMARY - LONG-TERM OPPORTUNITIES

Longer term opportunities represent development absorption projections over a ten-year period. The ability of the Brice-Tussing area to accommodate and attract future development will be predicated on several key improvements:

- The Ohio Department of Transportation's (ODOT) modification of the Brice interchange and Brice-Tussing intersection to accommodate higher traffic volumes (refer to Far East Freeway Plan)
- Improved area appearance, including an upgrade of buildings and landscaping

- Complementary land uses
- Mixed-use development approach for Consumer Square East

The projected long-term absorption by development type includes a range from conservative to aggressive absorption projections. The high end of the range or "aggressive" projections incorporates additional development from three selected opportunity sites: Consumer Square East, Chantry Square and Northwest Brice/I-70 (see Opportunity Sites).



## LONG-TERM MARKET ABSORPTION PROJECTIONS BY DEVELOPMENT TYPE: STUDY AREA

DEVELOPMENT TYPE	ABSORPTION PROJECTION BY SCENARIO		
	CONSERVATIVE	MODERATE	AGGRESSIVE
Retail	40,000 SF	50,000 SF	60,000 SF
Housing	636 Units/Homes	834 Units/Homes	1,032 Units/Homes
Flex/Light Industrial	80,000 SF	150,000 SF	215,000 SF
Office	35,000 - 66,500 SF	102,500 SF	170,000 SF

### RETAIL

- 40,000 to 60,000 Square Feet
- The projected retail square footage represents absorption of neighborhood-scale retail generated by spending from household growth
- The retail demand is expected to be mostly absorbed in the vacant space in the study area
- Any new retail development related to a regional retailer and/or interchange-oriented retailer would be in addition to the projection. Again, most of the regional retailers are already in the market, but it might be possible to attract a large user back to Consumer Square following ODOT's interchange/intersection improvements

### HOUSING

- 636 to 1,032 Units
- The study area is projected to grow by 636 households over the next ten years
- The Consumer Square East site offers an opportunity for new mixed-use development near the interchange. Incorporation of residential uses into this mixed-use approach would expand upon the current housing alternatives and potentially increase new housing development beyond 1,000 units/homes in ten years

### FLEX/LIGHT INDUSTRIAL

- 80,000 to 215,000 Square Feet
- The absorption projections assume that for-lease and owner-occupied opportunities remain available for flex/industrial space users along Tussing Road.
- The addition of a traffic signal on Tussing Road is important to distribution operations.
- Any occupancy of vacant space at the Kobacker building would be in addition to the projection totals.

### OFFICE

- 35,000 to 170,000 Square Feet
- Office development is often one of the later phases in a redevelopment scenario because it is more dependent on an attractive amenity-rich environment.
- The absorption projections assume occupancy of office space on Lake Club Drive following the redevelopment and/or demolition of the former Chi Chis and Bob Evans site.

## 2.0 INTRODUCTION

### DEVELOPMENT BACKGROUND

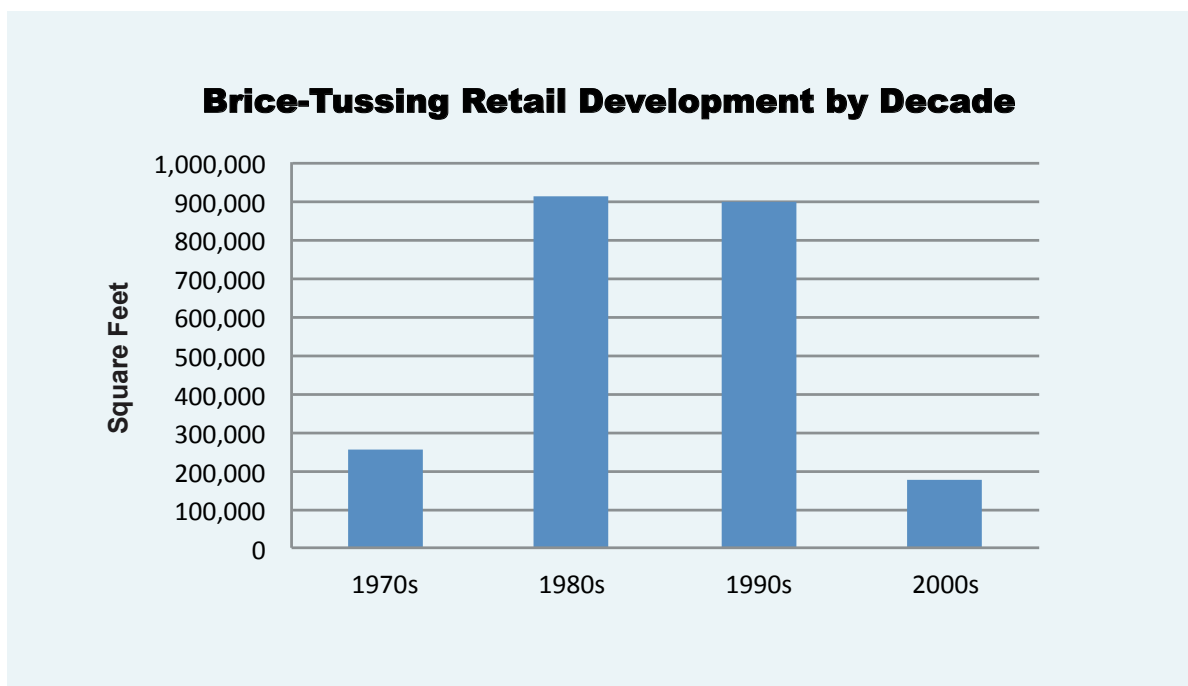
The Brice-Tussing area is typical of the retail “boom and bust” cycle that occurs in many suburban areas nationwide. The Brice-Tussing study area saw 1.8 million square feet of development in the 1980s and 1990s in response to rapid population growth. The area was among the region’s largest retail centers, however it was developed piecemeal without much consideration of site characteristics and was immediately vulnerable to competition.

Multiple factors influenced the decline of retail:

- Traffic/difficulty of access
- Limited visibility of second tier sites
- New retail development closer to household growth clusters

- Area split into multiple trade areas
- Neglect of Brice Road properties north of I-70
- Obsolescence of store architecture and interior design

The mass exodus of retailers from the Brice Road corridor resulted in an overwhelming number of vacancies followed by neglect and disinvestment of many properties. However, recently there have been a number of key redevelopment efforts. Of particular note is Steve Lindsay’s acquisition and repurposing of the former vacant Meijer and Scarborough Mall (aka Brice Outlet Mall). This further investment could serve as the catalyst for redevelopment and improvement of the area.



### 3.0 PREVIOUS AREA STUDIES

The Brice Tussing area has been considered in several planning studies over the past several decades. In addition, studies for the surrounding areas consider larger regional issues impacting the Brice Tussing area.

#### BRICE/TUSSING AREA PLAN

The 1990 Brice/Tussing Area Plan is the last to specifically focus on this study area. Now 25-years old, a number of the recommendations are still valid today. The plan advocates the value of balancing commercial use types, including office and industrial. The reality is that commercial development here ended up heavily skewed toward retail, and consideration to remedy that imbalance should be a top priority now. The plan also advocates protection of residential areas from commercial intrusion and is relevant to today’s planning evaluation.

#### SOUTHEAST AREA PLAN & AMENDMENT

The Southeast Area Plan and Bixby Road amendment address areas to the south of the Brice Tussing Study Area. The plans outline the land use and design intent for those areas, which have been partially realized in the ensuing years. The Bixby Road amendment proposes an interchange at Bixby Road and US-33 in order to create a major activity center designed to foster economic development of the Southeast Area. A realignment of Brice Road and Bixby Road is also proposed, directly connecting the two.

#### HAMILTON ROAD/EASTLAND AREA PLAN

The Hamilton Road / Eastland Area Plan assesses the area immediately west of this study area. Many similar issues are raised regarding under-performing retail and the need for redevelopment strategies.

#### LIVINGSTON EAST AREA PLAN

This plan includes the Livingston/Brice area. Recommendations identify Brice Road as a potential redevelopment corridor and advocates the preservation of open space that has become Walnut Hills Park. In addition, called-for improvements to the Brice Road streetscape north of I-70 have since been accomplished.

A vertical timeline of planning studies is shown on the right side of the page. Each entry consists of a large year, a title for the study, and a small image representing the study. The studies are: 1990 Brice/Tussing Area Plan (with a city seal), 2000 Southeast Area Plan (with a map), 2007 Southeast Plan - Bixby Road Amendment (with a street sign), 2007 Hamilton Road / Eastland Area Plan (with a site plan), and 2009 Livingston East Area Plan (with a photo of a meeting).

- 1990** BRICE/TUSSING AREA PLAN  
Image: Brice/Tussing Area Plan November 1990
- 2000** SOUTHEAST AREA PLAN  
Image: Southeast Area Plan map
- 2007** SOUTHEAST PLAN - BIXBY ROAD AMENDMENT  
Image: Bixby Rd street sign
- 2007** HAMILTON ROAD / EASTLAND AREA PLAN  
Image: Hamilton Road Corridor / Eastland Area Revitalization Plan
- 2009** LIVINGSTON EAST AREA PLAN  
Image: Livingston East Area Plan City of Columbus / Department of Development / Planning Division

## 4.0 STUDY/TRADE AREA BACKGROUND

The study area (see map below) encompasses 7.23 square miles and includes the southwest quadrant of the East Livingston/Brice Road intersection and extends from I-70 south to Blacklick Creek. Big Walnut Creek is the western border and the City of Columbus and Pickerington corporate limits bound the study area to the east.

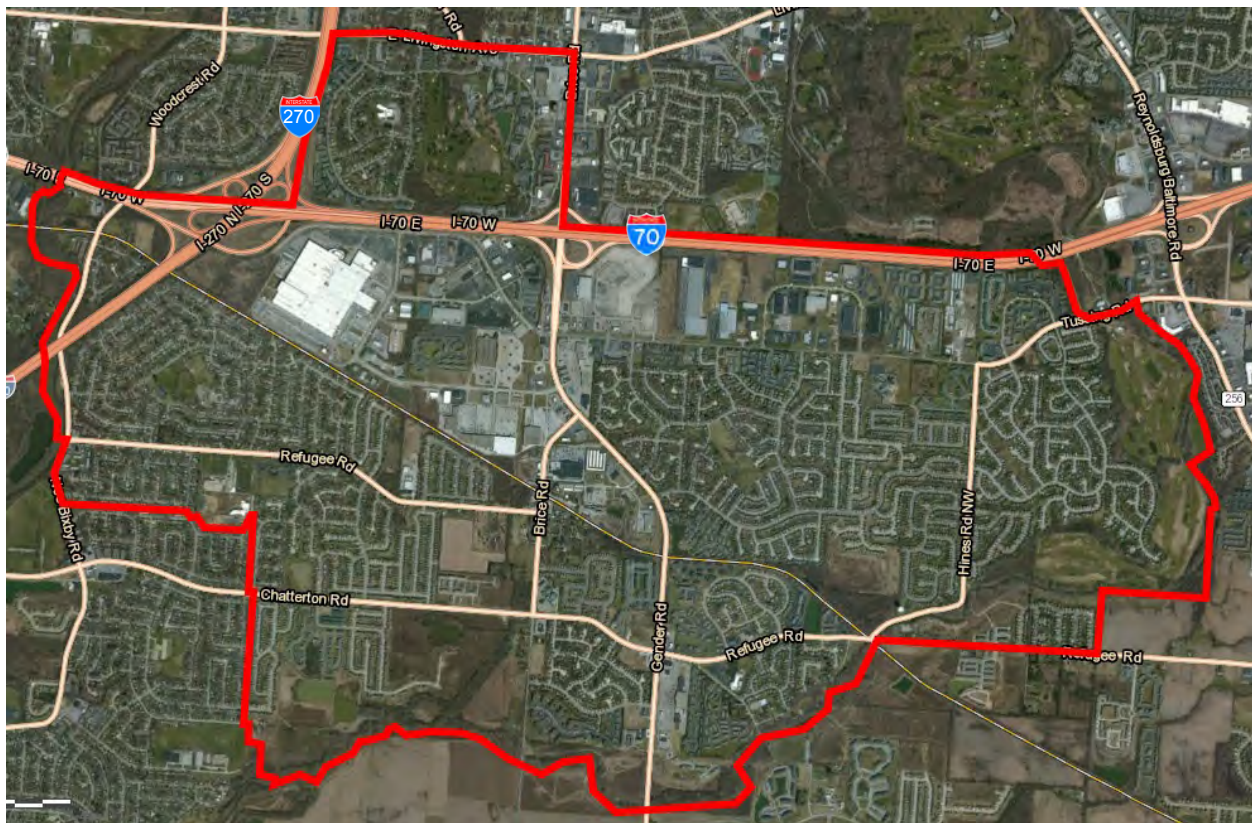
Pertinent demographic and economic data research, and detailed market surveys were completed within the study area and respective trade areas to identify market conditions for a variety of development types including retail, lodging, residential, office and flex/industrial properties. The general boundaries of the trade areas for each development type are listed on the next page.

Stakeholder interviews were also conducted to identify viable redevelopment options and other issues that contribute to or constrain investment in the study area. A summary of key market findings and supporting market information follows.

### DEMOGRAPHICS

In 2014, there was an estimated population of 32,158 in 12,455 households in the study area. Homeownership rates declined from 2000 to 2014 by 9.6 percentage points, more than doubling the citywide decline of 4.3%. Nonetheless, half (50.2%) of the occupied housing in the area remains owner-occupied compared to a 45.5% citywide.

Since 2000, there has been an annual average household growth rate of 2% in the study area, with 2,785 additional households



Brice Tussing Study Area

DEVELOPMENT TYPE	GENERAL TRADE AREA BOUNDARIES			
	NORTH	EAST	SOUTH	WEST
Residential	Broad Street	Taylor Road / Diley Road	US Highway 33 & Busey Road	Big Walnut Creek
Retail	East Main Street	State Route 256	Busey Road (City of Columbus)	Noe Bixby Road (City of Columbus)
Lodging (I-70)	I-70/Channingway Blvd/Taylor Road	State Route 256	Groves Road/ Tussing Road	Hamilton Road / State Route 317
Flex & Industrial Properties	Broad Street	State Route 310 (Etna)	Williams Road / Columbus Street	Hamilton Road / State Route 317
Office (East Sub-market)	Broad Street	Franklin County corporate limits	US Highway 33	US Highway 33

(source: ESRI, Incorporated). New housing development concentrated along Refugee Road and Chatterton Roads, accounted for much of the household growth in the early to mid-2000s. Annual household growth from 2010 to 2014, however, was minimal, estimated at 0.4%.

The area includes many younger families with children. The average age of the population is 30.8 years old compared to 32.3 citywide. Households in the area are also comparatively larger with an average of 2.57 persons (2.31 citywide).

The 2014 median household income within the study area is \$50,219, substantially above the citywide average (\$42,208). On a per capita basis, however, the incomes are slightly below citywide incomes due to the large family sizes in the study area.

The area has become more racially diverse with half (49.8%) the population African-American, 40% White, and another 10% from other races. From 2010 to 2014, the share of the African-American population increased by an estimated 1.7% compared to 0.3% citywide. By 2019, it is projected that the share of African-American

DEMOGRAPHICS (2014 ESTIMATED)	STUDY AREA	SOUTHEAST RESIDENTIAL TRADE AREA	CITY OF COLUMBUS
Population	32,156	114,788	813,965
Households	12,455	46,559	343,644
Average Household Size	2.57	2.46	2.31
% Homeowner	50.2%	53.3%	45.5%
% Renter	49.8%	46.7%	54.5%
Median Age	30.8	34.4	32.3
Median Income	\$50,214	\$50,924	\$42,208

Source: Census Bureau, ESRI, Inc, UDG

## 4.0 STUDY/TRADE AREA BACKGROUND (CONT.)

population will increase another 2.7 percentage points. During this same period, the share of White population is projected to decline 3.4 percentage points (2% decline citywide).

Based on Mid-Ohio Regional Planning Commission (MORPC) projections, the population within the study area is projected to increase by more than 1,000 persons over the next ten years. The current year

projection slightly differs from those of ESRI, Incorporated, as they consider the likelihood of development and attractiveness of an area for development (refer to 2040 MORPC Forecast Methodology). While MORPC's methodology is atypical of demographers and not entirely a market-based approach, the data is useful for long-term land use projections. Their projected employment for the area has also been considered in future absorption by development type.

POPULATION AND EMPLOYMENT PROJECTION				
	YEAR 2015	YEAR 2040	PROJECTED GROWTH 2015 TO 2040	10-YEAR AVERAGE
Population	31,182	33,897	2,715	1,086
Households	12,092	13,680	1,588	635
Office Jobs	1,962	2,294	332	133
Retail Goods Jobs	1,791	2,164	373	149
Retail Service Jobs	1,671	1,859	188	75
Industrial Jobs	2,827	3,118	291	116
Other Jobs	784	875	127	51
<b>TOTAL JOBS</b>	<b>8,998</b>	<b>10,309</b>	<b>1,311</b>	<b>524</b>

Note: The data is derived from the MORPC 2040 Land Use Projection data set and has been adjusted accordingly by Urban Decision Group to reflect the study area projections.

## 5.0 STAKEHOLDER INTERVIEWS

During September and October 2014, DiSalvo Development Advisors (DDA) and planning team members conducted in-person and phone interviews with 50 area stakeholders. The purpose of the interviews was to identify viable redevelopment

options and issues that contribute to and/or constrain redevelopment opportunities in the Brice-Tussing Planning Area. The stakeholders included local developers, brokers, property managers, municipal and state personnel and local businesses.

NAME	TITLE	COMPANY
Matt McCollister	Vice President, Economic Development	Columbus 2020
Jim Russell	Executive VP and COO	The Pizzuti Companies
Paul G. Ghidotti	Executive VP	Daimler Group
Stephen W. Lindsay	Owner	Lindsay Honda/Accura
Jeffrey L. Brown	Partner	Smith & Hale, LLC
Tim Kelton	President	Ruscilli Real Estate Services
Mike Spencer	Vice President	Ruscilli Real Estate Services
Lynn Singh	Commercial Division agent	ReMax
Tod Spinosi	General Manager	Magic Mountain East
Dave Ruff	Store Manager	The Andersons, Inc.
Patty Ackers	Manager	AskPowersports
Steve Germain	President & CEO	Germain Motor Company
Rich Newsome	General Manager	Germain Toyota of Columbus
Brandon Barnett	Senior Real Estate Manager	JC Penney
Bill Bahr	Senior HR Leader	JC Penney
Shane Woloshan	Brokerage Senior Vice President & Principal	Colliers International
John Leffler	Brokerage Senior Associate, Retail Services	Colliers International
Jonathan Schuen	Brokerage Associate, Industrial Team	Colliers International
Stephen A. Tucker	Senior Vice President	The Robert Weiler Company
Todd E. Schiff	Senior Vice President	The Robert Weiler Company
Elizabeth Houser	Senior Leasing Rep	Brixmor (Galileo Apollo I Sub LLC)
Kim Fiedler	Director of Land Development	Benderson Development (RB-3 Associates)
Mark Beith	Controller	Ross Development (CI-Ross LP)
Brian Ross	Owner	Ross Development (Chantry Square)
Dave Havener	Director, Department of Development	City of Reynoldsburg

## 5.0 STAKEHOLDER INTERVIEWS (CONT.)

NAME	TITLE	COMPANY
Bhavin Bhavsar	General Manager	Comfort Suites
Not available	Supervisor	Starbucks
Andrew Clark	Manager	SportsAuthority (Chantry Square tenant)
Karen and Dianna	Staff	Heritage Square Antique Mall
Richard Fowler	Branch Manager	US Bank (Channingway Center tenant)
Matt	Clerk	Bargain Outlet (Brice-Livingston Center)
Heather W.	Front Desk	La Quinta
Raj A.	Owner	Red Roof Inn
Frank Powers	Manager	Soccer Express (Scarborough Square tenant)
Tonda L. Roberson	Property Manager	Chantry Village
Chris Deibel	Vice President and COO	Scioto Management Group (Chantry Village)
Steve Shkolnik	Leasing Agent	LGR Realty (Brice-Livingston Center)
Stephen Fletcher	Resident Manager	Cornerstone Crossing
Lindsay Hartman	Leasing Consultant	Williamsburg Square
Lindsay Tedder	Property Manager	Brentwood Lakes
Mark Rapp	Sergeant, Strategic Response Bureau	Columbus Division of Police
Staci Bates	Property Manager	Spinnaker Club East
Bradford Kitchen	Broker	Alterra
Matt Stavroff	Owner/Developer	Stavroff Venture Corp
Doug Leeds	Vice President	The Gilbert Group
Keisha Godfrey	Operator	Godfrey Athletics
Michael Vance	Property Manager	Jefferson Commons
Dirk Gross	Transportation Engineer	ODOT
Mike Solomon	Associate Broker	Goodman Real Estate Services Group
Matt Robinson	Owner	Robinson Investments (owns Kobacker bldg)



*Developer's Open House: Planning team presentation of preliminary findings*



## **STAKEHOLDER INTERVIEWS SUMMARY**

The following summary cites the general issues identified during the interview process. Individual stakeholder comments were kept confidential.

The stakeholder interviews overwhelmingly indicated that while strides have been, and continue to be made, in the area southwest of Brice Road and I-70, unless infrastructure and environmental issues are addressed, further redevelopment will be hindered.

The planning areas north and south of I-70 are generally considered separate neighborhoods with distinct market dynamics of their own. Several of the local businesses have trade areas that encompass both areas extending beyond the planning area, but they noted that the areas are still distinctly different from each other. For this reason, we grouped the summary of stakeholder interviews into two geographies; the planning area north of I-70 and the planning area south of I-70.

### **PLANNING AREA NORTH OF I-70**

The overriding issue for this area is that it is perceived as a “high crime area.” This dissuades many from patronizing area businesses including hotels/motels, banks, restaurants and other retailers. This, in turn, has limited reinvestment by owners in the area. Nightclubs are viewed as the origin of much of the crime activity. The concentration of nightclubs and multiple rear access points creating places to hide were cited as problematic.

The perception of crime is fostered further by vacant commercial structures. Restaurant

buildings that were formerly home to Chi-Chi's and Bob Evans on Brice Road have been vacant for many years. Commercial brokers note that these structures have hindered the ability to lease space at nearby office buildings on Lake Club Drive. Motel operators have expressed interest in reuse of the properties as restaurants to enhance the marketability of their properties. The Bob Evans building reportedly has been leased recently to a day care operator. The Chi-Chi's building, owned by a church organization, was stripped by vandals during the course of renovations, and is now in such a state of disrepair that many think the building requires demolition.

Despite the perception of the area being unsafe, there are a number of strong businesses, which continue to attract patrons from outside the area. According to lodging operators, the area continues to draw overnight stays because Brice Road is the first interchange on I-70 visitors see approaching Columbus before I-270. The area is often the beneficiary of visitor spillover from large events in other areas of central Ohio, notably pet, antique and Country Living Magazine shows.

The apartment communities are operating at high occupancy levels. Area apartment managers note the dominating factor for renters moving into their rental housing development are the low rents.

The traffic congestion generated from the temporary Brice Road construction has reportedly deterred some patron traffic and has been a point of complaint among businesses. However, the sidewalks that accompany the street improvements are

## 5.0 STAKEHOLDER INTERVIEWS (CONT.)

viewed as an important amenity by lodging operators who want their patrons to feel safe walking to restaurants. Currently, people staying at a motel/hotel in the area have to navigate through parking lots to get to nearby restaurants. At night, this is viewed as dangerous. The tenants of the Brice-Livingston Shopping Center indicated that a stop light at the entrance of the shopping center on Brice would greatly improve ingress/egress to and from the center for their customers. There are no traffic signals currently serving the shopping center and as a result many customers cut through other existing businesses' parking lots for entry into the center.

There is interest among stakeholders for recreational uses in the greater area (including the Planning Area South of I-70). Non-profit organizations have considered the area for this type of use, but moved on because of the lack of affordable recreational space and, in one case, a stakeholder cited potential users' concern for security.

### PLANNING AREA SOUTH OF I-70

The area was once the premier big-box center in Columbus, but was "doomed at birth" because of inadequate infrastructure planning. The consensus is that traffic congestion led to the demise of the area. A random collection of development that was wedged into the corridor without consideration for visibility or access further hindered the viability of the corridor. When big-box retailers, such as Target, Meijer, Best Buy and others left the area for development situated along State Route 256, many other retailers followed suit.

### Key improvements/positive attributes

The Brice Road corridor is stabilizing and there are positive signs of progress, led by local automotive dealerships active in acquisition and redevelopment. Steve Lindsay's acquisition of the former Meijer on Brice Road and subsequent lease to Front Room Furnishings has been encouraging to all stakeholders, and viewed by many as a catalyst for future redevelopment. Mr. Lindsay's purchase of the former Brice Outlet Mall for redevelopment as his dealership has also been well received. Steve Germain is investing \$7 million in the renovation of an existing building along Scarborough Boulevard and new construction of 20,000-square-foot expansion for their dealership.

There are still many regional and national retailers in the corridor. With low area rents there are opportunities for other retailers to come into the area at a low cost. Some of the area retailers noted that there is just enough business to keep them in the area, while others, such as Applebee's, appears to be excelling in the area with a recent remodeling and a constant flow of patrons. The Hometown Buffet was also noted as a very busy business [eventually closed].

The freeway visibility, access to the interstates and exposure to high traffic volumes are still noted as attributes to the area, although the traffic congestion problem still exists. The area is viewed as being attractive to prospective employers because of the presence of public transit, labor force, and robust inventory of rental housing and single-family homes. By all accounts, the Brice Road corridor is perceived as safe,

and some credit this to the addition of the Far East Neighborhood Policing Center. The Tussing Area Block Watch is an active organization that has also reportedly made a difference.

### Constraints/obstacles

Traffic congestion still remains the dominant obstacle to redevelopment in the area and has contributed to the departure of retailers. Even with the loss of so much retail in the area, traffic congestion is still a problem, especially during rush hours. Some area retailers note that patrons are often dissuaded from visiting them because of the traffic. The interior road infrastructure exacerbates congestion with people having to make frequent stops and others using service roads as a shortcut. The Consumer Square East development is a good example of a location where people use the service roads to avoid dealing with the congestion associated with the Tussing Road/Brice Road intersection.

Several retail centers were noted as having poor visibility and were not viewed as having long-term viability as retail. Retail managers within these centers cited patrons as saying they were surprised because they didn't know the business was back there. Even with signage and visibility from the freeway, some of these businesses still have complicated access issues. Several businesses along the north side of Scarborough Boulevard, for example, have long narrow entrances to get to their businesses. Patrons of Magic Mountain, for example, can't turn left leaving or entering the business because they are blocked by concrete medians.

Some stakeholders noted that the area is still perceived as a retail "dead area." Businesses immediately south of I-70 along the west side of Brice Road convey a poor gateway image of the corridor which contributes to this perception. Retailers noted that they feed off of other retailers and need more retail-oriented activity nearby. The closing of the JCPenney Outlet store hurt sales at some area businesses. The automotive dealerships have certainly improved the aesthetic of the area, but provide little cross-shopping opportunities for retailers. Another broker noted, however, that there is currently too much neighborhood-scale retail space.

Some crime concerns were noted along the Tussing Road corridor concentrated near Gemstar. The recent acquisition and placement of new management at Independence Village Townhomes (now Aurora Townhomes) is perceived as a good sign. Select motels were noted as having undesirable/illegal activity.

Stakeholders see no near term market for conventional office or industrial development. The focus of industrial development is largely at Rickenbacker and the Etna/Pataskala area. Industrial users are gravitating to areas outside the city with fewer residences nearby. The vacant property south of the planning area has flood plain issues that make it difficult to develop and there are simply too many other sites available without such constraints. Additionally, industrial tenants want tax abatements immediately; an incentive not available within the City of Columbus. The

## 5.0 STAKEHOLDER INTERVIEWS (CONT.)

conversion of one of the shopping centers to light industrial use was investigated but it was viewed as a difficult proposition due to loading inadequacies.

### Suggestions

The aesthetics of the area, particularly those with prominent visibility, should be cleaned up and attractive landscaping put in place, and in some cases, removal of a building(s) altogether. The focus of this comment was related to properties along Brice Road, especially those businesses closest to the interchange, which was viewed as a gateway to the area.

With construction prices going up and lease rates so low, repurposing existing buildings should be the focus of redevelopment. It is not likely that there will be one big user to fill some of the larger vacant retail spaces. Consideration should be given to subdividing spaces and/or leveraging ample parking for non-retail uses, such as distribution and/or call centers. Successfully attracting non-retail businesses to reuse shopping center space will require lease rates well below prevailing area retail rents.

One of the most consistent comments made was the need for more restaurants in the area. Other recommended uses included discount retailers, recreational uses and service-oriented businesses. One stakeholder commented that the remaining available space in the former Meijer should be a complimentary use to Front Room Furnishings offering home furnishings and/or furniture.

All of the real estate stakeholders were asked what would be an appropriate reuse of the vacant Consumer Square East site. The general consensus was that redevelopment of that site, whatever it may be, is quite a challenge. The overall size, depth and access/traffic flow limitations were among the leading challenges cited regarding redevelopment of the Consumer Square site. There were only a few stakeholders that offered an opinion regarding reuse of the site and those opinions varied greatly.

Suggestions were:

- Theme-type development
  - o Automotive use, such as a CarMax
  - o School
  - o Senior housing
  - o Sports complex with soccer fields
  - o Maybe industrial, flex warehouse space
- Destination retailer
  - o Dave & Busters
  - o Guitar Center
  - o Bass Pro
  - o Menard's [already located on East Broad]

## 6.0 MARKET INFLUENCES - PHYSICAL ENVIRONMENT

The attractiveness of a physical environment or lack thereof, plays a significant role in the vitality of a neighborhood and ongoing redevelopment efforts. An appealing retail corridor enhances the prospects of attracting new businesses, customers and residents. Conversely, highly visible vacant and unkempt sites create a negative perception of the area and hinder marketability.

### POSITIVE PERCEPTION

The consensus among stakeholders is that the redevelopment of the former Meijer and Brice Outlet Mall buildings, by Steve Lindsay of Lindsay Honda, improves the area curb appeal. More importantly, the redevelopment of these vacant buildings serves as a symbol of investment in an area which has been plagued by years of disinvestment.

Continued investment is essential in attracting and retaining businesses in any commercial corridor. The investment by Mr. Lindsay to convert the Brice Outlet Mall into a new car showroom was followed by a \$7 million dollar investment by Germain Toyota to renovate and expand the nearby dealership on Scarborough Boulevard.



Site photo: Brice Outlet Mall conversion



Site photo: Former Meijer Store



Site photo: Reuse as Front Room Furnishings

The reuse of just a portion of a big box space by retailers can contribute to a more positive perception of the area by residents, visitors and prospective businesses. For example, there is 81,000 square feet of vacant space in the former Meijer store, but the signage placement and use of the remaining area by FrontRoom Furnishings lessens the negative impact of the vacant space.

Hobby Lobby occupies slightly more than half of the former Builder's Square building and while not as impressive as the Meijer example its presence is an appreciable improvement to an entirely vacant big box.

## 6.0 MARKET INFLUENCES - PHYSICAL ENVIRONMENT (CONT.)

### NEGATIVE PERCEPTION

The redevelopment of the former Meijer store and adjacent outlet mall has improved the attractiveness of the retail landscape along Brice Road. However, the poor condition and disinvestment of the most prominent locations in the study area lessen the overall impact of these improvements. These “gateway sites” nearest the I-70 interchange are most visible to visitors upon entry into the study area. The negative initial impressions created by these sites greatly influence the overall perception of the study area.

The 61-acre Consumer Square East site, southeast of the I-70/ Brice Road interchange, is largely vacant land with acres of deteriorating parking lots and poorly maintained landscaping, signage of former retailers and a vacant big box store. The interior roadway system is frequently used as a cut-through to Brice Road and access to retail outparcels. A COTA bus stop (Local #2) is in the middle of the vacant tract, several hundred feet from the nearest building along Tussing Road.

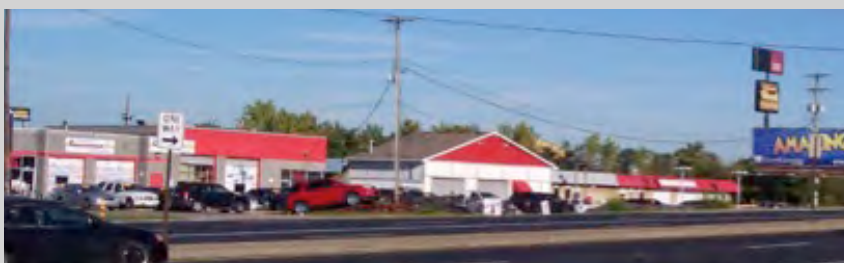
The area on the west side of Brice Road (across from the Consumer Square site) immediately south of the I-70 interchange includes several overfilled used car lots and nondescript buildings used by auto sales and repair businesses. As noted by



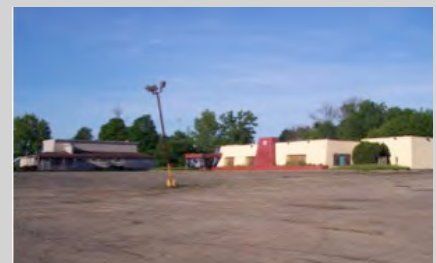
Site Photo: Former site of Consumer Square

numerous stakeholders, this area is unattractive and uninviting. Southbound traffic also has a prominent view of signage that includes a former business that has since relocated (Unfinished Wood Furniture) and the back of a billboard.

Two vacant buildings, formerly Chi Chi's and Bob Evans restaurants, are highly visible to northbound traffic from the I-70/Brice Road interchange. This property has remained in a state of disrepair for years. Once viewed by area businesses as a beneficial amenity to the adjacent office buildings and lodging, the properties are now viewed as a detriment.



Site photo: West side of Brice Road



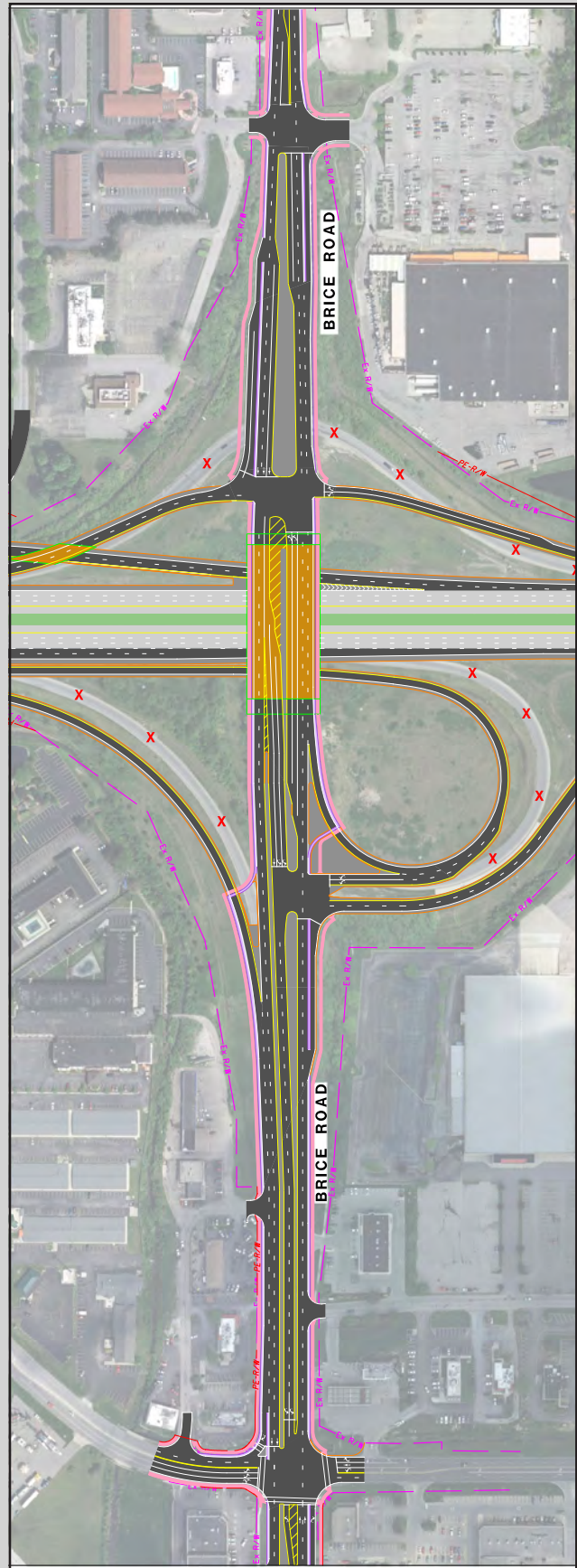
Site photo: Former Chi Chis and Bob Evans

## 6.1 MARKET INFLUENCES - ODOT FAR EAST FREEWAY PROJECT

Despite the loss of so many businesses, especially large volume retailers, there is still significant traffic congestion on Brice Road. Much of the traffic appears to originate from nearly 20,000 area residents commuting to work (more than 15 minute drive) and another estimated 8,000 employees coming into the study area. Unless the roadway system is improved, the congestion will hinder the marketability of the area for future development, especially at the former Consumer Square East site. The Ohio Department of Transportation (ODOT) has plans to address access and the traffic congestion problem in the area over the next five to seven years.

Phase one of the Far East Freeway project by ODOT will provide a direct Brice Road exit from I-270. There will be a new “fly over” I-70/I-270 interchange to accommodate all other I-70 traffic. The environmental process has been completed and cleared. The next step in the process is finalizing plans. Depending on funding availability construction is projected to start in 2016 and be completed by 2018.

Phase two and three will provide separate exits on I-70 for southbound Brice Road, a Tussing Road exit and a Scarborough Boulevard exit. Southbound Brice Road traffic north of I-70 will also have specific lane choices. Physical barriers will be placed along Brice Road south of I-70 to stop multiple lane changes. Depending on funding availability, construction could begin as soon as 2019.



Source: Ohio Department of Transportation

## 7.0 ROADWAY NETWORK ANALYSIS

### ROADWAY NETWORK

The Brice-Tussing Study Area's excellent highway access has been a major driving force behind the previous cycles of development, and will certainly play a significant role in future opportunities. It does, however, create a physical and practical barrier between the north and south portions of the study area, limiting connectivity to one access point - Brice Road. The proximity of I-270 to the immediate west also limits opportunities for connectivity, so the area very much relies on the primary roadway network for both access and internal mobility.

Since the highway locations define the major thoroughfare system, there are limited opportunities to significantly alter the framework of the roadway network in the near term. As a result, this general analysis focuses on opportunities for roadway improvements occurring on the existing major thoroughfares.

The diagram on the following page indicates locations where basic elements could be improved for each corridor.

### ACCESS MANAGEMENT

Limiting curb cuts and eliminating access points in conflict with movements close to the interchange would create a more functional roadway for drivers, bikers and pedestrians.

### WIDENING / ROAD DIET

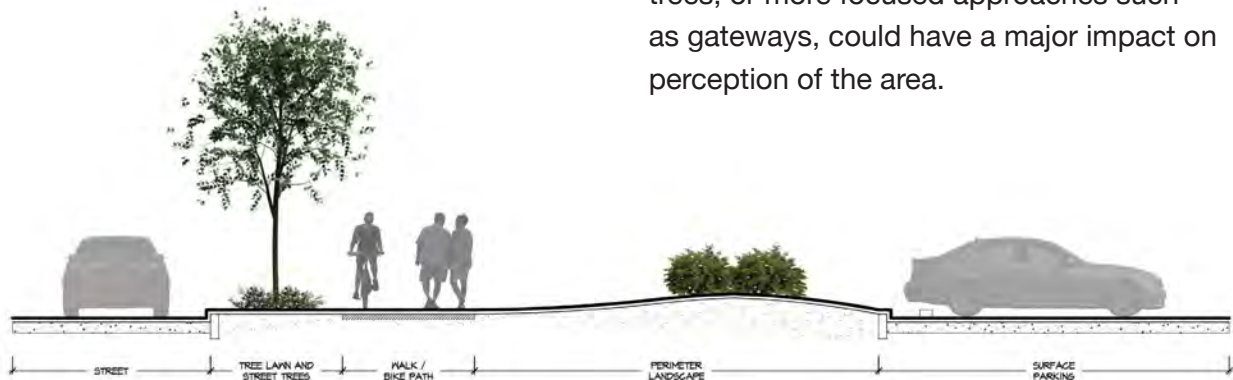
At the Brice Interchange, ODOT has future plans to alter the lane configurations and turning movements to allow better function and nearby site access. This would include some moderate roadway widening. Other opportunities exist to narrow roadways that access interior sites.

### PEDESTRIAN/BICYCLE

While almost every road could use some improvement for pedestrian and bicycle access, those identified would help create a larger network. A prototypical urban design approach to creating these facilities along roadways, while also screening parking, is shown below.

### AESTHETICS

A common complaint heard in stakeholder interviews was the poor appearance of roadways and physical infrastructure. Basic elements such as new curbs and street trees, or more focused approaches such as gateways, could have a major impact on perception of the area.












Site diagram: Proposed prototype pedestrian/bicycle facility and screening for existing parking





Site diagram: Suggested roadway improvement areas

ROAD SEGMENT		ACCESS MANAGEMENT	WIDENING / ROAD DIET	PEDESTRIAN / BICYCLE	AESTHETICS
	Brice Interchange	●	●		
	Brice Road - North of I-70	●	✓	✓	✓
	Brice/Gender - South of I-70	●		●	●
	Livingston Avenue	●		●	●
	Scarborough Boulevard	●	●	●	●
	Tussing Road	●		●	●
	Chantry Drive			●	●
	Alshire Road			●	●
	Park Crescent Drive			●	●

● = NEEDED

✓ = COMPLETED

## 8.0 LAND USE / ZONING ANALYSIS

The overall Brice Trussing study area is approximately 48% residential use by land area. Parks and Recreation / Open Space makes up over 19% of additional land area. This leaves just under 25% of the remaining area for Commercial/Industrial/Office uses, excluding the Vacant and Utility areas.

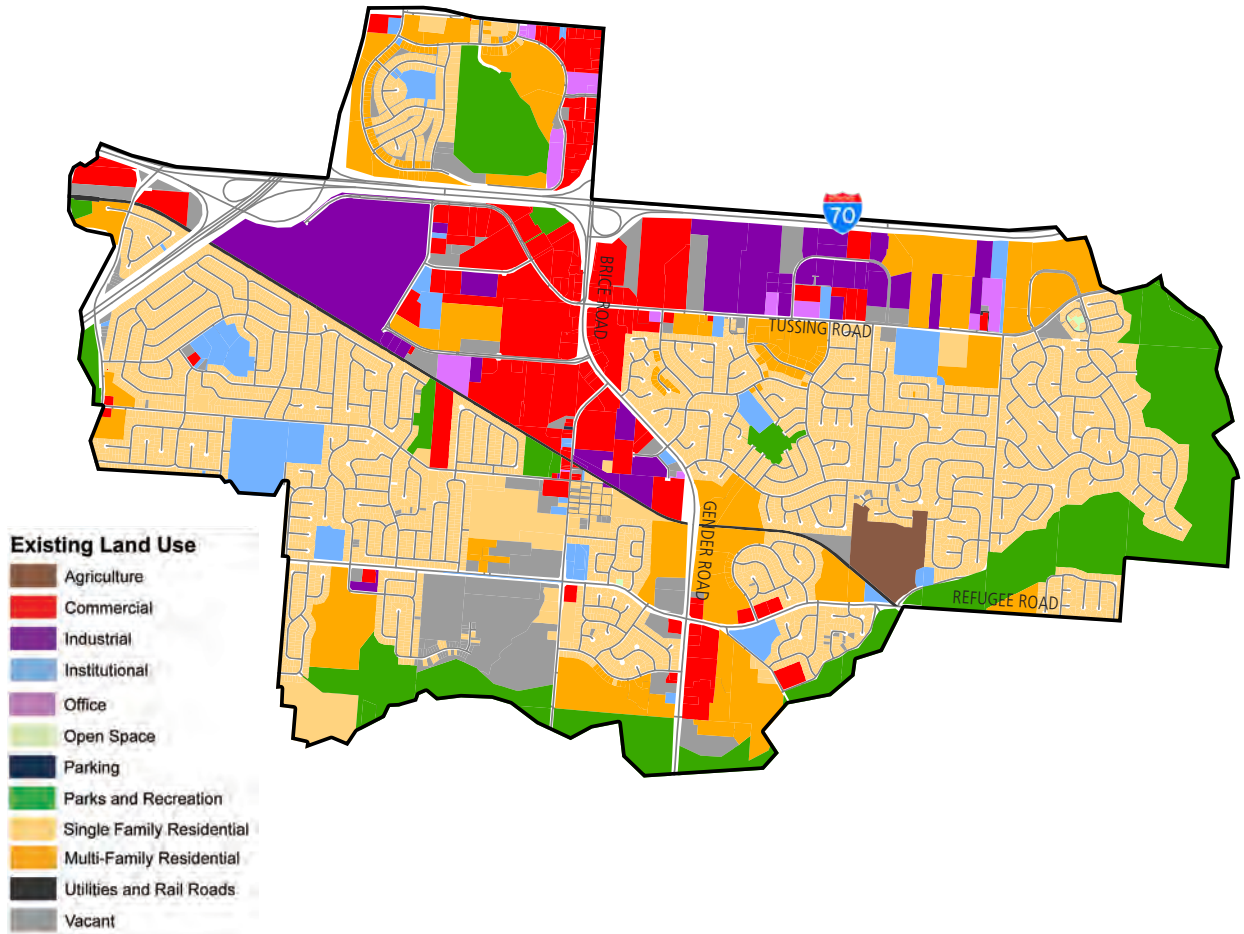
On the surface, this ratio could be sustainable in the case of a regional commercial area situated along a primary transportation corridor, surrounded by neighborhood housing. Brice Tussing seems to fit this criteria, with I-70 bisecting the study area and creating significant traffic generation along Brice Road. When the site characteristics of the land uses are compared with those in the region, however, we find some significant areas of concern regarding current land use and related zoning.

### LAND USE

The Brice Tussing area must be repositioned in the context of the current market conditions and the likelihood of long-term successful land uses. The evolution of development here responded to market demands for retail that were very high at that time. Those demands temporarily outweighed the most logical land use decisions regarding location of retail. Subsequently, regional competition has diminished retail demand at Brice Tussing and uncovered the challenges of retail sites located on the internal roadway network and not visible from the primary travel corridors. This has resulted in an unsustainable retail land use pattern, whereby much of the “interior” retail has failed or struggled over the past two decades. This area has managed to retain some destination uses such as several automobile dealerships and

LAND USE - GENERAL CATEGORIES			
LAND USE	NUMBER OF PARCELS	ACREAGE	% OF TOTAL ACREAGE
Single Family Residential	7,330	1,458.2	35.18%
Parks and Recreation	24	801.7	19.34%
Multi-Family Residential	188	540.7	13.05%
Commercial	154	458.2	11.05%
Industrial	40	306.0	7.38%
Vacant	161	270.7	6.53%
Institutional	57	164.2	3.96%
Utilities and Railroads	7	56.8	1.37%
Agriculture	1	43.3	1.05%
Office	19	39.4	0.95%
Open Space	1	5.3	0.13%
Parking	1	0.2	0.01%
<b>TOTAL</b>	<b>7,983</b>	<b>4,144.7</b>	<b>100.00%</b>

Source: City of Columbus Land Use



Site diagram: Existing Land Use

The Andersons retail store, or the situation would likely be worse.

As a solution, it is likely that some of this retail commercial use will benefit by conversion to other uses. To accommodate this, the city should consider designating areas surrounding the interchange as Regional Mixed Use in future planning studies for the area.

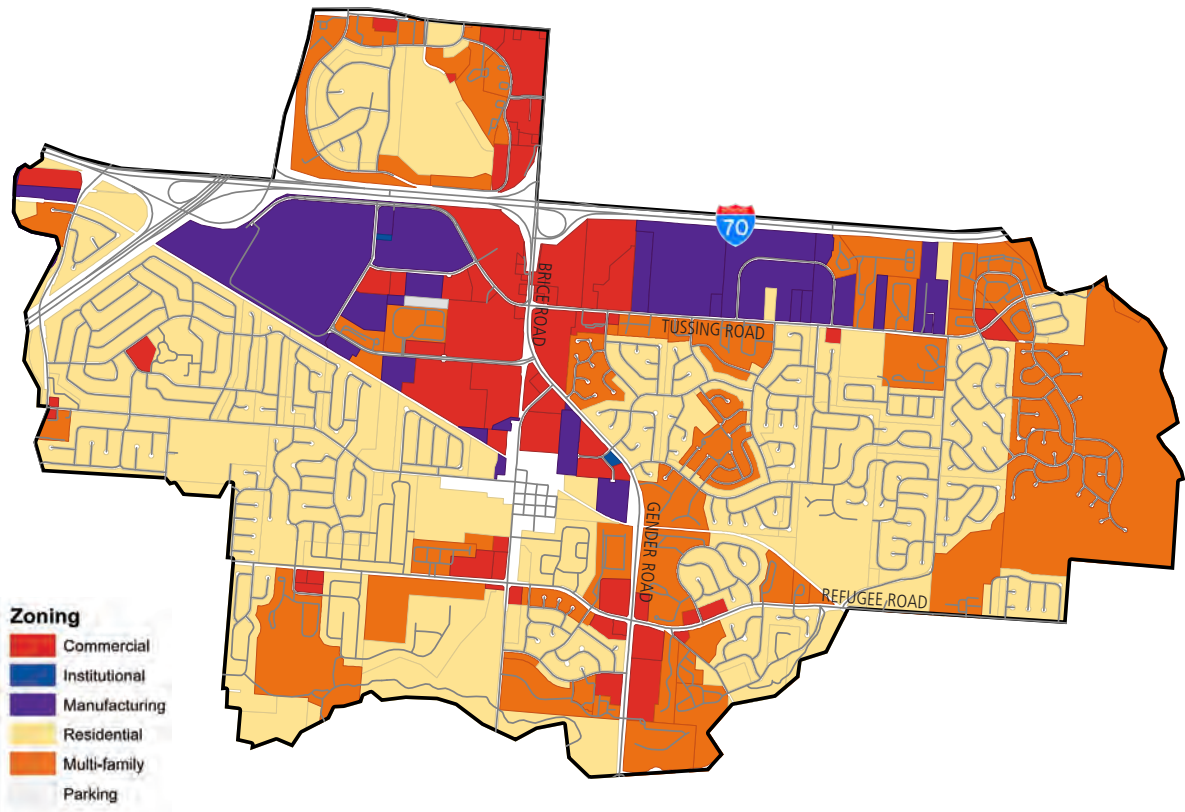
There is also an extremely small percentage of office use in the area. While demand is currently low for office development in the area, the location along a primary transportation corridor positions the area for potential growth in that area, should study area conditions change. The suggested Regional Mixed Use designation would also

allow office use, with the flexibility of other uses while the market develops.

The study area does have some industrial uses, including significant warehouse and light industrial users along Tussing Road. The overall percentage is slightly exaggerated by the large JC Penny distribution site. While it is light industrial in general character, large portions are used as call center, logistics and IT operations. However, the true industrial base in the study area is an opportunity to expand on those uses in creating more balanced land use in the area.

The largest portion of the study area is a mix of single family and multi-family residential. Nearly 20% of the land area is in the Parks

## 8.0 LAND USE / ZONING ANALYSIS (CONT.)



Site diagram: Existing Zoning

and Recreation land use designation, with most of this located at the southern and eastern edges. The area north of I-70 has just become much better served by parkland, with the conversion of the golf course west of Brice into a large recreation area.

### ZONING

The existing zoning for the study area is largely consistent with existing land use. As is typical in the City of Columbus, there are areas that are zoned in a Manufacturing district that have developed with other uses under limitation texts. This has occurred in two specific areas. The first is along Scarborough Boulevard where commercial uses including automotive dealerships and The Andersons store are located. The second is along Tussing where some small-scale commercial uses have emerged.

Achieving a more balanced and sustainable land use pattern may require targeted zoning changes for future redevelopment. Examples include:

- Conversion of freeway frontage to office zoning designations.
- Expansion of light manufacturing/ warehousing in appropriate areas.
- Conversion of poorly located retail commercial uses to alternate zoning categories such as multi-family or light industrial.

These potential changes will occur as redevelopment proposals are brought forward over time, and largely will be dictated by land use designations in future planning efforts. As those designations are made and new project concepts are proposed, zoning can be updated accordingly.

## 9.0 MARKET GUIDELINES

Market-supported opportunities require adequate site considerations to have long-term viability. To attract future development within the study area and be competitive, locally and regionally, it is imperative to address visibility, access and surrounding land issues.

### A. VISIBILITY

In today's competitive retail environment, visibility from arterial roadways is essential to retailers. Few retailers can survive, or will choose to be in an environment with limited visibility. The lack of visibility often has to be offset with increased marketing efforts, typically not affordable to non-chain retailers. And, if a successful regional retailer leaves the space, it is unlikely that another retailer will replace it.

#### LOCAL EXAMPLES:

- former Max & Erma's (2nd store) off Lake Club Drive now a funeral home
- former Godfather's Pizza, now Rachel's Gentlemen's Club
- former Subway in the one-story Channingway Center building, now a hair & nail salon

In several cases in the study area, retail development was built without visibility to

arterial roadway traffic and relied on the traffic generated from big-box retailers (50,000 or more square feet). Once the big-box retailer left the area, traffic was so limited that retailers struggled in the location and many vacated the space and left the area.

#### LOCAL EXAMPLES:

- Chantry Square Shopping Center (adjacent to former Target)
- Scarborough Square Shopping Center (across from former Scarborough Mall)
- former White Castle (adjacent to former Scarborough Mall)

Future retail development must have visibility to high traffic volume (at least an average of 15,000 cars per day). The following arterial roadways identified with the Columbus Thoroughfare Plan (CTP), generally fall under this category.

CTP Arterials suitable candidates for retail development consideration:

- Brice Road
- Livingston Avenue
- Chatterton Road
- Refugee Road
- Gender Road
- Tussing Road



Site Photo: Location of former Max & Erma's



Site Photo: Former Max & Erma's

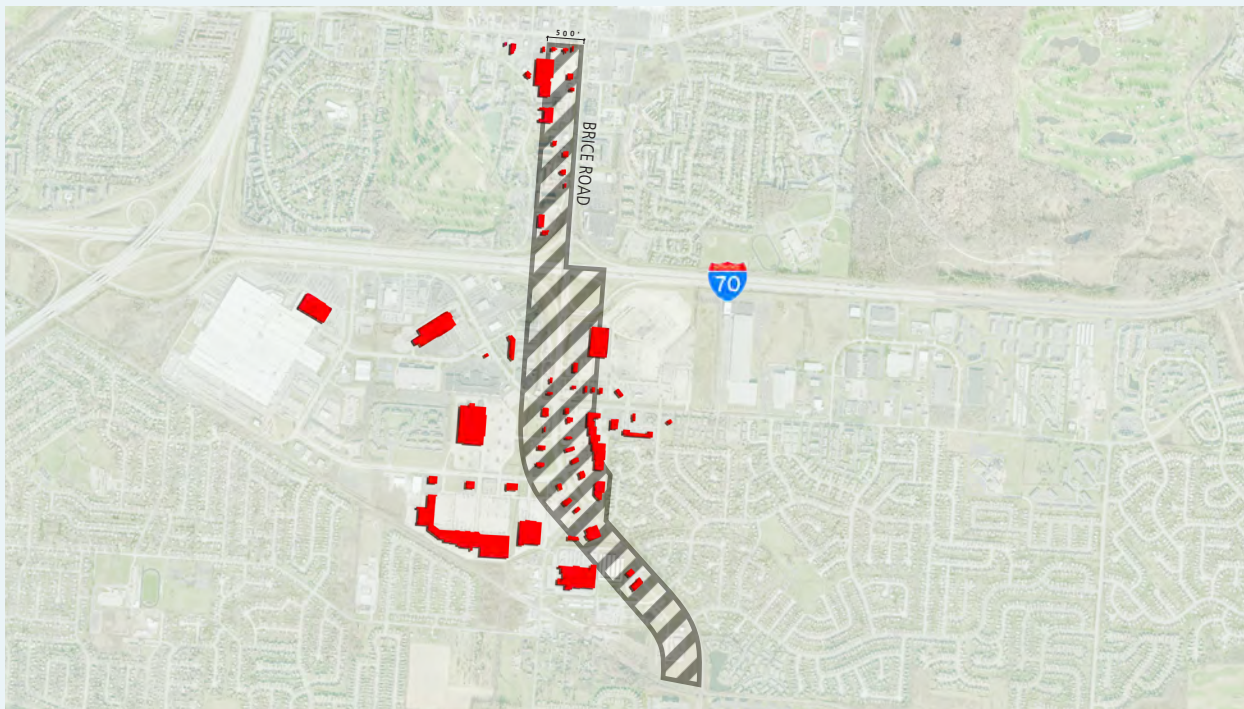
## 9.0 MARKET GUIDELINES (CONT.)

The competitive apartment market, like the retail market, requires sites to have visibility to high volume traffic (at least an average of 10,000 cars per day). This requires the multifamily development to have at least a permanent presence, such as; landscaped signage, along a major roadway. The Brice/ Tussing 1990 Plan also cites the need for limiting multifamily development to major streets to accommodate increased traffic generated by the use.

According to leasing managers of several apartment communities in the study area, which do not have the visibility to a major road, the limited visibility makes it challenging to get enough prospective renter traffic to sustain occupancy levels. Some managers indicated they place temporary rental signs along major roads in the morning and collect them at the end of the day.

### B. ACCESS

Traffic congestion has been well documented and stated by many as the key reason for the decline of the area. During the stakeholder interviews, some area retailers noted that patrons are often dissuaded from visiting them because of the traffic. Visibility from high traffic volume roads is of limited help to businesses if it is difficult to access the site. Unless the roadway system is corrected the congestion will hinder the marketability of the area for future development, especially at the former Consumer Square East site. Ohio Department of Transportation (ODOT) has plans to address access and the traffic congestion problem in the area in the next five to ten years. For more detailed improvements and phasing descriptions see section 6.0 Market Influences - ODOT Far East Freeway project on page 23.



*Hashed area indicates typical "Retail Zone" for successful non-destination retail stores*

## C. SURROUNDING LAND USES

The attractiveness of a site for development can be enhanced by surrounding complementary land uses. Some key complementary land uses by development type include:

**HOTEL** – A restaurant(s) is an essential land use adjacent to a hotel. Other nearby convenience travel services, such as a convenience store and/or gas station also are beneficial area amenities.

**OFFICES** – Office users want more than “good” office space, it is important to have nearby restaurants that can be quickly and easily accessed for their employees and clients. Grocery stores, discount stores and warehouse clubs also are shopped regularly by office employees (source: ICSC).

**MULTIFAMILY** – The next generation of renters (Millennials) are attracted to mixed-use environments, especially housing that is within walking/biking distance to coffee shops, parks, brew pubs, and restaurants and nearby work. A couple of notable local examples of housing development in a mixed-use environment include the replacement of Kmart on Bethel Road with the 325-unit Taylor House and construction of The Lane Apartments across from The Shops on Lane Avenue.

Maximizing the density of housing is important to contributing to the mixed-use environment. The 1990 Brice/Tussing plan recommends that residential densities not exceed 12 to 17.4 units per acre, too low for mixed-use environments. Housing in



Site Photo: Taylor House apartments

suburban mixed-use developments are achieving densities of 30 or more units per acre.

**FLEX/LIGHT INDUSTRIAL** – Access is a more important supporting factor for industrial development. It is not uncommon for industrial users to desire a location remote from population to avoid any future environmental conflicts.

**RETAIL** – Retailers generally want to be by other retailers, typically within the traffic pattern and/or view of an anchor store. Retail strip centers or small neighborhood retail developments isolated from other retail development are the most vulnerable to changes in the marketplace and typically achieve some of the lowest rents, highest vacancies and tenant turnover. Interchange-oriented retail strips centers are the exception.

## 10.0 ADDITIONAL STUDY AREA SITE CONSIDERATIONS

### ADDITIONAL STUDY AREA SITE CONSIDERATIONS

#### STREAM LOCATION

A stream, called Powell Ditch, runs parallel to Brice Road (on its west side, south of I-70) and creates an additional buffer and atypical building setbacks from Brice Road. The stream directly impacts the long-term redevelopment potential of properties on the west side of Brice Road north of Chantry Drive. Several culverts have been installed to traverse the stream, but some land with visibility to Brice Road remains undeveloped. Also other properties north of Scarborough Boulevard have limited access due to the stream. A study of development alternatives along the stream should be undertaken.

#### CRIME

The issue of crime was raised multiple times during our stakeholder interviews as being a deterrent to attracting visitors and businesses to the study area north of I-70. Perceptions, while not always accurate, drive market response. A thorough study of crime in this area is recommended to assess logical steps to address this issue with ways to positively change this perception.

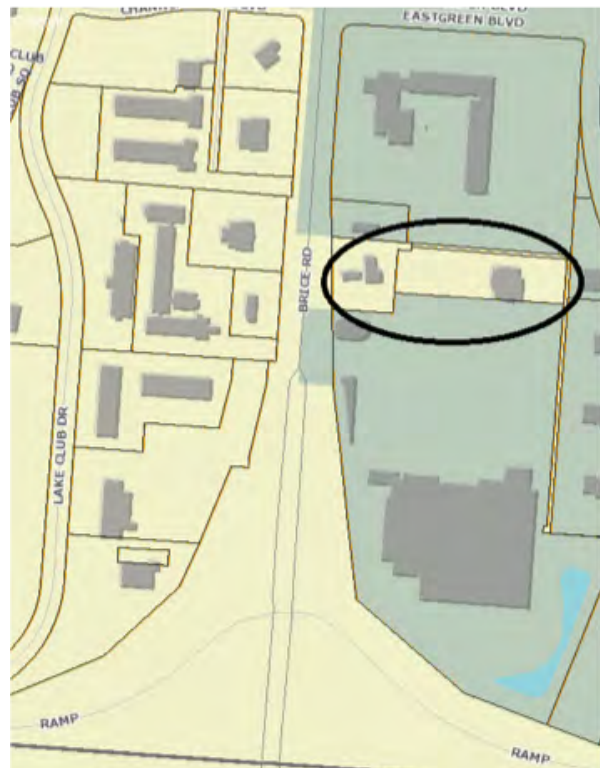
#### COLUMBUS/REYNOLDSBURG COLLABORATION

The City of Reynoldsburg recently completed a Brice Road roadway and sidewalk improvement project. The improvements also extended along the west side of Brice Road in the City of Columbus. More joint city partnership projects and/or planning efforts should be explored to facilitate positive change in the area north of I-70.

#### CONVENIENCE-ORIENTED DEVELOPMENT

Convenience-oriented development, such as a gas station, typically has most value when located on the right side of the roadway, for easiest access by outgoing traffic leading to the interchange exit (typically in the direction of the morning work commute).

The gas station on the east side of the Brice Road north of I-70 can be accessed only by incoming traffic and has been vacant for many years. Demolition of buildings and reuse of the site with updated development standards would contribute to an improved corridor appearance. Additionally, the site is within the City of Columbus corporate limits, but surrounded by the City of Reynoldsburg on three sides (see map). Collaboration between Columbus and Reynoldsburg in addressing the site is warranted.



*Area Circled:  
Parcel #s 010-104476 & 010-104471  
Gray highlighted area is City of Reynoldsburg*



# 11.0 NEAR-TERM MARKET OPPORTUNITIES

The following near-term opportunities represent market-supported development within three to five years based on current market conditions and growth projections. Growth projections for households and employment were derived from Mid-Ohio Regional Planning Commission’s (MORPC) 2040 Land Use Projections which consider the likelihood of development and attractiveness of an area for development (source: 2040 MORPC Forecast Methodology).



Market opportunity: Restaurant reuse

The near-term opportunity scenarios are focused on interchange-oriented development including a hotel and restaurants. Growth is anticipated in the retail, flex/light industrial, and office market to fill vacant space and lower vacancy rates. There is a modest amount of housing projected in the near term to accommodate household growth. Lastly, a market-supported opportunity has been identified for a sports themed development occupying a portion of a failing shopping center.



Market opportunity: Midscale hotel

NEAR TERM MARKET ABSORPTION PROJECTIONS: STUDY AREA			
DEVELOPMENT TYPE	PROJECTED POTENTIAL GROWTH	GROWTH ALLOCATED TO FILL VACANT SPACE	ESTIMATED NEW DEVELOPMENT OPPORTUNITY
Midscale Hotel	70-110 Keys/Guest Rooms	-	70-110 Keys/Guest Rooms
Restaurants/Specialty Food (5-6 businesses)	25,000 SF	11,777 SF	13,223 SF
Specialty, Sports Theme Development	121,110 SF	61,110 SF	60,000 SF Indoor Training Facility
Housing	318 Households	68 Units/Homes	<ul style="list-style-type: none"> <li>• 40-60 Affordable Sr. units</li> <li>• 72-160 Class B Market-Rate Units</li> <li>• Up to 30 Single-Family Homes</li> </ul>
Retail (excluding food & beverage)	20,000 SF	20,000 SF	-
Flex/Light Industrial	40,000 SF	40,000 SF	-
Office	16,500 - 50,000 SF	16,500 - 50,000 SF	-

# 11.1 NEAR-TERM MARKET OPPORTUNITIES - RETAIL

## RETAIL - CURRENT MARKET CONDITIONS

The study area is over-retailed with a retail vacancy rate of 36.4%, more than three times the Greater Columbus rate (9.5%). Within the multi-tenant retail category alone, there is 358,034 square feet of vacant space.

When this vacant space is added to another 270,000 square feet of vacant space in stand-alone buildings, there is a total of 627,810 square feet of vacant retail within the study area.

RETAIL CORRIDOR	MULTI-TENANT SQUARE FEET*	VACANCY RATE	TYPICAL ASKING LEASE RATE (NNN)
Brice-Tussing Study Area	983,432	36.4%	\$10.00
Brice Road (Reynoldsburg)	386,846	19.6%	\$9.00
5900-7100 East Main St.	618,266	8.0%	\$11.00
SR 256	889,059	7.5%	\$18.00
Total Trade Area	2,877,603	19.1%	

\* Does not include stand-alone retail and outparcels

Overall Columbus Market	60.5 million	9.5%	\$11.75
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Source: Colliers International



Site Photo: Existing Brice Tussing Study Area Retail

<b>RETAIL VACANT SPACE BY STORE SIZE: STUDY AREA</b>		
<b>STORE SIZE (SQUARE FEET)</b>	<b>TOTAL SPACES</b>	<b>TOTAL SQUARE FOOTAGE</b>
50,000 and higher (Big Box)	5	436,317
20,000 to 49,999	2	49,100
15,000 to 19,999	2	33,294
5,000 to 14,999	9	55,734
Less than 5,000	22	53,355
Total	40	627,810

### **RETAIL - NEAR-TERM (EXCLUDING FOOD & BEVERAGE)**

There is ample space availability among all store sizes. In the next ten years, demand from household growth alone will ultimately absorb some of today’s current vacant neighborhood scale retail space. This category, however, constitutes less than 10% of the overall vacant retail supply.

Adding conventional shopping center development to the corridor would likely pull tenants out of existing retail centers exacerbating the vacancy issue. The exception to this would be the addition of a destination retailer(s) and/or a mixed use development that is oriented around hospitality and entertainment which would attract visitors/patrons from well beyond the area.

The market for larger vacant retail space, including several big boxes (larger than 50,000 square feet), is limited due to the proliferation of large retailers along SR 256 and East Broad Street. Regionally, the largest share of big box retailers include grocery uses as a component. The grocery market is already accommodated in the B-T study area. Alternative uses of some of the larger vacant spaces should be considered, in particular for those poorly sited for long-term retail success.

### **POTENTIAL ALTERNATIVE REUSE OF EXISTING LARGE RETAIL SPACE**

With significant study area vacancy in large retail spaces, consideration of adaptive reuse is critical. A number of examples of this have been successfully undertaken in other portions of the Central Ohio market.

#### **SPECIALTY SPORTS FACILITY**

Given the high participation rates of sports in the area and the general lack of sports facilities, there is a market for a multi-use facility able to accommodate basketball, volleyball, gymnastics, cheerleading, fitness classes, indoor batting cages, golf simulators, training facilities and other uses. A facility of approximately 72,000 square feet is envisioned incorporating approximately eight to 10 basketball/multi-use courts, locker rooms, concessions and support space.

The indoor sports facility would need to be open year-round for use by both local residents and visitors to the Columbus area. Local utilization would be driven by amateur youth and adult sports organizations, high schools seeking additional practice space, church groups and public park and recreation programs. In addition, the facility

## 11.1 NEAR-TERM MARKET OPPORTUNITIES - RETAIL (CONT.)



*Sports reuse of retail*



*Sports reuse of retail: Elevate Basketball Academy*



*Office reuse of retail: Call center*

would be capable of accommodating a variety of visitor-driven events, including: basketball, volleyball and wrestling tournaments, cheer competitions, gymnastic meets, mixed martial arts and boxing events and other related events.

A local example of this type of reuse is in a portion of Dublin Village Center, in Dublin. Sports-related tenants at Dublin Village Center include baseball, basketball, fencing, wrestling, training, fitness and sports medicine. Participation rates in the Brice-Tussing and Southeast area are also high for some of the same sports that Dublin Village Center accommodates.

One challenge to sports-oriented reuse is the column spacing in the study area's existing vacant space (retail and warehouse). Establishing full sport court venues for uses such as basketball, volleyball and soccer, will require building alterations. Elevate Basketball Academy at Dublin Village Center was accommodated by the developer removing columns and installing steel girders (see photo left). This is a costly retrofit and not a likely scenario for most developers.

**CALL CENTER: REUSE OF RETAIL SPACE**  
One non-retail industry that was indicated as a potential use during the stakeholder interviews was a call center. Retail spaces provide ample parking for this use, which requires much more parking than is typically available at an office building.

The call center industry is continuously growing and the state of Ohio is fifth in the nation in attracting such facilities. Franklin County leads all Ohio Counties in call

# 11.2 NEAR-TERM MARKET OPPORTUNITIES - RESTAURANT

centers. From 2002 to 2012, there was an 80% growth in call center operations in central Ohio. A 2013 survey of call/contact centers done by Deloitte indicates that 77% of such facilities are expected to maintain or grow in size in the next 12-24 months and 36% of organizations are actively or planning to relocate contact center facilities. Based on employment statistics for call centers, it is estimated that approximately one-third of call centers require an estimated 15,000 square feet or more of space.

The area offers a proximate labor force which has a high share of high school graduates (fewer college graduates) and is well served by public transit (COTA). The large open floor plan of a retail space was noted by some stakeholders as a better configuration (than multi-story offices) to manage employees in a call center setting.

## RESTAURANTS/SPECIALTY FOOD - NEAR-TERM

There is a significant deficit of restaurants in the study area, particularly among full-service sit-down restaurants. The large daytime employment base, local resident spending and high volume of visitors accessing the interchange have limited alternatives for full-service restaurants.

Combined with local resident spending, estimated at \$30 million, there is nearly \$50 million in spending on restaurants and drinking places originating from the B-T study area. Much of that spending is leaking over to SR 256. In fact, it is estimated that only 60% of the area’s restaurant spending occurs in restaurants within the B-T study area.

During the course of our interviews, it was noted that it is often difficult to quickly access a restaurant on the heavily traveled SR 256 and return within a one-hour lunch period. So capturing just another 15% of the restaurant spending would support up to an additional 25,000 square feet of restaurants/ specialty food/coffee shops.

Of the 25,000 square feet of potential restaurant growth, approximately half of the restaurant space is anticipated to reoccupy vacant buildings along Brice Road. Absorbing existing retail space with limited visibility and/or accessibility will continue to be a challenge. The recent closing of Hometown Buffet on Chantry Drive is a prime example of this despite general market demand.

RESTAURANT SPENDING IN STUDY AREA		
CONSUMER TYPE	COUNTS	ESTIMATED ANNUAL SPENDING
Daytime employees (2014 est.)	9,182	\$8.8 - \$11 mil
Annual overnight visitors (room nights)	125,000	\$5 - \$6.4 mil
Residents (2014 est.)	32,156	\$30 mil
		TOTAL: \$43.8 - \$47.4 mil

Source: ESRI, Inc, STR, and UDG

## 11.3 NEAR-TERM MARKET OPPORTUNITIES - HOTEL

### MIDSCALE HOTEL - NEAR-TERM

The hospitality industry represents the most significant market opportunity in the study area. The Brice/I-70 interchange generates enormous visitor traffic providing the hotels/motels the benefit of overflow business from larger events throughout Columbus. Lodging operators also noted that a large part of their business is related to the fact that the interchange is the first exit before travelers get to I-270 and the more urban area of Columbus.

The average national lodging occupancy rate is 62.2% according to the American Hotel & Lodging Association (2014 Lodging Industry Profile). By comparing this rate with study area hotel market segments, it indicates a surplus of rooms in the economy category and growth opportunities in the midscale or mid-priced category.

The study area is dominated by economy motels (73.1% of rooms). According to study area operators, the occupancy of the economy scale lodging ranges from 40-50%.

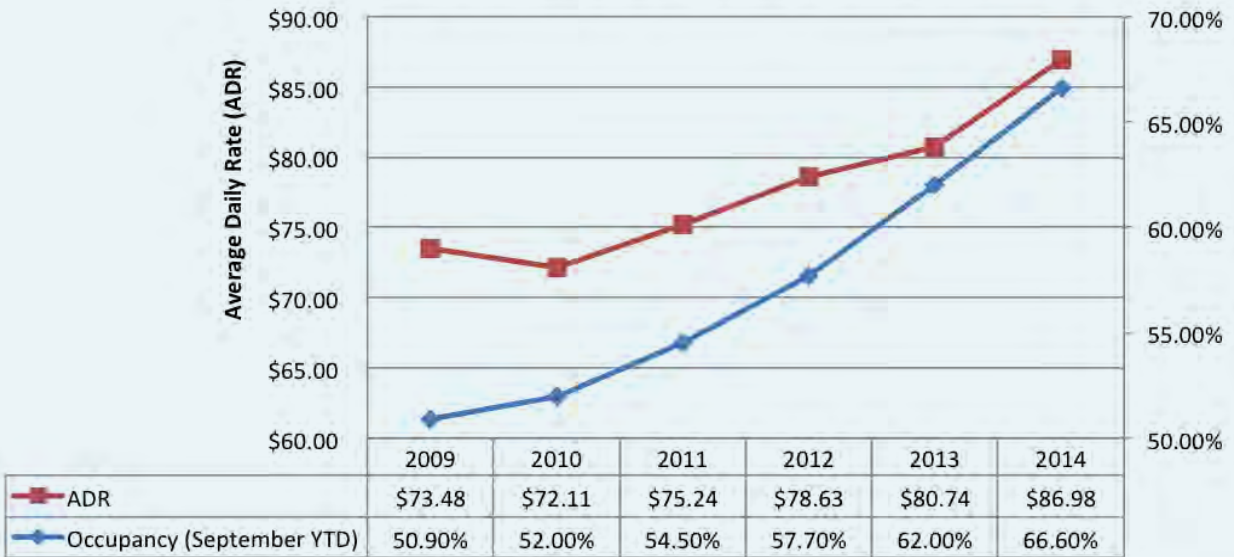
The midscale hotel segment within the competitive trade area along I-70 (SR 256 to Hamilton Avenue) is operating at a high occupancy level (66.6%) and has been trending upward each year since 2009 in occupancy and average daily rates. There are only two midscale or mid-priced hotels in the study area, La Quinta and Comfort Suites East.

In the near-term, there is market potential for a midscale hotel in the study area of 80 to 120 total keys (rooms). Hoteliers place significant importance on siting hotels near traveler services. As such, the hotel site would need adjacent full-service restaurant(s), existing or new.

LODGING MARKET STATISTICS: STUDY AREA / TRADE AREA / GREATER COLUMBUS				
AREA	CHAIN SCALE	TOTAL ROOMS	TYPICAL OCCUPANCY	AVERAGE DAILY RATE (ADR)
B-T Study Area	Economy	508	40% - 50%	< \$60
	Mid-Priced	187	55% - 70%	Up to \$80
Trade Area*	Mid-Priced	708	66.6%	\$86.98
Columbus*	All		61.8%	\$90.14

\* Source: STR

## Mid-Priced Scale Hotel Occupancy and ADR



Market opportunity: Midscale hotel

## 11.4 NEAR-TERM MARKET OPPORTUNITIES - FLEX/INDUSTRIAL

### FLEX/LIGHT INDUSTRIAL - NEAR-TERM

The flex and industrial properties encompass flex space (typically office/warehouse), general industrial and warehouse/distribution space. The asking rents for flex and industrial properties in the study area are comparable to asking rates in the Southeast Trade Area (I-70 corridor stretching from SR 317/ Hamilton Road to SR 310/Etna exit).

The higher vacancy rate of flex and light industrial space in the study area is attributed to the 325,000 square feet available in the recently acquired Kobacker (6606 Tussing Road) building. This building and

the adjacent vacant lot were purchased by an out-of-town investor. Properties along Americana Parkway, many of which are owner-occupied, constitute more than 500,000 square feet of flex and light industrial space. The vacancy rate of property along Americana Parkway is 5%.

A continuation of flex space along Tussing Road was noted by several stakeholders as an opportunity, while others noted concerns that some users were dissuaded by the current traffic congestion at Brice and Tussing Road. Competition is another challenge to development in the study area

AREA	PROPERTIES	TOTAL UNITS	VACANCY RATE	ASKING RENT RANGE
B-T Study Area	31	3.7 mil	11.0%	\$2.00 - \$6.00
Net Kobacker Building	30	3.4 mil	2.8%	
Southeast Trade Area	72	9.2 mil	4.9%	\$1.50 - \$6.00
Greater Columbus		215.2 mil	5.0%	

Source: Trade Area statistics provided by Ruscilli Real Estate Services, Inc.



Site Photo: Existing Brice Tussing Study Area Industrial



as there are 36 vacant land parcels zoned for industrial use within the Trade area alone (source: Ruscilli Real Estate Services, Inc.).

This flex and industrial development category represents one of Columbus' growing market segments. Regional trends show improvements in vacancy rates among all property types. The warehouse/distribution market leads the region in net absorption and occupancy rates.

While this sector is more promising than others, challenges remain. The somewhat low flex/light industrial absorption of 40,000 square feet reflects:

1. Ample supply of industrial sites in the Etna Township and Rickenbacker areas to accommodate future industrial demand.
2. The value of flex/light industrial will not mature until ODOT's planned improvements are completed. The ability to quickly and easily access I-70 is essential to any facility with distribution and warehouse operations.

GREATER COLUMBUS	YEAR-END 2013			1ST QUARTER 2014		
	Net Absorption (SF)	Vacancy Rate	Asking Rent	Net Absorption (SF)	Vacancy Rate	Asking Rent
Property Type						
R&D / Flex	640,394	9.1%	\$5.06	142,272	8.3%	\$5.35
General Industrial	(322,006)	5.0%	\$3.25	152,644	4.8%	\$3.25
Warehouse / Distribution	4,987,481	5.5%	\$2.65	1,464,362	4.7%	\$2.70
	5,305,869	5.8%	\$3.06	1,759,278	5.0%	\$3.10

Source: Colliers International



Site Photo: Existing Brice Tussing Study Area Flex

## 11.5 NEAR-TERM MARKET OPPORTUNITIES - OFFICE

### OFFICE - NEAR-TERM

The office market conditions in the study area are very poor. Nearly half (46.7%) of the area's office space is vacant and prevailing lease rates are below regional Class C asking rents. The Class rating system reflects not only the quality of the office building and its finishes, but the surrounding environment.

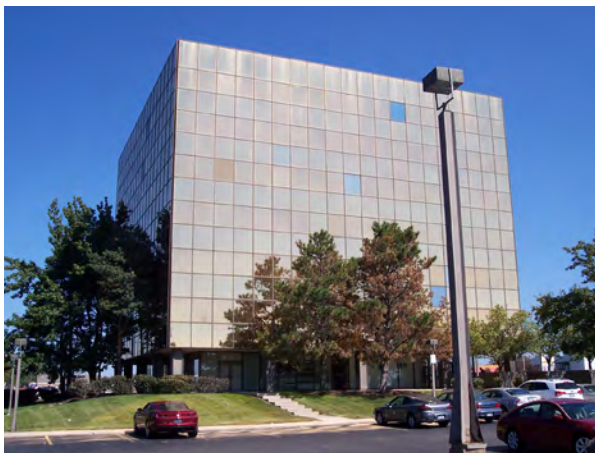
Brokers have noted that the surrounding environment has been a significant contributing factor to the low rents and high vacancies. The vacant rundown restaurants and lack of aesthetic upkeep along Lake Club Drive have been noted as specific factors that have dissuaded users from leasing office space. Property neglect has also bolstered the perception of crime in the area.

Based on MORPC employment projections, there will be an average growth of 66 office jobs every five years through 2040. Based on a ratio of 1 employee per 250 square feet of office space there will be support for 16,500 total square feet of office space in the near term. The high end demand projection of 50,000 square feet of office space will occur if the office building at 2323 Lake Club Drive gets 85% of its space leased. This scenario would likely require the building to become available to multiple tenants (currently listed for one user).

Office development is often one of the later phases in a redevelopment scenario because it is more dependent on an attractive amenity-rich environment. Any near-term gains in office-related employment in the study area are expected to be absorbed within the existing office space.

OFFICE MARKET CONDITIONS			
AREA	TOTAL SQUARE FEET	VACANCY RATE	ASKING RENT
B-T Study Area	226,594	46.7%	\$11 Gross
East Submarket	3,869,477	13.3%	\$15.61 - B Class
Central Ohio	62,843,132	9.6%	\$16.36 - B Class
			\$13.39 - C Class

Source: Colliers International



Site Photo: Existing Brice Tussing Study Area Office



# 11.6 NEAR-TERM MARKET OPPORTUNITIES - RENTAL HOUSING

## RENTAL HOUSING - NEAR-TERM

The rental housing market in Central Ohio is strong, and the study area is no exception with a vacancy rate of 4.9% for the Southeast Trade or Market Area (4.4% citywide). However, the study area rents are relatively low making it a challenge to justify the acquisition of land and the cost of a new rental development with much higher rents. Also, based on our interview with local apartment developers, there are so many apartment sites under consideration throughout Central Ohio that the study area appears to be low on the list of potential building sites.

Nonetheless, there are a few sites that are zoned for multifamily development and in some cases appear to be a phase of an

existing development. An estimated 72 to 160 of Class B market-rate units are projected for the study area in the near term.

From 2014 through 2019, Nielsen, an international consumer researcher and demographer, projects an increase of 101 senior renter households in the study area (age 62 and older) with incomes below \$30,000. A potential opportunity exists for an affordable senior housing development using the Low-Income Housing Tax Credit (LIHTC) program.

Activity among new for-sale housing subdivisions is limited to one development, Trails of Chatterton East. An estimated 700+ existing single-family homes in the study area are being rented.

### RENTAL HOUSING MARKET CONDITIONS: STUDY AREA / SOUTHEAST MARKET AREA / COLUMBUS MSA

AREA	PROPERTIES	TOTAL UNITS	VACANCY RATE	EFFECTIVE RENT
B-T Study Area	30	5,599	6.4%	\$692
Market Area	78	16,944	4.9%	\$737
Columbus MSA*			4.4%	\$716

\* Red Capital Group & Reis, Inc.

Note: The Effective Rent is the average rent among all bedroom types inclusive of concessions



Site Photo: Existing Brice Tussing Study Area Residential

## 12.0 LONG-TERM MARKET OPPORTUNITIES

<b>LONG-TERM MARKET ABSORPTION PROJECTIONS BY DEVELOPMENT TYPE: STUDY AREA</b>			
<b>DEVELOPMENT TYPE</b>	<b>ABSORPTION PROJECTION BY SCENARIO</b>		
	<b>CONSERVATIVE</b>	<b>MODERATE</b>	<b>AGGRESSIVE</b>
Retail	40,000 SF	50,000 SF	60,000 SF
Housing	636 Units/Homes	834 Units/Homes	1,032 Units/Homes
Flex/Light Industrial	80,000 SF	150,000 SF	215,000 SF
Office	35,000 - 66,500 SF	102,500 SF	170,000 SF

Long-term opportunities represent development absorption projections over a ten-year period. The projections are identified under three scenarios: Conservative, Moderate and Aggressive.

The absorption rates reflect the amount of added development usage over current conditions. Due to the large amount of existing vacancy, much of this absorption will occur within existing buildings rather than as new construction.

### CONSERVATIVE ABSORPTION PROJECTION

The study utilizes the long-term growth projections for households and employment for the area from MORPC's 2040 Land Use Projections to develop the conservative absorption forecast. These projections are based on trends from 2010 and the area's current likelihood of development and attractiveness.

The following key demand multipliers were applied to MORPC's projections to yield the 10-year growth projection.

- The projected retail square footage is based on a ratio of 60 square feet of retail space per additional household.
- The projected office square footage is based on a ratio of one office

employee per 250 square feet.

- The projected flex/light industrial space is based on a ratio of one industrial job and one "other" job per 500 square feet.

### MODERATE ABSORPTION PROJECTION

The moderate scenario projections are the mid-point or average between the conservative and aggressive projection scenarios.

### AGGRESSIVE ABSORPTION PROJECTION

The aggressive absorption projections incorporate the development potential totals of three key opportunity sites within the study area in addition to MORPC's projected growth. These opportunity sites were chosen by the consultant team to formulate a concept scenario that includes near-term market-supported opportunities as well as long-term opportunities to activate other uses on each site. The long-term scenarios, while not currently supported by the market, create an environment conducive to a variety of future development types.

The three opportunity sites are Consumer Square East, Chantry Square and the northwest corner of the Brice/I-70 interchange, referred to as Northwest Brice/I-70 (see map on following page).

# 13.0 OPPORTUNITY SITE STUDIES



Opportunity Sites Context Map

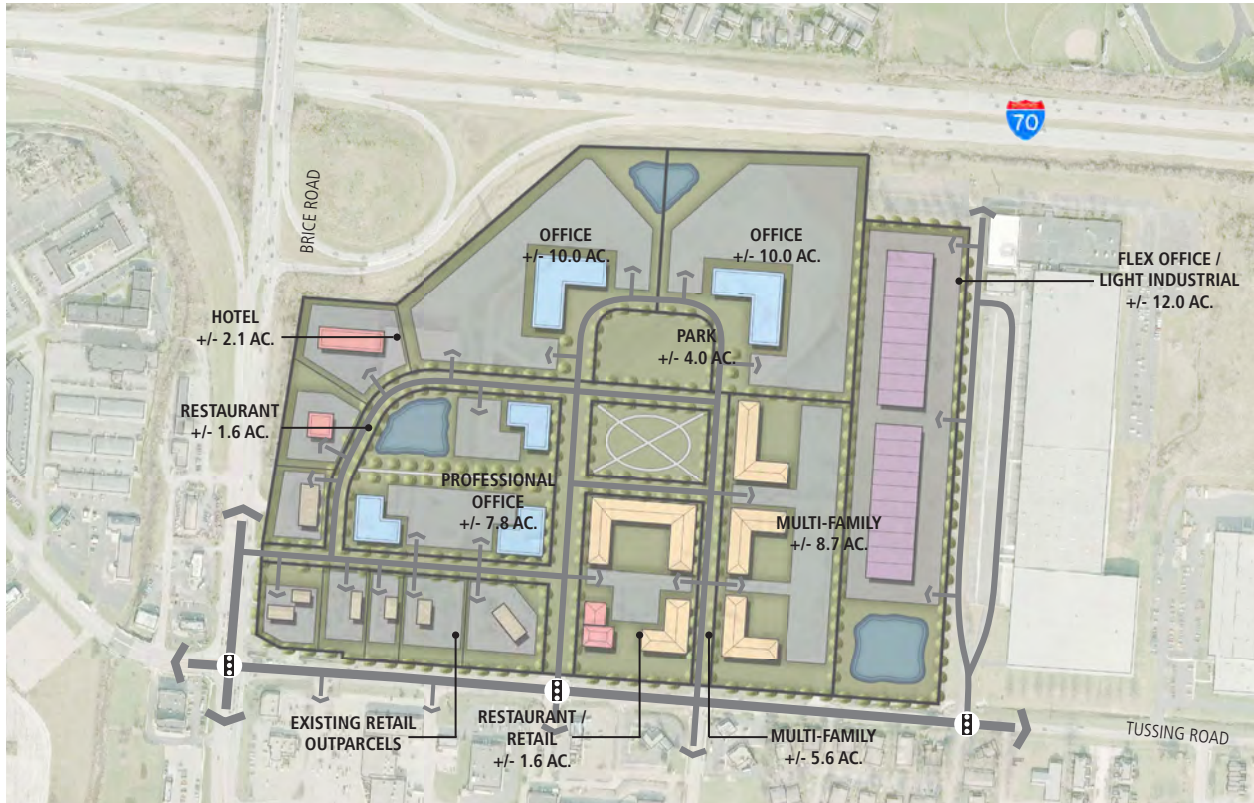
## 13.1 OPPORTUNITY SITE STUDY - CONSUMER SQUARE EAST

### CONSUMER SQUARE EAST

The Consumer Square site cannot fully be redeveloped until ODOT improves the Brice Road interchange and more importantly the Brice-Tussing intersection. The site currently cannot draw high volumes of traffic until these improvements are made. For this reason, two phases for Consumer Square have been outlined based on the timing of ODOT’s planned I-70 Brice Interchange improvements, The first is labeled as “Near Term (Pre-Interchange Update)” and could take place over the next 5-7 years. The second is labeled “Long-Term (Post-Interchange Update)” and is unlikely to occur before 2021 or later. Based on the recommended scenario, a Regional Mixed-Use land use designation may be appropriate for this site as planning efforts evolve in the area.



CONSUMER SQUARE EAST: NEAR-TERM (PRE-INTERCHANGE UPDATE SCENARIO)			
LAND USE	SITE USAGE (APPROX.)	PROPOSED DEVELOPMENT	NOTES
Restaurant	1.6 Acres	5,000 SF	The hospitality/restaurant development can tap into a strong lodging market, high visitor counts and a daytime employment base that will bolster restaurant sales. Freeway visibility was a key factor in the placement of these uses.
Hotel	2.1 Acres	105 keys/ rooms	
Green Space (interim)	TBD	-	It is recommended that the central portion of the site be improved in the interim as attractive green space adjacent to the hospitality development.
Flex/Light Industrial	12.0 Acres	150,000 SF	While build-out of this use will take years, the market supports a continuation of the flex/light industrial properties along the eastern edge of the Consumer Site. It is expected that the development will include a mix of owner-occupied and leased facilities.
Other	-	-	It is recommended that a traffic signal be considered at the entrance to this development area on Tussing Road (800’+ feet from next traffic lights) to allow for left turn access into the development. The plan also links the infrastructure (roadway/parking area) of the adjacent Kobacker development to improve access of the distribution operations of this facility.



Site Diagram: Consumer Square East potential redevelopment plan

<b>CONSUMER SQUARE EAST: LONG-TERM (POST-INTERCHANGE UPDATE SCENARIO)</b>			
<b>LAND USE</b>	<b>SITE USAGE (APPROX.)</b>	<b>PROPOSED DEVELOPMENT</b>	<b>NOTES</b>
Restaurant	1.6 Acres	5,000 SF	Next to the multifamily development, a small-scale retail/restaurant establishment is recommended with frontage along Tussing Road and the main entrance to the development.
Office	20.0 Acres	110,000 SF	The remaining northern portion of Consumer Square has significant freeway frontage and visibility that can accommodate corporate offices.
Professional Office	7.8 Acres	48,000 SF	The west section of office is envisioned for smaller-scale professional/medical uses, developed at one-story.
Multi-Family Housing	14.3 Acres / 396 units	-	Multifamily housing extends into the center of the site from Tussing Road.
Green Space	4.1 Acres	-	The remaining portion of the property is developed as walkable green space which will serve as an amenity connecting all of the surrounding development.
Other	-	-	Only one of the two potential offices were considered in the 10-year projection. A portion of the space reserved for office development could potentially be developed with a destination/regional retailer instead of office space.

## 13.2 OPPORTUNITY SITE STUDY - CHANTRY SQUARE

### CHANTRY SQUARE

#### SPORTS THEME REPOSITIONING

The Chantry Square Shopping Center does not have the basic site characteristics of a viable retail center. Principally, there is no visibility of the site from Brice Road and Chantry Drive has limited traffic volume. The redevelopment of this center will have to include non-retail uses.

Given the high participation rates of sports in the area and the general lack of sports facilities, we have focused redevelopment of the center as a sports village.

A proposed re-use opportunity for the Brice-Tussing area involves the development of a new, indoor sports complex. The multi-use facility would be able to accommodate basketball, volleyball, gymnastics, cheerleading, fitness classes, indoor batting cages, golf simulators, training facilities and other physical activities.

The concept presented as part of this analysis incorporates the existing HomeTown Buffet building in the Chantry Square outlet. This building would be redeveloped as the support space for the attached court space, housing the offices, locker/rest rooms and concession spaces. The construction of the court space itself could take a variety of forms, ranging from high tensile fabric-framed construction to a pre-engineered metal building, depending on the overall design and project budget.

The indoor sports facility would be open year-round for use by both local residents and visitors to the Columbus area. Local utilization would largely be driven by local amateur youth and adult sports organizations, high schools seeking additional practice space, church groups and public park and recreation programs. In addition, the facility would be capable of accommodating a variety of visitor-driven events, including basketball, volleyball



Alliant University Sports Complex; Source: Davy Architecture





Site Diagram: Chantry Square potential redevelopment plan

<b>CHANTRY SQUARE: NEAR-TERM</b>			
<b>LAND USE</b>	<b>SITE USAGE (APPROX.)</b>	<b>PROPOSED DEVELOPMENT</b>	<b>NOTES</b>
Multi-Use Sports Facility	6.5 Acres	72,000 SF	Preliminary conceptual plans include a facility that would incorporate approximately eight to 10 basketball/multi-use courts, locker rooms, concessions and support space.

and wrestling tournaments, cheer competitions, gymnastic meets, mixed martial arts and boxing events and other related events. These events would likely draw a significant number of users from outside the immediate Columbus area, generating new economic impact through spending at local hotels, restaurants and retail outlets.

While preliminary discussions have been held with potential operating partners for the proposed facility, it is important to note that these discussions have been general in nature, focusing on the potential demand for such a facility and the revenues and expenses associated with operating such a complex. Any potential entity interested in this component of the development plan would likely require some level of additional equity, mezzanine financing or public incentive assistance to make the project viable.

# 13.3 OPPORTUNITY NORTHWEST BRICE / I-70

## NORTHWEST BRICE / I-70

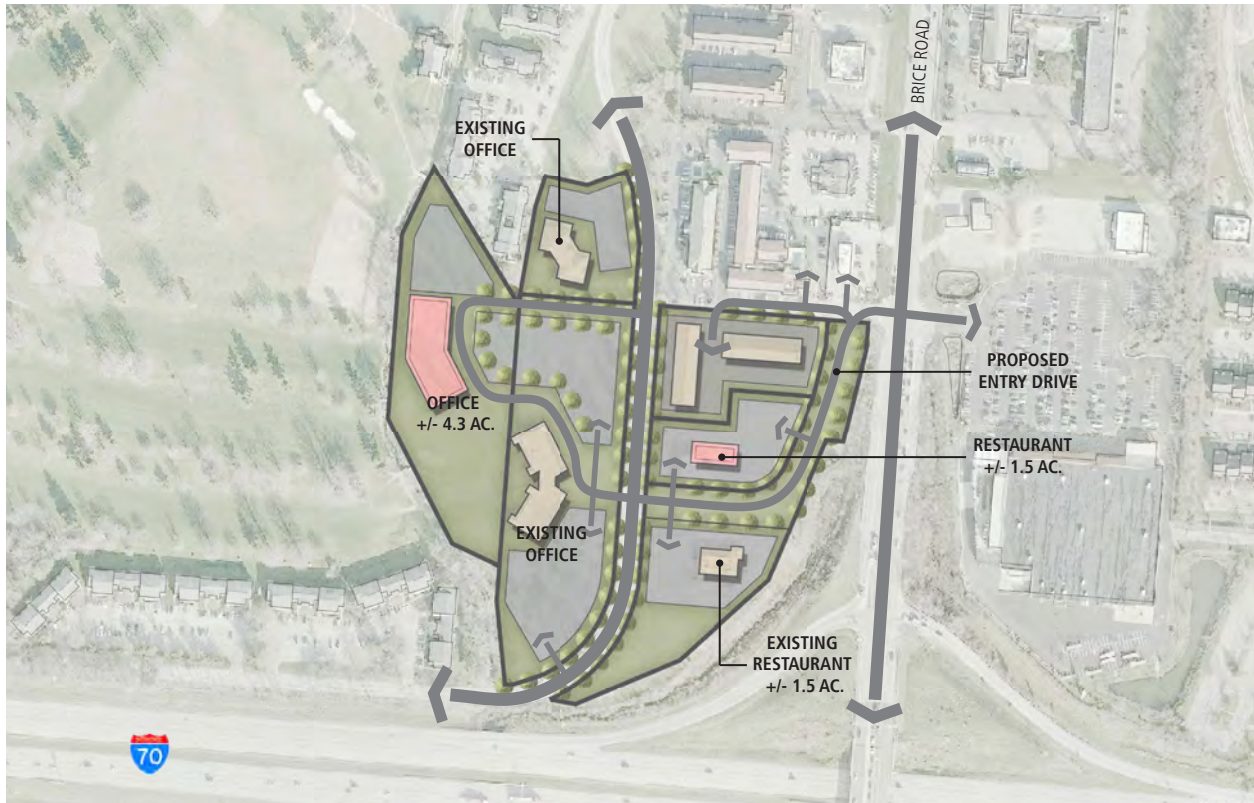
The near term opportunity for NW Brice/I-70 is redevelopment of significantly under-performing freeway access sites. The concept encourages reuse of the restaurant sites and expansion of office uses. This occurs in the context of a greatly

improved roadway access network. In particular, a new access road activates the office development along Lake Club Drive and creates new office development opportunities. Site visibility and recent improvements to Brice Road make this a likely near-term opportunity area.

NORTHWEST BRICE / I-70: NEAR-TERM			
LAND USE	SITE USAGE (APPROX.)	PROPOSED DEVELOPMENT	NOTES
Restaurant	1.5 Acres	5,000 SF new	The former Bob Evans restaurant is in fairly good condition and has some of the best interchange visibility, especially once some of the overgrown brush is removed. The conceptual plan removes the former Chi Chis and replaces it with another restaurant and an access road to Lake Club Drive. The Chi Chis restaurant is considered very large in the restaurant industry (more than 10,000 square feet) and there are few restaurants that can use such a large space. Also, the building has been vandalized and is in a general state of disrepair. Freeway visibility was a key factor in the placement of these uses.
	1.5 Acres	5,710 SF reuse	



Site Photo: Existing vacant restaurant sites



Site Diagram: Northwest Brice / I-70 potential redevelopment plan

<b>NORTHWEST BRICE / I-70: LONG-TERM</b>			
<b>LAND USE</b>	<b>SITE USAGE (APPROX.)</b>	<b>PROPOSED DEVELOPMENT</b>	<b>NOTES</b>
Office Campus	4.3 Acres	42,000 SF new	The improvement of the immediate area, in the new access and development, creates an attractive environment for office tenants. The concept plan expands office development farther west, taking advantage of the proximity of the Walnut Hills Park setting. The new proposed road will greatly improve access to the existing office buildings which are now indirectly accessed from Channingway Boulevard.
	6.6 Acres	83,500 SF reuse	

## 14.0 INCENTIVES REVIEW

Financial incentives often play a critical role in implementing economic development initiatives in a targeted area, such as the Brice-Tussing Study Area (BTSA). As part of this analysis, a review of the existing commercial and residential development incentive programs currently offered by the City of Columbus has been prepared, including a review of each program’s effectiveness and participation in the study area. In addition, a set of recommendations to improve the existing offerings or add new incentive programs has been included for the City’s consideration.

### EXISTING INCENTIVE PROGRAMS - CITY OF COLUMBUS

Commercial and residential developers interested in projects located in Columbus are able to access a wide variety of development incentive programs through the City’s Economic Development Division. The City currently offers a strong array of incentives, providing a competitive “tool box” for developers to consider when evaluating development opportunities. The following table summarizes the existing City of Columbus financial incentives. This analysis focuses primarily on the incentive

**Brice-Tussing Study Area  
Summary of Primary City of Columbus Financial Incentives**

Incentive	Notes
<b>Commercial Development Incentives</b>	
Jobs Growth	Cash payment of 15% to 25% of local income taxes, up to 5 years - Outside Downtown only
Job Creation Tax Credits	Tax credit, percentage of City income tax withholdings for new employees - Requires State Credit
Enterprise Zone	Tax abatement up to 75% for up to 10 years for investment in new/improvements to existing buildings
Community Reinvestment Area (CRA)	Abatement of up to 100% on new property taxes for 15 years
Capital Improvement Funds	Grant or loan for right-of-way improvements for commercial projects
Business Development Loan Fund	Loan up to \$200,000 for real estate/large equipment acquisition
Working Capital Loan Fund	Loan up to \$50,000/year for five years for business operating costs
NCR Investment Fund	Loan up to \$200,000 for fixed asset acquisition within Neighborhood Commercial Revitalization district
NCR Commercial Investment Fund	Loan up to \$25,000 for exterior renovation of real property within NCR district
NCR Façade Renovation Fund	Zero percent interest loans, up to \$7,500, for exterior renovation within NCR district
Storefront Renovation Grant	Grants to assist in storefront renovation within NCR district
<b>Commercial/Residential Incentives</b>	
Land Bank	Program that enables City to acquire property to be used for future development/redevelopment
Tax Increment Financing	Program to capture property tax increment with new development, funds infrastructure improvements
Green Columbus Fund	Grant up to \$200,000 per project, funds to assist in sustainable development/redevelopment
<b>Residential Specific Incentive Programs</b>	
Neighborhood Improvement District (NID)	Program provides 100% tax abatement to assist in designated NIDs
Vacant Property Redevelopment (VPR)	Loan/Grant program to redevelop residential properties within designated NIDs/CRA
Rental Housing Production and Preservation	Loan/Grant program for affordable multi-family housing projects
Home Ownership Development Program	Provides forgivable gap financing loan up to \$40,000 for affordable for-sale housing in NID/CRA

**Notes:**

Applicable to BTSA currently

Requires BTSA to be designated special district

List is not all-inclusive, but omits incentives specific to downtown / central city

programs offered and managed by the City of Columbus. It is important to note that there are also a variety of incentive programs offered at the County, State and Federal levels to assist in encouraging redevelopment in Brice-Tussing.

Several programs offered by the City could be immediately applied to proposed development projects in the BTSA, including:

- Jobs Growth Incentive
- Job Creation Tax Credits
- Capital Improvement Grants/Loans
- Business Development Loan Fund
- Working Capital Loan Fund
- Land Bank
- Green Columbus Fund

However, several of the City's programs would require the BTSA to be designated as either a Community Reinvestment Area (CRA), Neighborhood Commercial Revitalization (NCR) district, Tax Increment Financing (TIF) district, or a Neighborhood Improvement District (NID). As the City considers the future of the BTSA, it will be important to consider the benefits, impacts and costs of such designation.

#### HISTORICAL BRICE-TUSSING INCENTIVE PROGRAM PARTICIPATION

Throughout the City, these incentives have played a key role in achieving the City's development and redevelopment goals, particularly in areas such as the Downtown core, Short North, German Village and others. While many of the programs offered by the City may be applied to potential development projects in the BTSA, historical participation in the BTSA has been minimal, with only one

development project taking advantage of the City's incentives. This is due in part to the overall lack of developer interest in the BTSA, as discussed throughout previous sections of this report.

In recent years, only the Daifuku America plant expansion, located at 7600 Tussing Road, has qualified for the City's development incentives. Daifuku invested approximately \$3.0 million in their facility, creating approximately 80 new jobs with an average salary of approximately \$67,000. With this level of investment, the project qualified under the Jobs Growth Incentive program for a cash payment of 25 percent of local income tax withholdings for a five year period. In addition, the project required approximately \$445,000 in infrastructure improvements funded by the City of Columbus (\$138,000), Ohio Development Services Agency (\$150,000), Ohio Department of Transportation (\$118,000) and Daifuku (\$40,000).

The Brice-Tussing Study Area (BTSA) is currently included in a designated Enterprise Zone, which allows for exemptions of up to 75 percent of new real and, if applicable, personal property tax generated for eligible capital investments for 10 years. In order to qualify for these exemptions, eligible businesses invest in building construction or major capital improvements to existing land and buildings within the designated Zone. While the BTSA is designated as an Enterprise Zone, to date, no development projects have qualified for the incentive offered through this program.

## 14.0 INCENTIVES REVIEW (CONT.)

### RECOMMENDATIONS

While historical usage of incentives in the BTSA has been limited, with the opportunity sites identified herein and the proposed focus on redevelopment in the area, the City has the opportunity to utilize the existing programs to make development in the BTSA more attractive and viable going forward. In addition, potential new programs not currently utilized by the City have been identified and summarized below.

#### DESIGNATION OF BTSA AS “SPECIAL DEVELOPMENT AREA”

In order to encourage increased developer interest, it would be helpful to designate the BTSA as a special development area expanding the types of incentives that could be utilized. The City has several options when considering the most appropriate such designation. Based on the types of development identified in the market analysis section of this report, it is recommended that the BTSA be designated as a Community Reinvestment Area. As this program involves an abatement of up to 100 percent of new property taxes generated for 15 years, there would be minimal additional cost to the City.

#### ESTABLISH BTSA AS TAX INCREMENT FINANCING DISTRICT

As the BTSA is in need of significant infrastructure improvements to address traffic congestion and make the area more attractive from a development perspective, the City may consider designating the BTSA as a Tax Increment Financing (TIF) District. With such a designation, the City would be able to capture incremental increases in assessed property valuation to fund public

infrastructure improvements within the district. The City would be required to enact legislation that defines the area and the anticipated use of funds, and would also need to secure approval from the County and the affected School Board(s).

#### STREAMLINE INCENTIVE APPLICATION AND APPROVAL PROCESS

Discussions with various stakeholders indicated that while the City’s incentive programs are generally competitive with surrounding municipalities and areas, the application and approval process with the City is more cumbersome and time consuming than other municipalities. In many instances, developers are driven by the “time is money” adage, and will choose a location at least in part on the timeliness of the overall development process. It is recommended that the City review the overall application, review and approval process in detail and identify areas that can be made more efficient, reducing the overall time needed to secure incentive approvals.

#### DESIGN ASSISTANCE PROGRAM

The BTSA, like the larger Columbus area and metro areas around the country, has a significant amount of vacant retail and office space. This presents a challenge to prospective developers or businesses in envisioning the potential opportunities to re-use these existing spaces. In order to assist in this process, the City may consider establishing a Design Assistance Program that would provide preliminary architectural visioning services, either at a sharply subsidized cost or no cost to the developer. This process would provide developers

with a clearer preliminary concept of the potential of a property to meet their needs. Funding for such a program could come from revenues generated through the establishment of a BTSA Improvement District, administered through the City or through a separate entity comprised of business owners located within the BTSA.

#### NON-PROPERTY TAX TIF PROGRAMS

While the State of Ohio currently allows municipalities to establish TIF districts based on increased property tax collections, several municipalities across the nation have utilized non-property tax revenues to assist in development initiatives. These programs typically capture incremental sales tax or local income tax revenues, with the funds generated used for designated public improvements to enhance the overall development initiative. Examples of such programs include, but are not limited to:

- Certified Technology Park (CTP) – Indiana – the Indiana CTP program was established to encourage the attraction and growth of high-technology businesses to Indiana. Designation as a CTP allows for the capture of incremental sales and income taxes generated within the designated geographic area, with those funds used for development of the CTP. Designation as a CTP requires specific criteria, including the monetary or in-kind participation of an accredited institution of higher education and specification of the types of businesses eligible to locate within the CTP. Establishing such a program the City of Columbus would require approval from the State of Ohio.

However, such a program may enable the City to designate a portion of the BTSA as a CTP, potentially driving interest from developers and businesses within the technology industry.

- Sales Tax TIF – several states and municipalities around the country allow for the establishment of a specific local option sales tax that is designated for economic development projects. The State of Texas has implemented one of the largest and most successful sales tax TIF programs, with the Texas Economic Development Sales Tax program. This program allows communities to impose a local option economic development sales tax of up to one percent, subject to a maximum local option sales tax of two percent. The revenues generated through the specific economic development sales tax are utilized to assist in the acquisition, development and construction of manufacturing and industrial properties as well as public amenities, such as arenas, ballparks and other assembly venues. The State of Ohio currently limits local option sales taxes to the County level. However, a legislative change could allow cities to establish such local taxes for these types of uses.

These are just two examples of alternatives to the traditional property tax TIF program currently available in the City. While uses and revenue sources vary, these programs can offer another valuable tool for municipalities seeking targeted development initiatives.

## 14.0 INCENTIVES REVIEW (CONT.)

### LAND BANK

The City of Columbus currently has a land bank program that could be utilized to encourage new, private development in the BTSA. For instance, the City could acquire a key site to better position it for redevelopment. While the City may maintain ownership, the site could be leased to a private user that addresses a key redevelopment objective. This structure has been used in numerous instances around the country to lower the development cost of public- and private-use projects while minimizing the financial exposure to the municipality. The City maintains ownership of an asset in the form of the land itself. It is important to note that funding would need to be allocated by the city to utilize the Land Bank in this capacity. At this time no such funding is available or anticipated.

### RECOMMENDATIONS SUMMARY

The City of Columbus, in conjunction with State and Federal entities, offers

a comprehensive set of development incentives to encourage development throughout the City. While these programs are largely available City-wide, some programs require special designation of an area for incentives to be applicable. Given the general apathy for new development in the Brice-Tussing Study Area, it will be important for the City to consider strategies to further incentivize development. These include designation of the area as a Community Reinvestment Area or a Tax Increment Financing district. Such designation would signal the City's interest in encouraging development in the BTSA.

While the City's incentive programs address many potential needs of the development community, we have identified a number of programmatic recommendations intended to better position the area to attract investment. These include, but are not limited to those outlined in the table below.

INCENTIVES REVIEW: RECOMMENDATIONS SUMMARY	
ACTION STRATEGY	NOTES
Streamlined Application and Approval for Incentives	To better compete with neighboring municipalities, the City should review its incentive application, review and approval process to reduce the timeline for developers to receive approval of incentives.
Interior Design Assistance Program	To assist potential developers with conceptualizing possible re-uses of existing big box and other vacant retail space, the City may consider establishing a grant or low cost loan program that provides for preliminary architectural design work for eligible projects.
Land Bank	While the City currently utilizes a land bank to acquire property, the program has not been utilized in the BTSA. By identifying specific projects and properties, the City may be able to encourage development by reducing the overall project costs for certain projects.
Non-Property Tax TIF Districts	Municipalities around the country capitalize on alternative tax increment financing sources to encourage development. While any such programs would require legislative approval to be implemented, these programs offer alternatives that could encourage specific types of development.







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