

West Side Economic Development Strategy for Study Area Surrounding the Hollywood Casino

Central Ohio Community Improvement Corporation | December 2011



EXECUTIVE SUMMARY

RCLCO found strong market opportunity for a robust development program within the 2.4 square mile Study Area in the West Side of Columbus¹. The Economic Development Strategy Plan defines and prioritizes development opportunities and implementation strategies within the Study Area. Market analysis reveals that the Study Area is currently underserved and underlying economics suggest demand for employment-oriented, retail-oriented, and housing-oriented development. In addition, the Study Area and its surroundings will experience accelerated change in the coming years due to the development of the Hollywood Casino, implementation of Complete Streets, planned façade improvement along Broad Street, redevelopment of Oakbrook Manor, and the prospective development of Cooper Park Racetrack and the AP23 Sports Complex. Now is the time to build on the momentum and implement development strategies that catalyze new private sector investment in the Study Area.

RCLCO believes that there is a strong opportunity to infuse the West Side with new development that has the aforementioned market support and provides a more inviting retail experience, more robust residential offerings, and meets the demands of both neighborhood residents and casino visitors. The market analysis projects that the Study Area could support the following in the next 10 years:

- **Retail:** Demand from local residents and casino-goers can support a total of 250,000 square feet of retail in the short term, including up to 12 restaurants, auto-oriented retail, electronics stores, consumer financial services, and other lifestyle-center retail.
- **Office:** In the short term there could be opportunities to locate local-serving office (financial, health services) in retail configurations or traditional office formats. RCLCO understands that there are participants actively seeking a call center on the West Side, which could be a game-changer for the area.
- **Additional Employment Locations:** The Study Area is home to over 3,200 Production, Distribution, and Repair (PDR) jobs, which includes the warehousing and distribution jobs associated with Big Lots, Medco, and Pet Brands. This is an important employment hub for the West Side and employment projections suggest future growth in PDR sectors. In total, over the next ten years there will be market demand for 112,000 SF of “office retail” space and another 570,000 SF of flex/industrial space within the Study Area.
- **Hotel:** While the study area does have several limited-service hotel offerings, the casino will spur demand for a sophisticated new hotel, which will not be provided on the casino site in the first 18 months of operation (Phase I). If private sector does not fill demand in the near term, then Penn National has Phase II plans for hotel development.
- **For-Sale Residential:** There is demand for additional higher quality, market-rate, for-sale residential offerings in the Study Area, including demand for new homes that are at higher price points than currently exist in the Study Area. Market analysis suggests unmet demand for approximately 900 new units over the next decade, or approximately 85 units per year.
- **For-Rent Residential:** The demand analysis shows opportunity for 115 new rental units per year in the Study Area, and the apartments could be higher-quality alternative to older stock in the Study Area, commanding rents of up \$1.35/SF.

¹ The Study Area is bounded by I-270 to the west, Sullivant Avenue to the south, Wilson Road to the east, and the Norfolk Southern Railroad tracks to the north. The Study Area is within the jurisdictions of the City of Columbus and Franklin and Prairie Townships in Franklin County.

Summary of Development Opportunity

Development Type (Program)	Near Term (1 – 3 years)	Medium Term (3 – 5 years)	Long Term (5 – 10 Years)
Retail 250,000 SF GLA Restaurant-driven with some lifestyle shops	★ ★	★ ★	★ ★ ★
Office 35,000 – 40,000 SF Local-serving “retail” office	★ ★	★	★
Production, Distribution, Repair (PDR) N/A	★ ★	★ ★	★ ★ ★
Hotel w/ conferencing (240 – 300 keys) 45-60 Keys/Acre	★ ★	★ ★	★ ★ ★
For Sale Housing 900 units 8-15 du/acre		★	★ ★
Rental Housing 1,300 units 30-50 du/acre	★	★ ★	

The economic development strategy proposes six redevelopment trajectories that capture the unmet demand in the area through proposed development programs. In total, the development trajectories propose 485,000 SF of new commercial development that would support almost 650 new jobs in the Study Area.

The success of an economic development strategy rests on its ability to be implemented, and as such RCLCO has worked closely with City of Columbus, Franklin County, and other stakeholders in order to identify tools and strategies that can provide financial and other assistance. Additionally, we have referenced best practices in public financing that can be applied in Columbus to implement the economic development strategy.

RCLCO would like to thank the Central Ohio Community Improvement Corporation, City of Columbus, Franklin County, and the many developers, property owners, and residents who provided feedback and input throughout the process. In particular, we would like to acknowledge the over 250 community members who participated in two public meetings and provided feedback via online and through face-to-face meetings. The recommendations from this study are grounded in market facts, and also meet the expressed needs of the West Side community.

PROJECT OVERVIEW

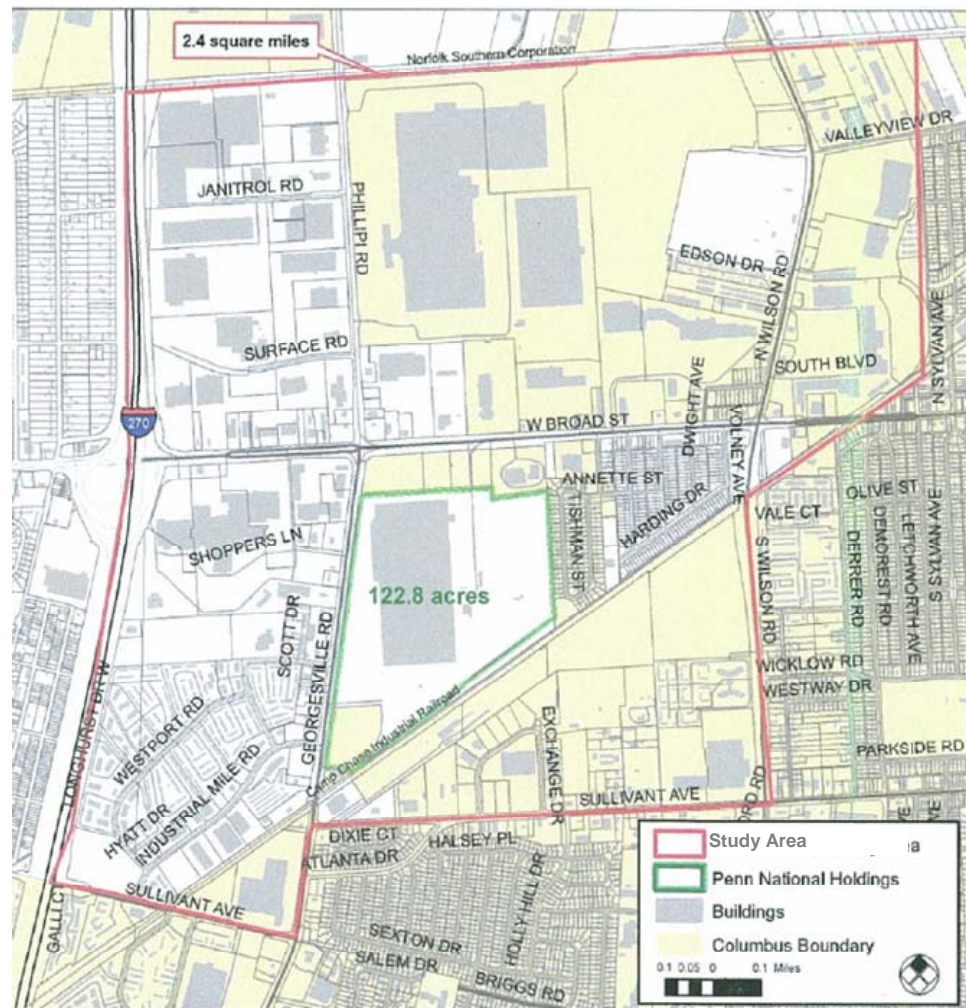
This economic development strategy plan was prepared at the request of the Central Ohio Community Improvement Corporation and was authorized and paid for by the City of Columbus and Franklin County. Developing a strategy for this area had been planned since 2008, long before the casino was sited here.

An Economic Development Strategy defines market potential, highlights economic development strategies, and identifies existing and proposed implementation mechanisms. This plan is focused on the Study Area, a 2.4 square mile area that is bounded by I-270 to the west, Sullivant Avenue to the south, Wilson Road to the east, and the Norfolk Southern Railroad tracks to the north. The Study Area is within the jurisdictions of the City of Columbus and Franklin and Prairie Townships in Franklin County.

Study Area

Figure 1

2011



The Study Area has been in steady decline for almost twenty years and signs of the area's former vitality are visible along Broad Street. Westland Mall, a once thriving shopping center is now largely vacant. West Broad Street is part of the National Road which was built by the Federal Government and extended to Columbus in the 1830's. It subsequently was one of the original federal highways built in the 1920's connecting San Francisco, CA to Atlantic City, NJ. Today, retail vacancies along Broad Street are high, the existing stores are fronted by large swaths of parking and many curb cuts, and the streets lack sidewalks.

In spite of the decline, the Study Area neighborhood remains a vital place for employment and residents. The neighborhood supports over 3,200 jobs and houses some of the city's largest warehousing and distribution companies, including Big Lots, Medco, and Pet Brands. The Study Area is also adjacent to the residential neighborhoods of Westgate, Lincoln Village, and Hilltop, all of which are invested in helping redevelopment initiatives in the Study Area succeed.

The siting of the Hollywood Casino in the Study Area had the unintended and fortunate consequence of - focusing on one of the City's and County's existing priorities to redevelop the Study Area. In 2009, a state referendum authorized the development of the \$400 million Hollywood Casino, a 300,000 square foot establishment that will be one of the four casinos being built in the state. The casino is located in the center of the Study Area at the intersection of Broad Street and Georgesville Road. The construction is well underway and the casino is expected to open in late 2012.

In the two years since the announcement of the casino, multiple public and private sector investments in the neighborhood have been planned and are moving forward. The County is spending in excess of \$5 million to improve Georgesville Road from Broad to Sullivant. Planned investments along West Broad Street include a Complete Streets initiative sponsored by Ohio Department of Transportation, extensive renovation and redevelopment of the Oakbrook Manor apartment complex, façade improvements for two car dealerships along West Broad Street, and the Camp Chase Bike Hub, which is part of the planned Cincinnati-Cleveland rails-to-trails project. Additionally, the City of Columbus invested \$16 million in site cleanup for the casino.

The Economic Development Strategy for the Study Area is one of the many recent public investments in the redevelopment of the Study Area. The goal of the study is to provide targeted strategies for redevelopment in the Study Area, and identify specific implementation tools that can be used to fund and realize each strategy. The conclusions contained in this report are derived from a series of quantitative and qualitative analyses, interviews with key stakeholders, site visits, working sessions with the Central Ohio Community Improvement Corporation, City of Columbus, Franklin County, and other stakeholders that were conducted between June 2011 and October 2011.

Preliminary recommendations were shared at a Public Meetings on July 14, 2011 and October 12, 2011. Over 250 community members attended the two meetings, listened to the presentation and then small groups provided feedback on the plan elements. Presentations for both meetings are online and can be found through the COCIC facebook page, and community feedback from both presentations was collected on an ongoing basis both online and through an extensive outreach initiative.

This report summarizes the key findings from the market analysis and redevelopment strategy. More detailed information can be found in the Appendix.

MARKET POTENTIAL SUMMARY

Creating an economic development strategy backed by market realities was a key motivation behind the need for the creation of a new economic development plan. RCLCO undertook an analysis of the macro-economic trends affecting Central Ohio and the Study Area in order to build an understanding of the local and regional context in which the West Side economy operates. This analysis considered recent employment trends and projections, the geographic distribution of household growth, spending trends, and other regional demographics as they relate to the demand for real estate. Specifically, the analysis included a forward-looking quantification of the ten-year demand for housing, retail, office, hotel, and industrial uses in the Study Area.

Retail

Key Findings: The Study Area has unmet demand but the Central Ohio market is over-retailed. Local- serving retail mixed with retail tenants that appeal to casino guests are the best options.

The Central Ohio market is oversupplied with retail. Newer malls, including Tuttle Crossing, Polaris, and Easton Town Center, helped accelerate the obsolescence of older retail properties, including Westland Mall. However, most of the older retail centers did not go out of business and there are several commercial corridors in Columbus, including West Broad Street, that primarily house underperforming and narrowly viable retailers.

Dispersed retail is one of the Study Area's key commercial challenges. Broad Street houses several national scale tenants, including Target, Kroger, Big Lots!, and Dollar Tree. However, the retail experience on Broad Street is thinly spread across a 1.25-mile stretch that runs from I-270 to Wilson Road. Moreover, the existing retail configuration places stores far from the street and in some cases restrict roadside visibility to retailers.

In spite of the saturated retail environment in the region and high retail vacancies in the Study Area, the retail demand of households that live within three miles of the Study Area could support additional neighborhood retail. The households within three miles of the Study Area represent the Primary Market Area (PMA) for the Study Area, or the market area from which the majority of spending will originate. In 2010, the total purchasing power of households in the PMA exceeded \$395 million. The existing retail within the PMA satisfies local demand for grocery, drug, general merchandise, and sporting good stores. However, unmet PMA demand remains and the Study Area could support an additional 100,000 square feet of retail in the form of two to three restaurants, clothing stores, specialty food services and motor vehicle dealers.

Visitors to the casino represent the second main source of retail demand in the Study Area. Retail demand from casino visitors is still an unknown since the casino is not yet built. However, development around successful casinos suggests the level of demand that a casino can support. RCLCO evaluated the development ratios between casino seats and hotel rooms, restaurants, and other commercial space in six casinos across the country. Based on proven casino development patterns, the Hollywood Casino's proposed 3,960 seats should support 9 restaurants, 300 hotel rooms, and a total of 59,000 square feet of retail. Only a fraction of this potential demand will be captured by the first phase program within the casino. When it opens, the casino will have three restaurants and minimal other retail, leaving opportunity for the surrounding neighborhood to meet the unmet demand of the casino guests.

RCLCO also gathered business listing data from the half-mile area surrounding every Penn National gaming facility in an urban area in the nation. We compared growth in stores by store type and sales volume by NAICS code. The following store types showed same store growth or new store additions within a half-mile radius of an existing and operational Penn National Gaming facility:

- Full service restaurants,
- Craft and game stores

-
- Mid-market general merchandise stores
 - Consumer lending
 - Consumer financial banking
 - Automotive servicing.

It is important to note that the commercial establishments that empirically locate with the greatest frequency near casinos do not include check cashing, bail bonds, and other undesirable retail.

In total, household and casino demand could support 250,000 square feet of retail. The Study Area market can support up to 12 restaurants, which should be family-friendly, affordable to a mass market, and offer a mix of casual sit-down and take-out dining options, auto-oriented retail, electronics stores, consumer financial services, and other lifestyle-center retail.

Office

Key Findings: The Study Area is not a strong location for office buildings, but there could be opportunities to co-locate local-serving office (financial, health) in retail bays. Call center location could be a game-changer. Potential for a “lightning strike” or government subsidized office in later years.

The Study Area is not currently an office market location. The only office building in the study area is the State of Ohio General Services Division, located to the north of Broad Street off of Phillipi Road. Employment is not projected to grow in the study area in the coming decade, leaving limited demand for conventional office space. Furthermore, the Southwest submarket of Central Ohio has vacancy rates of 16% and sub-\$20 Class A rents, creating a market in which new office development is not market-feasible in the short term. Office users in the Study Area will most likely be limited to “retail office”, or users who can set up offices in retail space, such as financial advisors, some medical offices, accountants, and insurance agents.

While the market analysis does not show demand for conventional Class A office space in the next decade, there is projected growth in employment sectors that utilize flex office and warehousing space, such as logistics and call centers. Additional information about development potential in production, distribution, and repair sectors is detailed below.

Conventional office space would need government subsidy in order to work in the Study Area in the short term. Of course, lightening strike opportunities in which a major office tenant chooses to locate in the Study Area are always possible, but competition for tenants will be intense.

Production, Distribution, and Repair (PDR)

Key Findings: The Study Area is home to over 3,200 PDR jobs and is an important employment hub for the West Side. Employment projections suggest future growth in PDR sectors, some of which could experience additional synergistic benefits from the casino.

The Study Area encapsulates one of the many urban industrially zoned areas in the Columbus, and the existing PDR tenants, including Medco, Pet Brands, and Big Lots, are among the largest employers in the Study Area today. Over 3,200 jobs are supported in the Study Area currently, and more are projected to be added to the local economy. The casino will bring more than 2,000 jobs to the Study Area. Additionally, employment projections suggest future demand for PDR space in the Study Area. RCLCO evaluated 10-year employment growth projections within nine of the largest PDR industry sectors. Employment growth for PDR sectors suggest future demand for call centers, employment placement agencies, and business services, which expand job opportunities in the Study Area. Additionally, demand from landscaping and security service tenants will meet both local and casino-driven demand. In

total, over the next ten years there will be market demand for 112,000 SF of “office retail” space and another 570,000 SF of flex/industrial space within the Study Area.

Hotel

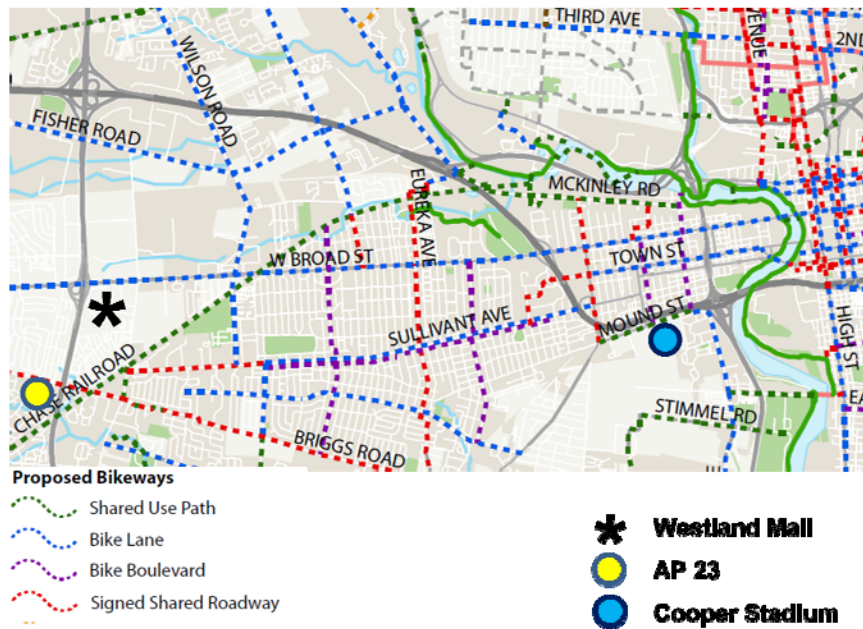
Key Findings: The casino will spur demand for a new, sophisticated hotel, which will not be provided on the casino site in the first 18 months of operation (Phase I). If private sector does not fill demand in the near term, then Penn National has Phase II plans for hotel development.

The Study Area can capitalize on a new opportunity for hotel development that would not exist but for the new casino. Since 2002, only three hotels have been added to the Dublin/I-270 West submarket. The newer hotels are “upper midscale” properties (e.g. Holiday Inn Express Dublin, Holiday Inn Hilliard) with average daily rates (ADR) of \$130 - \$145. However, development economics for hotel in the Study Area are challenging. Expected ADR in the Study Area is \$90 - \$100. Conversations with Experience Columbus, the City’s Convention and Visitors’ organization, confirm that the Columbus market has sufficient hotel space to meet the existing visitor demand.

Hotel demand from the casino is unproven, however Penn National expects that out-of-town casino guests will come from a 90 mile trade area and their typical visit will last two to four hours. The out-of-town casino visitors can be segmented into two groups: 1) those that come primarily for the casino and 2) other Columbus visitors that go to the casino as part of their trip. For the first group, a hotel near the casino offers convenience. For the second, a hotel near the casino offers a low cost accommodation relative to downtown.

For a hotel to succeed near the casino, the Study Area will need to offer secondary activities to extend the out-of-town visitors stay and keep guests in the area overnight once they have finished gambling. More restaurants, a better streetscape, and an aggressive cross-marketing campaign with other Columbus tourist attractions are a good start toward extending casino visitor trips. However to most successfully retain visitors, a secondary destination in the Study Area, such as an entertainment retail district, an attractive and pedestrian-oriented lifestyle center, or other regional destinations, such as the proposed Cooper Park Racetrack or the AP23 Sports Complex, should be developed.

The analysis of development ratios between casino seats and hotel rooms suggests that the Hollywood Casino’s proposed 3,960 seats could support 300 hotel rooms, or two to three hotels. Penn National has a pad site reserved for a hotel but no intention of building a hotel in the first few years of operation. There is a window of opportunity for a new hotel to capture casino demand and ensure that casino visitors have a place to stay and things to do that are off-site from the casino.



For Sale Residential

Key Findings: There is demand for additional higher quality, market-rate, for-sale residential in the Study Area, including demand for homes that are at higher price points than currently exist in the Study Area.

The Study Area's for-sale residential market is fairly uniform in its product offering. For-sale, single family detached products comprises approximately 40% of all residential within one mile of the Study Area, and the majority of homes in the Study Area are under \$100,000. The median home value in 2010 in the Study Area was \$92,300, as compared to \$153,700 in Franklin County. This translates into average home values of \$90/SF to \$130/SF in the Study Area.

While the for-sale residential market in the Study Area is challenged, market analysis suggests unmet demand for approximately 900 new units over the next decade, or approximately 85 units per year. The market study further suggests that the Study Area's residential product offerings should be broadened to include townhomes at price points of \$220,000 to \$230,000, which would be affordable to households earning up to \$150,000 annually. While these prices are significantly above current market prices in the Study Area, once the casino is built and other commercial redevelopment initiatives are completed along Broad Street and in the Study Area, higher home prices will be accepted as well.

For Rent Residential

Key Findings: There is demand for additional higher quality, market-rate, for-rent residential in the Study Area, including demand for apartments that are at higher price points than currently exist in the Study Area.

The Study Area's rental residential market is primarily represented by Oakbrook Manor, which with 1,500 rental units, is the largest rental community in the Study Area. There are smaller rental apartments in the Study Area, but all are small (less than 30 units) and locally managed. Effective rents in the Study Area average \$.90/SF, with some projects reaching \$1.50/SF to \$1.70/SF. Given these rent rates, market economics could only support wood frame construction, not concrete or steel.

The demand analysis shows opportunity for 115 new rental units per year to lease in the Study Area. Apartment offerings should be broadened to include higher price points, and new apartments could be higher-quality alternative to older stock in the Study Area. The demand for apartments is immediate, and the first phase of apartments could command slightly above-market rents of \$1.10/SF. Later phase apartment develop would benefit from the casino and the more redeveloped neighborhood, and could command rents of \$1.35/SF.

ECONOMIC DEVELOPMENT GOALS

This Economic Development Strategy is based upon opportunities for new development that emerged from the market analysis. In addition to having market support, the economic development strategy supports the vision and goals that hundreds of community members expressed for the Study Area. Input was collected through public meetings, online feedback, and one-on-one conversations.

Mission Statement

In the first public meeting, the community wrote several mission statements for the Study Area economic development strategy and voted on the following as the preferred vision statement that should guide the project:

To create and maintain an integrated, progressive, prosperous, safe, and walkable community that provides opportunities for economic growth

The following goals encapsulate the underpinnings of the economic development strategy and should be used in decision making for the Study Area going forward.

Goal 1: Commercial/Retail

Broad Street should offer a vibrant mix of quality commercial businesses and distinctive stores and restaurants that serves all economic groups and attracts neighborhood residents as well as casino visitors.

Goal 2: Jobs

The Study Area should retain its current employment base and grow in order to provide more jobs for residents of the neighborhood.

Goal 3: Housing

The Study Area should increase its supply of market-rate, quality housing that is accessible to a variety of income levels and household types, and that accommodates people of all ages and physical abilities.

Goal 4: Visual and Physical Image

Broad Street should be an inviting commercial corridor with an attractive streetscape, continuous sidewalks, revitalized commercial spaces, and new construction conforming to design guidelines for the district.

Goal 5: Connections

The Study Area should provide accessible connections via multiple forms of transportation, including pedestrian, bicycle, bus, and private car.

IMPLEMENTATION STRATEGY

Development Trajectories

RCLCO proposes six redevelopment trajectories that break down the economic development strategy into discrete development projects. Each trajectory is representative of the vision for economic revitalization in the Study Area and is also supported by local market forces. The following section outlines the vision for each development trajectory and associated implementation tools that can be used to enable the realization of each trajectory. Locations for each development trajectory are illustrated in Figure 3.

Study Area Development Trajectories

Figure 3

2011



The following pages include a detailed description of the development program, product mix, and phasing for each trajectory. Also included are existing condition photographs and conceptual renderings that illustrate one of the many potential forms that the each trajectory could take. Please note that the conceptual renderings are provided to help the reader envision the physical impact of proposed improvements to the Study Area. All renderings are conceptual, planning and architecture work has not been completed and property owners have not endorsed the trajectories. Site, design, configuration, size, product mix and other factors could change based on developer, regulatory, market, and site conditions.

Trajectory 1: Neighborhood and Visitor Serving Restaurant Row

Development Site: 80,000 SF, 4-5 restaurants, 12 acres

Phasing: Near Term (1-3 Years)

Jobs Supported by Reinvestment: 107

Market position: A restaurant cluster to the north of the casino provides a strong opportunity for short term revitalization along Broad Street. Market analysis suggests that there is unmet demand for at least four new restaurants in the Study Area. Restaurant demand is anticipated to grow with the opening of the casino, which will include limited food and beverage offerings. A restaurant cluster would fill a gap in the local market place, provide an early win in the revitalization effort, and build investor confidence in the area.

Considerations: While the vacant parcels to the north of the site offer a clear opportunity for investment in the short term, public assistance may be required to encourage development of a new restaurant cluster, which will both meet neighborhood demand and also contributes to place making in the district. The new restaurants should be family-friendly, affordable, and sit-down places.

Development Trajectory 1: Conceptual Rendering ***Figure 4***



Trajectory 2: Westland Mall Redevelopment

Development Site: 250,000 SF, 25-36 acres

Phasing: Long Term (5-10 Years)

Jobs Supported by Reinvestment: 333

Market position: This reinvestment area offers the location, street frontage, highway visibility, and size that are best suited to a destination retail center. Market analysis suggests unmet demand for 250,000 square feet of retail space. Casino visitors could add to the demand, and a truly unique retail experience could also capture demand from outside of the primary trade area to serve a broader market. Destination retail at this site would create a critical mass of activity at West Broad Street and Georgesville Road.

Considerations: The site program can take on multiple forms including a pedestrian-oriented lifestyle center, the relocation of existing Broad St. retailers to a better-configured and more visible site, and one mega-anchor, such as a Cabellas, Bass Pro, or other major destination retailer. To enhance the viability of the destination retail center, tenanting strategy should compliment but not duplicate nearby retail. Additionally, consider running shuttle buses from the Casino to capture a greater share of casino visitors.

Development Trajectory 2: Conceptual Rendering

Figure 5



Trajectory 3: Retail Incubator

Development Site: 30,000 SF

Phasing: Long Term (5-10 Years)

Jobs Supported by Reinvestment: 40

Market position: A small business incubator builds on the concentration of food truck, thrift store, and other informal economy vendors that are currently located within in the Study Area. In addition to below-market rate space, the incubator would provide commercialization, workforce development, small business services, and financial services that could help independent vendors open new stores. The incubator promotes local entrepreneurship and retains and expands jobs in the neighborhood.

Considerations: The retail incubator will require public investment in order to be realized. The business model requires subsidies to new and frequently inexperienced retailers, and also requires investment in social assistance, such as workforce training. It will be necessary to identify a team of local champions for this effort – small business services, financing, real estate development, and marketing. A business plan competition can be used to launch the program and select the first vendors.

Development Trajectory 3: Conceptual Rendering

Figure 6



Trajectory 4: Hotel

Development Program: 100,000 SF, 9 acres

Phasing: Mid Term (3-5 Years)

Jobs Supported by Reinvestment: 133

Market position: The market analysis demonstrates demand for a 150-key hotel once the casino operations have stabilized. Moreover, analysis of all Penn National casinos in the United States located in urban areas indicates that a hotel with a spa offering succeeds in areas proximate to casinos.

Considerations: A hotel would rely largely on patronage from casino visitors, and the point of origin and length of stay of casino visitors is untested in Ohio. A hotel would primarily serve out-of-town casino visitors. Complimentary retail close to the casino, as well as co-marketing the casino with other tourist destinations in Columbus, could encourage visitors to turn a day trip into an overnight visit, creating increased demand for a hotel. Conversations with Penn National indicate that the casino has land reserved for a hotel in a future-phase of development if demand exists and another hotel has not already captured the casino's overnight market.

Development Trajectory 4: Conceptual Rendering ***Figure 7***



Trajectory 5: Auto-Oriented Retail

Development Site: 25,000 SF; 10 acres

Phasing: Near Term (1-3 Years)

Jobs Supported by Reinvestment: 33

Market position: Analysis of all Penn National casinos in the United States located in urban areas indicates that auto-oriented retail developed in areas proximate to the casino. A new auto dealership builds on the existing cluster of automotive uses along West Broad Street. Additionally, the proximity to Cooper Park creates an opportunity for a higher-end auto dealership with a showroom and the opportunity to run high-speed test drives at Cooper Park.

Considerations: A new higher-end auto dealership strengthens the auto-oriented retail concentration along Broad Street. To capitalize on adjacencies, shuttle vans can run between the casino, Cooper Park, and auto-oriented retail along Broad Street.

Development Trajectory 5: Conceptual Rendering ***Figure 8***



Trajectory 6: Housing Reinvestment

Development Program: 900 townhomes, 75 acres

Phasing: Mid- to Long-Term (3-10 Years)

Jobs Supported by Reinvestment: 0

Market position: The housing market within the Study Area is currently characterized by rental apartments and single family homes that are occupied by households earning less than \$50,000 annually. The housing reinvestment strategy seeks to increase the residential population within the Study Area and also introduce new residential products, including higher-density townhomes, that appeal to households earning over \$150,000 annually. This strategy is consistent with the Hilltop Plan.

Considerations: Housing reinvestment may be funded through a combination of private and public sources. County and city incentives could be used to fund new construction of rental and for-sale homes. Partnerships between the casino and local lending institutions should be pursued to create favorable financing for casino employees who live in the Study Area, or within a designated distance from the casino.

Development Trajectory 6: Conceptual Rendering ***Figure 9***



IMPLEMENTATION TACTICS

The strategy – the “how”, not the “what” – is comprised of the following tactics. The tactics are a list of tools that City and County will need to prioritize and apply as opportunities arise.

RCLCO generated a set of potential strategies and tactics which the City and County could potentially employ to achieve their economic development goals. These tactics were the subject of a day-long working session attended by key City and County decision-makers and the stakeholder committee. The pros, cons, and feasibility of each were discussed before the stakeholder group selected the potential tactics, which ultimately became the components of this plan. The following tactics can be used together to implement the strategy.

There are already a host of public financing tools that the City and County have at their disposal and could be used in the implementation of an economic development strategy for the Study Area. The table below identifies the existing incentive programs, implementing agent, and applicability to each trajectory. A more detailed description of each incentive program can be found in the Appendix.

Implementation Tactics – Existing City and County Programs

Figure 10

2011

Existing County/City Incentives	Jurisdiction		Development Trajectory					
	City	County	Restaurant Row/ Westland Mall	Small Business Incubator	Hotel	Auto Dealership	PDR	Housing Reinvestment
Jobs Growth Incentive	●			✓			✓	
Job Creation Tax Credit	●						✓	
Enterprise Zone	●	●		✓			✓	
Community Reinvestment Area	●	●					✓	✓
Capital Improvement Funds	●		✓	✓	✓	✓	✓	
Tax Increment Financing	●	●	✓		✓	✓		
Business Development Loan Fund	●		✓		✓	✓		
Working Capital Loan Fund	●			✓			✓	
Green Columbus Fund	●		✓	✓	✓	✓	✓	✓
Microenterprise Loan Program		●		✓			✓	
Microenterprise Development Training		●		✓			✓	
Franklin County Biz Launch Fund	●	●		✓	✓	✓	✓	
Facade Improvement Program (Pilot)		●	✓	✓	✓	✓		
Retail Incubator (under consideration)		●		✓				
Workforce Training (under consideration)		●					✓	
Demolition Program (Pilot)		●	✓	✓	✓	✓		✓
Housing Development Program	●							✓
Rental Housing Production/Preservation (RHPP)	●							✓
Neighborhood Investment Districts (NIDs)	●							✓
Joint Economic Development (JED) District	●		✓		✓	✓		

Additionally, the following implementation tools, which have not yet been adopted by the City or County for use in the Study Area, but which have been successful for other public entities across the country, should be considered as part of the Economic Development implementation toolkit.

Land Acquisition for Key Sites

The Study Area's revitalization will require public investment in the short term to kick-start redevelopment. At current market rents and redevelopment costs, all of the proposed redevelopment trajectories would require public subsidy if pursued today. In the long term, once the Study Area's redevelopment has progressed and the Study Area is improved, higher rents and sale prices can be achieved and the later phase development trajectories will require less public support.

In the short term, one of the most significant public investments the City and County can make is to invest in land acquisition at key sites. The four parcels to the north of the casino that comprise Trajectory 1 present an opportunity for an early win on a modestly-sized site. The most recent assessed value (2011) for the four parcels is \$4.1 million, and RCLCO recommends that the City or the County invest in acquiring the parcel assemblage. The parcels to the north of the site will be prime targets for early-stage development, but absent public investment, the assemblage will likely become a gas station rather than a restaurant district with catalytic potential.

Designate Agency in Charge of Stewardship of Economic Development Strategy

The City and County need to designate an entity to be responsible for the implementation of the economic development strategy. This project steward will be the public face of the project to the community and media, and will need to work closely with the City and County to ensure the redevelopment process conforms to public goals and to support any zoning changes as needed. The steward will also work with the City, County, and other funding partners to procure public and private financing for implementation. The steward could be responsible for redevelopment decisions associated with the Study Area, including land acquisition, issuing requests for proposals, selecting developers, and recruiting potential tenants.

Revolving Loan Fund for Small Businesses

The City and the County should partner with local banks to establish a revolving fund that can be used to provide low cost loans to small businesses in need of assistance. The revolving fund could be matched by city and county monies in order to deepen the pool. Monies would be targeted to small businesses, most likely retailers that need assistance in getting their businesses started in the Study Area.

The City and Penn National have both agreed to contribute \$2.5 million each for a total of \$5 million dollars over four years in the Study Area. Additionally, some of the \$35 million in casino taxes could possibly be invested in the Study Area. RCLCO recommends that the \$5 million investment go toward the establishment of a revolving loan fund. The \$5 million contribution from the City and casino should be used to capitalize the revolving loan fund, which can be used for gap financing by local businesses in the Study Area. Funds disbursed must first remunerate the revolving loan fund before they can be re-lent.

Tiered Revolving Loan Fund

A tiered revolving loan fund would offer stepped-up financing that is commensurate with the development program's benefit to Central Ohio. The development community should know that proposals that meet the City and County's strategic goals will be eligible for more funding. A tiered revolving loan fund introduces transparency and predictability into the public financing decision process, and could serve as a powerful tool that promotes the envisioned development for the Study Area.

Cities and regions around the country are turning to tiered incentive programs. Metrics for measuring benefit vary, and Smart Growth concepts are frequently used to evaluate development proposals. Austin, TX and Durham, NC have been particularly successful in implementing tiered incentive programs and should be considered as models for metrics, tiers, and incentives that are tied to each tier. Tiered

incentives are typically cumulative, meaning that developers that achieve the metrics from one tier also receive the benefits of all lower-level tiers. Examples of incentives that can be tied to different tiers include expedited permitting, a 180-day permitting and entitlement guarantee, and tax abatements.

Branding

A branding initiative should strive to re-brand the Study Area as one that has an exciting and compelling, pedestrian friendly restaurant/retail district and strong hospitality component. The goal of the branding initiative is to dramatically increase the overall residential occupancy and densities along Broad Street and in the greater area beyond the Study Area.

Special Improvement District (SID)

A SID is an organization, management, and financing tool used by local businesses to provide specialized services that complement existing government services. SIDs are frequently used to govern and help fund parts of a redevelopment strategy. The SID is established for the purpose of developing and implementing plans for public improvements and public services that benefit the district. Property owners and businesses within the SID may organize and assess themselves in order to pay for the services that are needed for public improvement.

Secure and provide assistance for commercial building demolition

Much of the Study Area's stock of commercial buildings is outdated. The tactics above should provide impetus to building owners and tenants alike to re-invest in these buildings, especially given that current real estate economics suggest that demolition and new construction by property owners may be cost-prohibitive in the near term. One way, however, that the County and City might accelerate the possibility of replacing older buildings is to secure funds to assist property owners or new developers with demolition of existing buildings.

Matching Grant for Tenant Improvements

The City or County should provide a cash contribution that is capped at an amount equal to the amount the tenant or property owner spends to fit out retail or office space when the tenant moves in. Major opportunities that may be expensive to execute but which promise justifiable financial rewards should be considered by the City and County beyond the capped value

This matching grant will serve as an incentive for potential tenants to move to the Study Area. The City and County will need to develop evaluation processes, similar to the thinking used for tiered TIF incentives, to select appropriate tenants from among those who apply for the funds.

It should be noted that the subject of grants versus loans is a topic of ongoing economic debate, with conservative economists arguing that loans are superior to grants and economic development specialists arguing precisely the opposite. There is scant evidence that assistance programs in the form of loans alone have measurable impacts upon overall business activity. This is especially so in environments where challenging economics persist. Direct contributions however to companies and even property owners have proven to be an effective method in tenant attraction and building rehabilitation efforts., Forgivable loans in which prospective tenants, building owners or developers meet certain criteria (e.g. completion of significant building improvements or meeting job thresholds over a certain timeframe), can be a middle ground between loans and grants. Another possible strategy is leveraging the City's or County's grant to secure matching loan funds from local banks for tenant, building owner or developer projects.

Retain PDR Jobs

The term PDR, standing for Production, Distribution and Repair^[1] is adopted from an industrial areas study for the City of San Francisco. The word “industry” brings to mind images of manufacturing plants, mills, and other heavy uses not reflective of what goes on in the Study Area. The PDR term, while not perfect, better captures the types of “heavy services” that are found in the Study Area’s industrial areas: Production, i.e., the actual making of things, distribution, including warehousing and transportation; and repair, which includes the maintenance and repair of vehicles, machinery and equipment, and buildings through the building trades.

PDR jobs such as construction, maintenance and repair typically require technical skills acquired either through vocational training or medium and long-term on-the-job training, and typically offer salaries well above minimum wage.

One way to retain PDR businesses and encourage their long-term viability is to establish industrial parks or industrial business improvement districts (iBIDs). These strategies would work especially those areas with multiple-ownership. Industrial park strategies include shared loading and parking, shared security and marketing, and perimeter fencing and buffering. Wherever possible iBIDs should be set up to govern management and provide special services such as waste hauling and recycling.

^[1] See San Francisco Planning Department. 2002. *Industrial Land in San Francisco: Understanding Production, Distribution, and Repair*. San Francisco, CA. July.

CRITICAL ASSUMPTIONS

Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions periodically to ensure that they stand the test of time.

We assume that the economy and real estate markets are close to bottoming out for the current cycle, and that they will grow at a stable and moderate rate starting in 2010, more or less in a straight line on average for the duration of the analysis period (to 2020 and beyond). However, history tells us that stable and moderate growth patterns are not sustainable over extended periods of time, and that the economy is cyclical and that the real estate markets are typically highly sensitive to business cycles. Further, it is very difficult to predict when the current economic and real estate downturns will end, and what will be the shape and pace of growth once they are recovered.

With the above in mind, we assume that the long term average absorption rates and price changes will be as projected, realizing that most of the time performance will be either above or below said average rates.

Our analysis does not take into account the potential impact of future economic shocks on the national and/or local economy, and does not necessarily account for the potential benefits from major "booms," if and when they occur. Similarly, the analysis does not necessarily reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology.

For all the reasons outlined, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, the project and investment economics should be "stress tested" to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause failure.

In addition, we assume that once the current cycle is over, the following will occur in accordance with current expectations:

- Economic, employment, and household growth.
- Other forecasts of trends and demographic and economic patterns, including consumer confidence levels.
- The cost of development and construction.
- Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth).
- The availability and cost of capital and mortgage financing for real estate developers, owners and buyers, at levels present in the market before the most recent run up (i.e., early 2000s levels).
- Competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand.
- Major public works projects occur and are completed as planned.

Should any of the above change, this analysis should probably be updated, with the conclusions reviewed accordingly (and possibly revised).

* * * * *

This engagement was conducted by Shyam Kannan, Principal; Tammy Shoham, Senior Associate; and Joyce Chao, Associate. If you have any questions regarding the conclusions and recommendations included herein, or wish to learn about other RCLCO advisory services, please call (310) 914-1800.

GENERAL LIMITING CONDITIONS

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co., LLC" or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.

APPENDIX

- I. Summary of Market Findings and Opportunities, August 2011
- II. Implementation Strategy Discussion
- III. Public Meeting #1 – Presentation
- IV. Public Meeting #1 – Notes
- V. Public Meeting #2 – Presentation
- VI. Exhibits

Weston Area Redevelopment Study Summary of Market Findings and Opportunities

Central Ohio Community Improvement Corporation | August 2011



GOALS AND OBJECTIVES

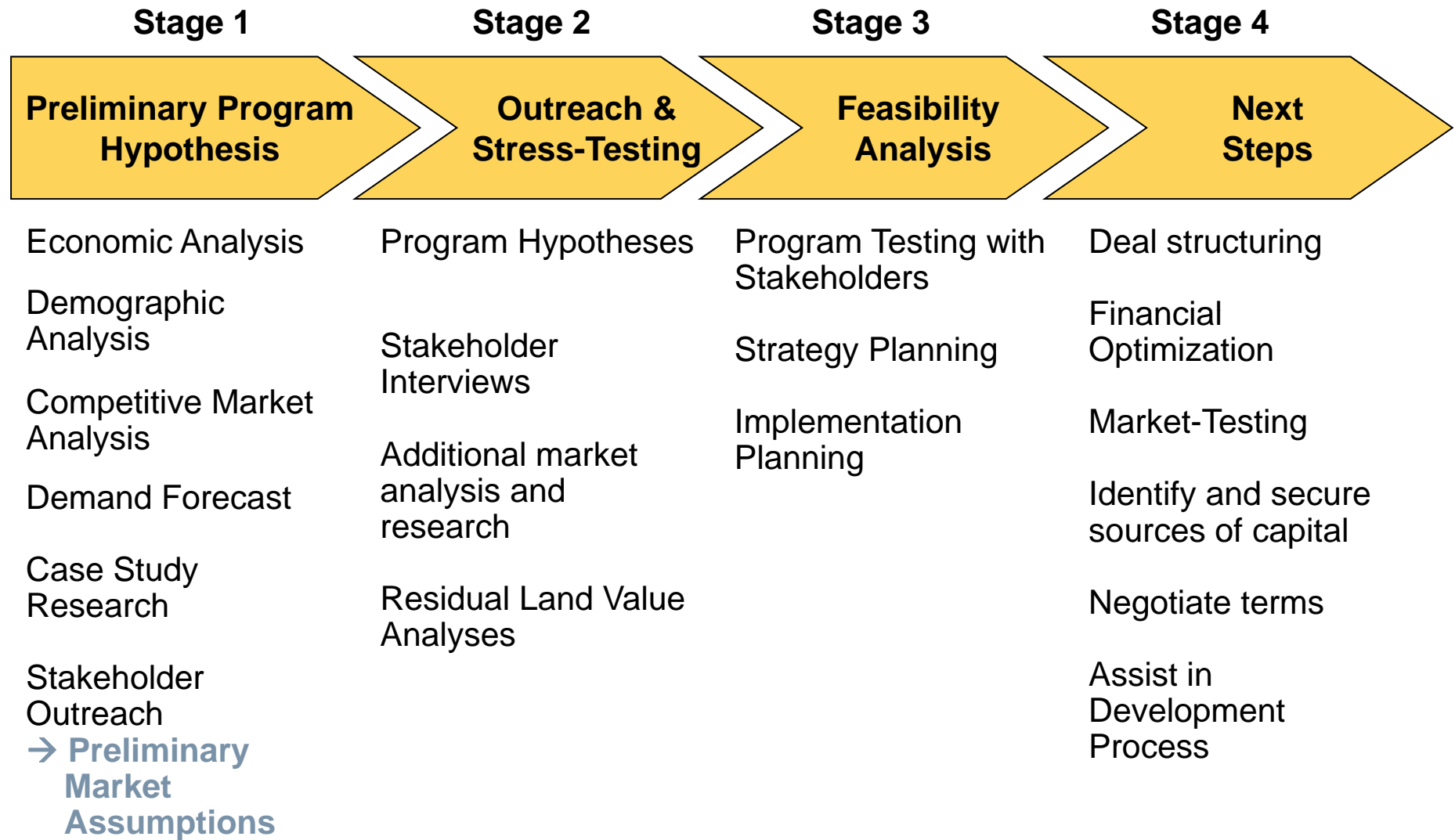
WHAT WILL THIS STUDY ANSWER?

The **Market Analysis** will investigate the demand for various uses within the Study Area

The **Redevelopment Strategy** will identify a roadmap for reinvestment based on

- a. Real estate finance
- b. Policy levers
- c. Necessary strategies/implementation tools
- b. Assemblage opportunities
- c. Location

WESTON AREA PROCESS REVIEW





Summary of Findings

MIXED REAL ESTATE MARKET CONDITIONS

BUILT CONDITIONS REFLECT UNPLANNED GROWTH

Retail

Market-rationale for stronger retail along corridor

Oversupply of retail space – limits on rent growth

Introduction of Casino may be opportunity to add new and/or retailers

Office

Not currently an office location

Quasi-office users consuming retail space

Opportunity for call centers, even in existing retail centers

Need for medical office will grow over time

Residential

Relatively under-invested housing stock in surrounding neighborhoods

Proximity to upper-end housing suggests location itself not the weak link

Perceptions of safety, security, crime are suppressing this market

Industrial

Better than fair share concentration of business services, warehouse jobs

One of last remaining urban areas in Columbus zoned industrial

Growth projected for flex office and logistics employment

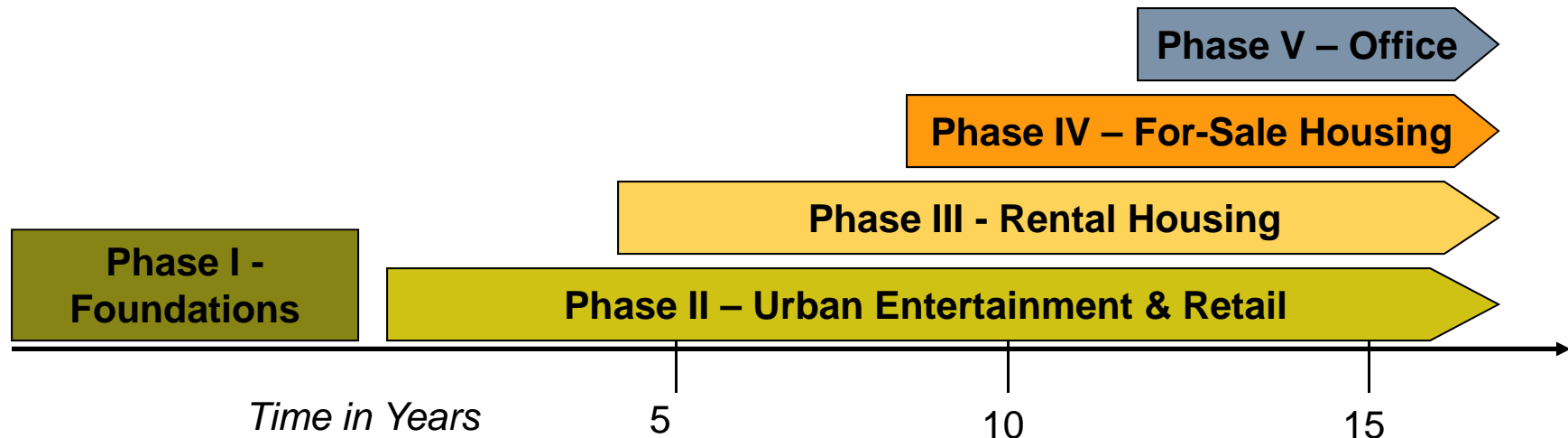
Hotel

Existing hotel market serves transient and logistics needs

Casino development suggests opportunity for new supporting hospitality

URBAN REDEVELOPMENT TRAJECTORY

NOT ALWAYS A LINEAR PATH, BUT FEW SHORTCUTS



Foundational Elements - Typically a cultural or institutional driver, supplemented by good bones, catalyzed by a BID/CID/other development entity and often times a pioneering private partner

Urban Entertainment - almost always “bought” or highly subsidized in the early years, and must be supported by aggressive branding/marketing in order to survive

Rental Housing – initially attracted by the emerging lifestyle zone, also driven by lack of available sites in most desirable first tier suburbs

For-sale Housing – perceived value proposition now supports individual investment

Office – Either a response to new workforce realities or economic development initiatives

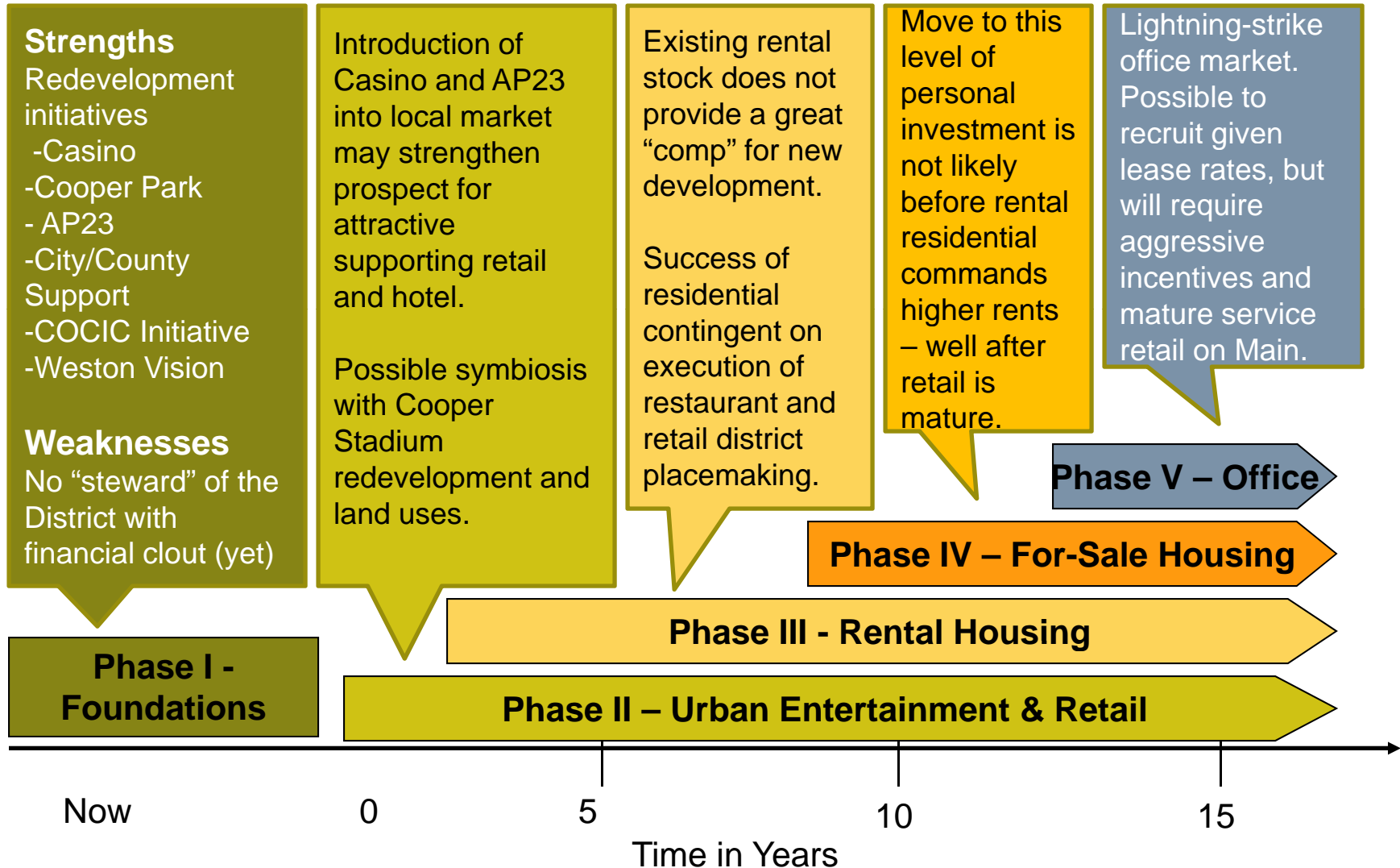
CURRENT CATALYTIC FORCES AT PLAY

CASINO, STADIUM MAY IMPROVE GROWTH PROSPECTS

- RCLCO analysis of casinos similar to the Hollywood Casino on Broad suggests that they can catalyze adjacent development
- Their capacity to do so is dependent on:
 - Collaborative planning (physical, transportation, land planning, and business planning)
 - Coordination with adjacent and nearby property owners
- The redevelopment at Cooper Park further adds development horsepower to the West Side. This not only focuses the region's attention, but allows for the planning of enough critical mass to truly accelerate the Westside development climate and avoid a "weak push"
- Current efforts at and around the Casino site should focus on redevelopment key sites that can be positioned as Casino-related commercial uses. Successfully doing so may prime the pump for market-driven recovery of other land uses within the study area.
- Downstream efforts should focus on re-branding the area as one that has an exciting and compelling, pedestrian friendly restaurant/retail district and strong hospitality component – almost exclusively to dramatically increase the overall residential occupancy and densities along the corridor and in the greater study area.

WESTON REDEVELOPMENT TRAJECTORY

OPPORTUNITY TO TAKE ADVANTAGE OF GREAT START

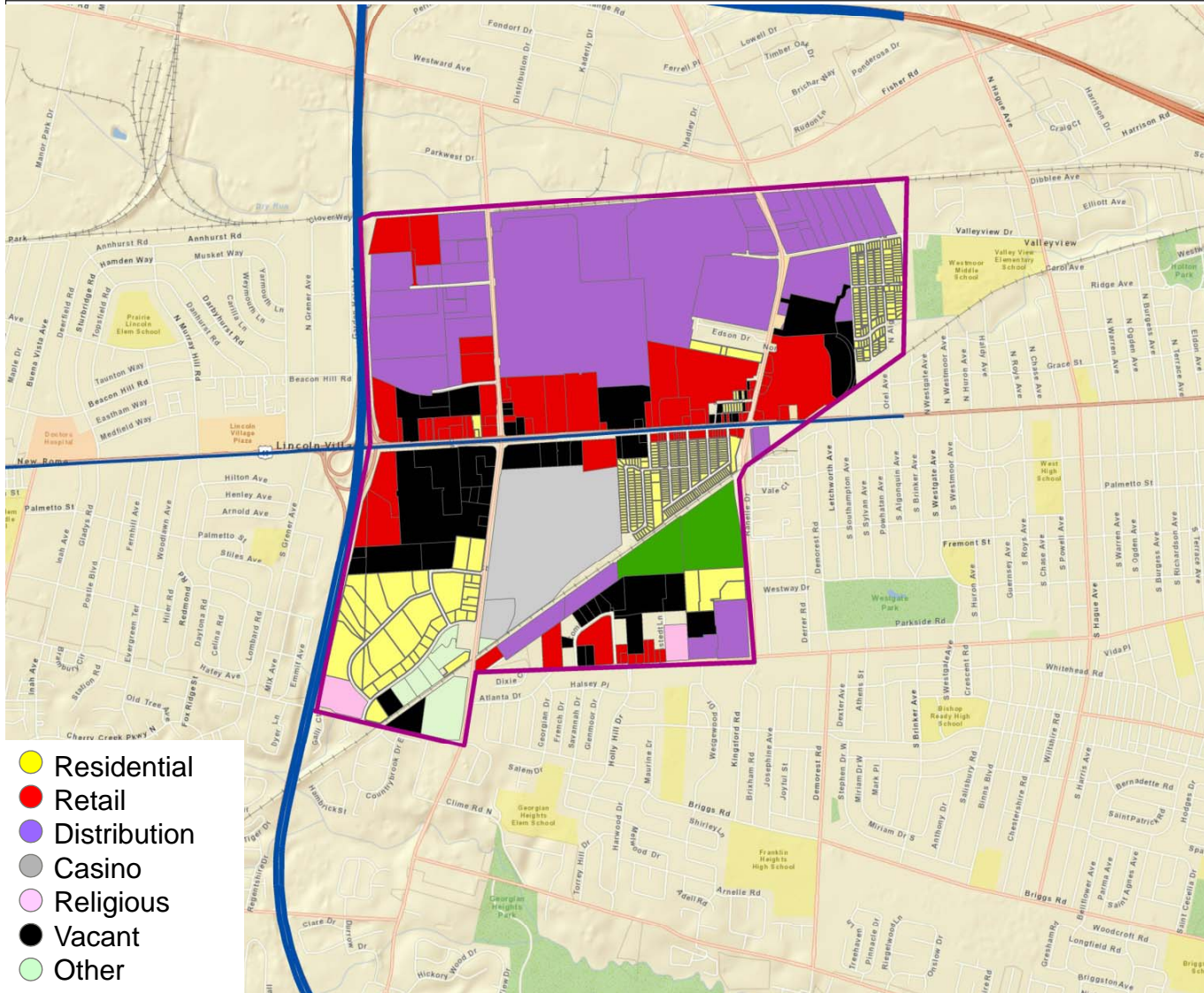


SUMMARY OF DEVELOPMENT OPPORTUNITY

SITE REQUIRES PHASED DEVELOPMENT APPROACH

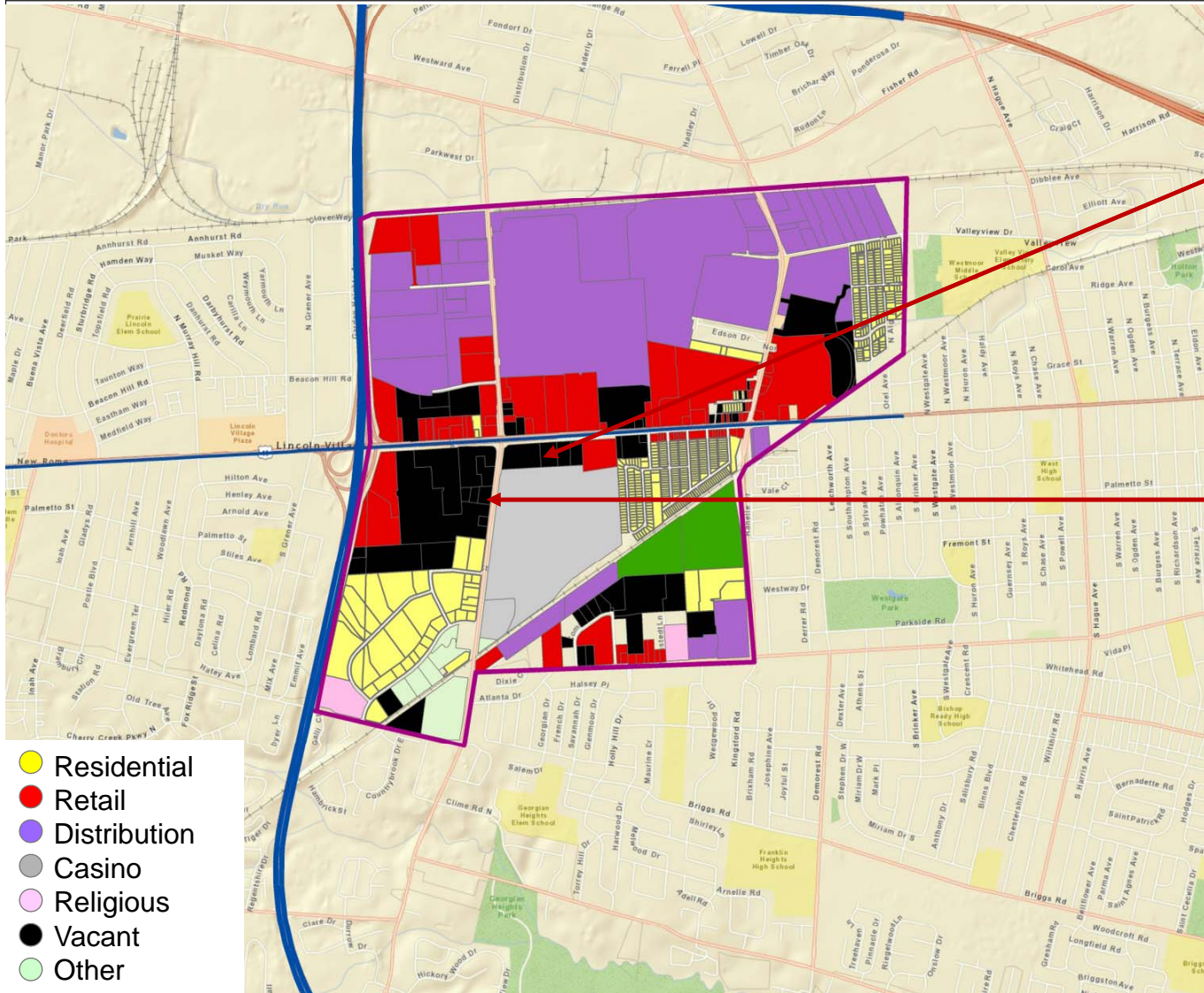
Development Type (Program)	Near Term (1 – 3 years)	Medium Term (3 – 5 years)	Long Term (5 – 10 Years)	Considerations
Retail 250,000 SF GLA Restaurant-driven with some lifestyle shops	★ ★	★ ★	★ ★ ★	Study area has unmet demand but Columbus market over-retailed. Local- serving retail mixed with retail targeting casino guests best option.
For Sale Housing 900 units 8-15 du/acre		★	★ ★	Unmet demand for for-sale residential exists. Neighborhood redevelopment could increase values and make development more viable in the medium- to long-term.
Rental Housing 1300 30-50 du/acre	★	★ ★		Low market price of single family homes limits demand for apartments. New construction at prevailing rents challenging, but multifamily a bright spot in current financing climate
Office 35,000 – 40,000 SF Local-serving “retail” office	★ ★	★	★	Market currently oversupplied. Opportunity to co-locate local-serving office (financial, health) in retail bays. Call center location could be a game-changer. Potential for a “lightning strike” or government subsidized office in later years. Competition for tenants will be intense.
Hotel w/ conferencing (240 – 300 keys) 45-60 Keys/Acre	★ ★	★ ★	★ ★ ★	Casino will spur demand for new hotel, which will not be provided onsite in Phase I. If private sector does not fill demand in the near term, then Penn National has Phase II plans for hotel development.
Industrial N/A	★ ★	★ ★	★ ★ ★	Existing warehouse and industrial uses may remain, with short-term opportunity for warehousing, business services, construction , and other flex/retail-office users.

KEY SITE CONSIDERATIONS



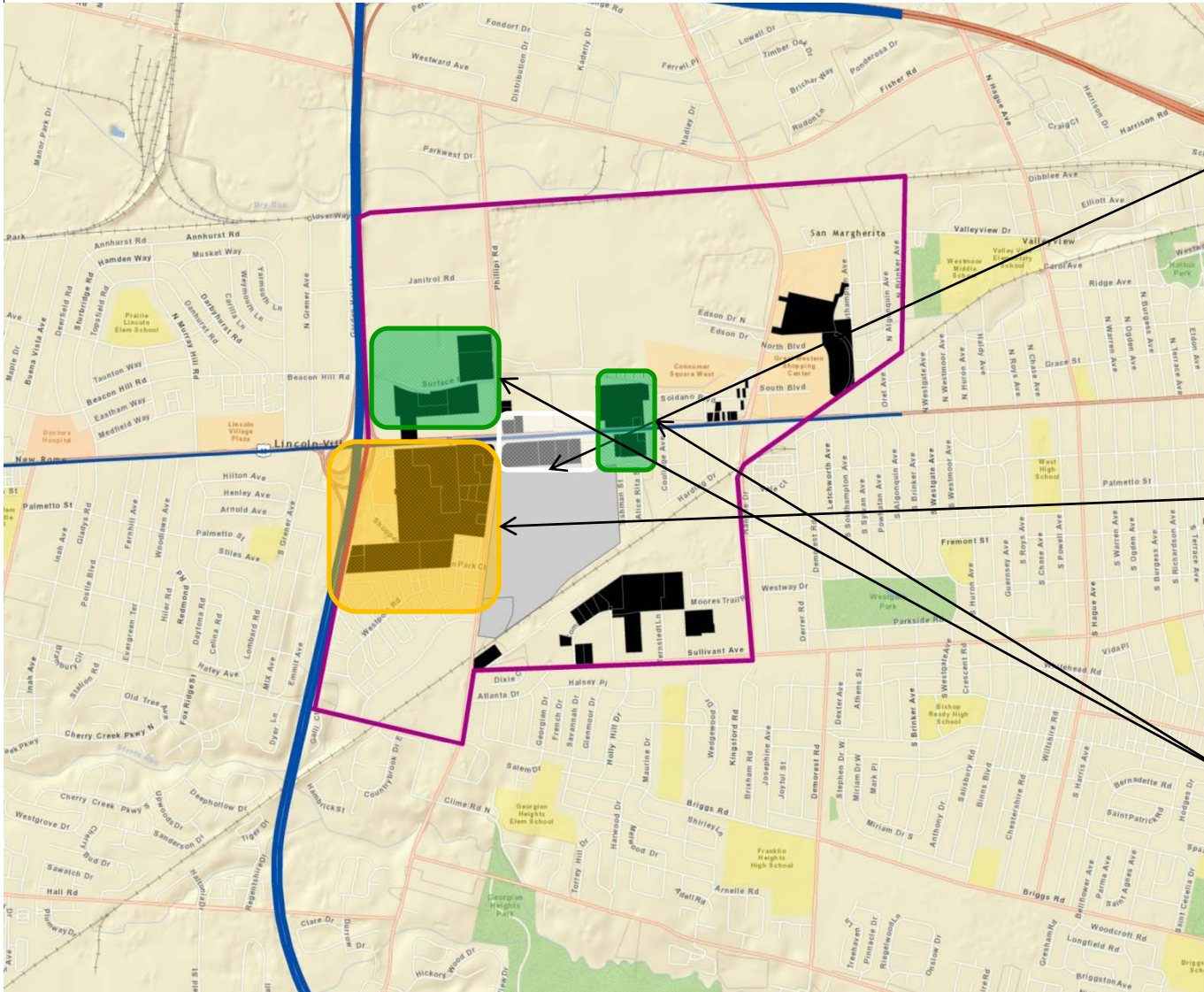
- Numerous small parcels, especially along Broad
- Casino site abuts numerous vacant and/or for-sale parcels
- Fragmented retail footprint – no clear retail center
- Existing residential perpetuates image problem in study area
- Industrial/warehouse parcels challenging to redevelop in near term

KEY SITE CONSIDERATIONS



- Successful leveraging of casino investment could mean “extending the footprint” of the casino – in essence, building the amenity package “on campus”
- What happens at/on Westland will ultimately make or break the catalytic effect of the casino
- Synergy with Cooper Park possible, but will require transportation network to be in-place

KEY CATALYTIC SITE OPPORTUNITIES



I. Properties on West Broad just north of casino. Possible “phase zero” with an underprogrammed retail environ..

II. Westland Mall – a variety of options and perhaps even a Phase I option. Hotel? Cabellas?

III. Scattered sites – completes the “district”, perhaps with a combination of residential and service retail/hospitality uses.

CONSIDERATIONS

WHY HASN'T THIS HAPPENED ALREADY?

- Uptick in property transactions in/around the casino after the announcement. Artificially inflated pricing expectations for properties
- Bid/ask spreads may be as far as 20% to 30%, and heyday of forward-looking IRR deals well behind us
- The existing retail is doing just well enough to not go out of business...
- No Les Wexner to swoop in and “buy” retail tenancy with deep pockets
- Retail is a fickle friend – market is oversupplied, and even with new drivers in-place property owners will need guarantees of occupancy and rent levels
- Assembling multiple parcels is not easy to do
- Occupancy risk – need to prove the market before tenants will commit, but need retailers to commit to prove the market
- Persistent stigma of safety, security difficult to dismiss altogether

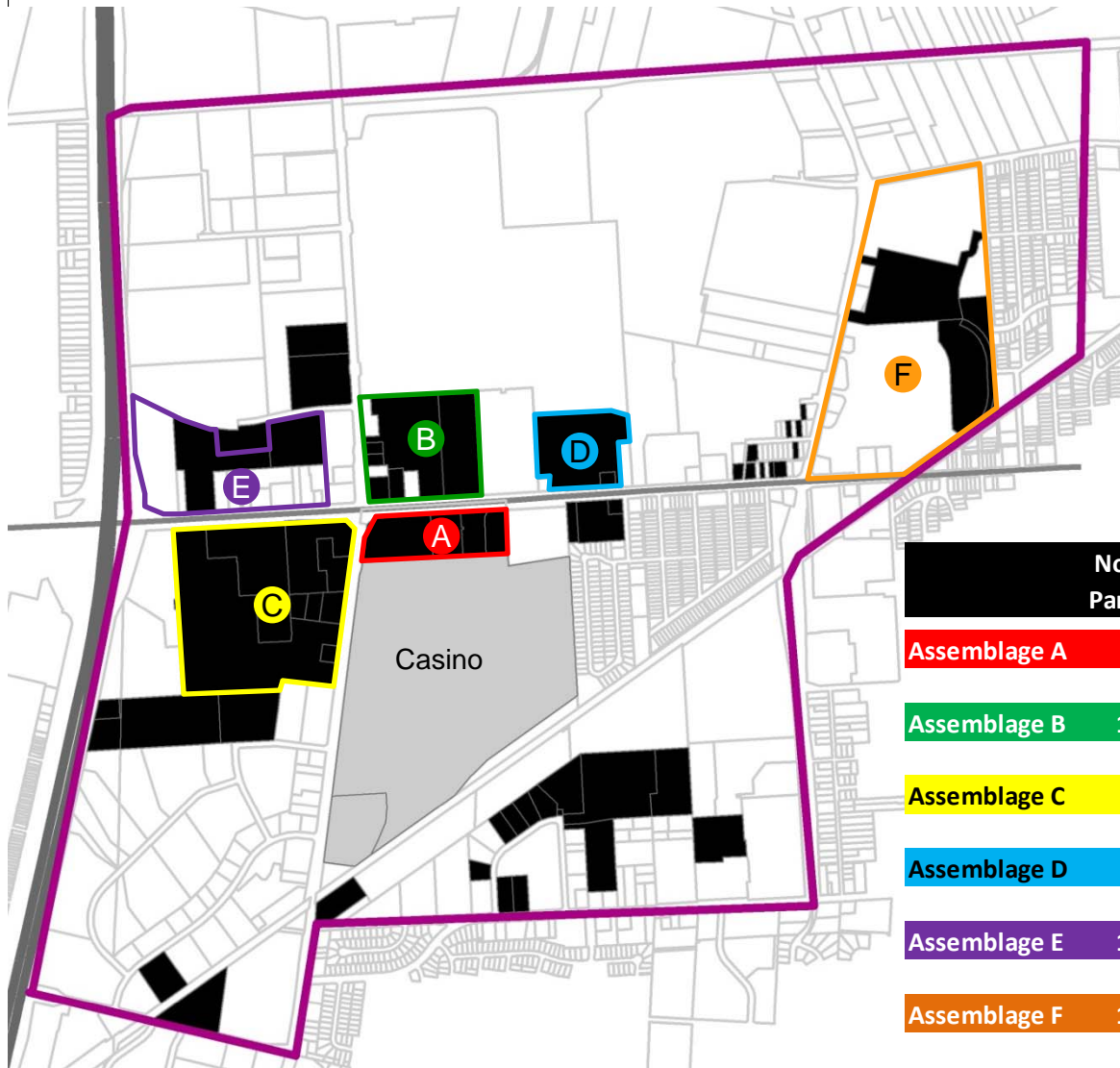
CONSIDERATIONS

ROLLING UP THE SLEEVES FOR REDEVELOPMENT

- We are planning land that we don't own or control. Gaining buy-in from commercial property owners that currently own/control key sites will be incredibly important.
- Working with PNG to ensure that complementary uses that are envisioned are done with functional and operational coordination
- Branding and theming micro-environs that can connect to a first-phase “center of gravity”
- Transportation improvements to West Broad that allow for a “park once” paradigm – especially in the opening years of the Casino – will be paramount to success
- Controlling and developing casino-adjacent parcels for Phase I
- Funding property repositioning with the right incentive packages (including financial)
- District management prerogatives, including clean/safe/secure
- Creation of a jointly-controlled stewardship organization, ideally with a dedicated stream of funding tied to assessments – in order to fund ongoing marketing, branding, and property development activities

OPPORTUNITIES FOR SITE ASSEMBLAGE

PICKING THE LOW HANGING FRUIT



- High vacancy and existing retail clusters along Broad St. create opportunities for redevelopment.
- Multiple parcel ownership is a challenge, and first phase needs to succeed.
- Assemblage A presents opportunity for an early win on a modestly-sized site

	No. of Parcels	Assessed Acreage	Assessed Land Value	Improvement Value	Total Assessed Value
Assemblage A	4	13.9	\$4,202,200	\$954,700	\$5,156,900
Assemblage B	10	29.7	\$4,583,000	\$3,233,300	\$7,816,300
Assemblage C	8	66.7	\$5,774,200	\$7,855,100	\$13,629,300
Assemblage D	2	12.5	\$878,500	\$936,900	\$1,815,400
Assemblage E	17	44.1	\$7,386,800	\$12,291,400	\$19,678,200
Assemblage F	12	87.3	\$9,654,100	\$9,612,800	\$19,266,900

DEVELOPMENT TRAJECTORIES

A

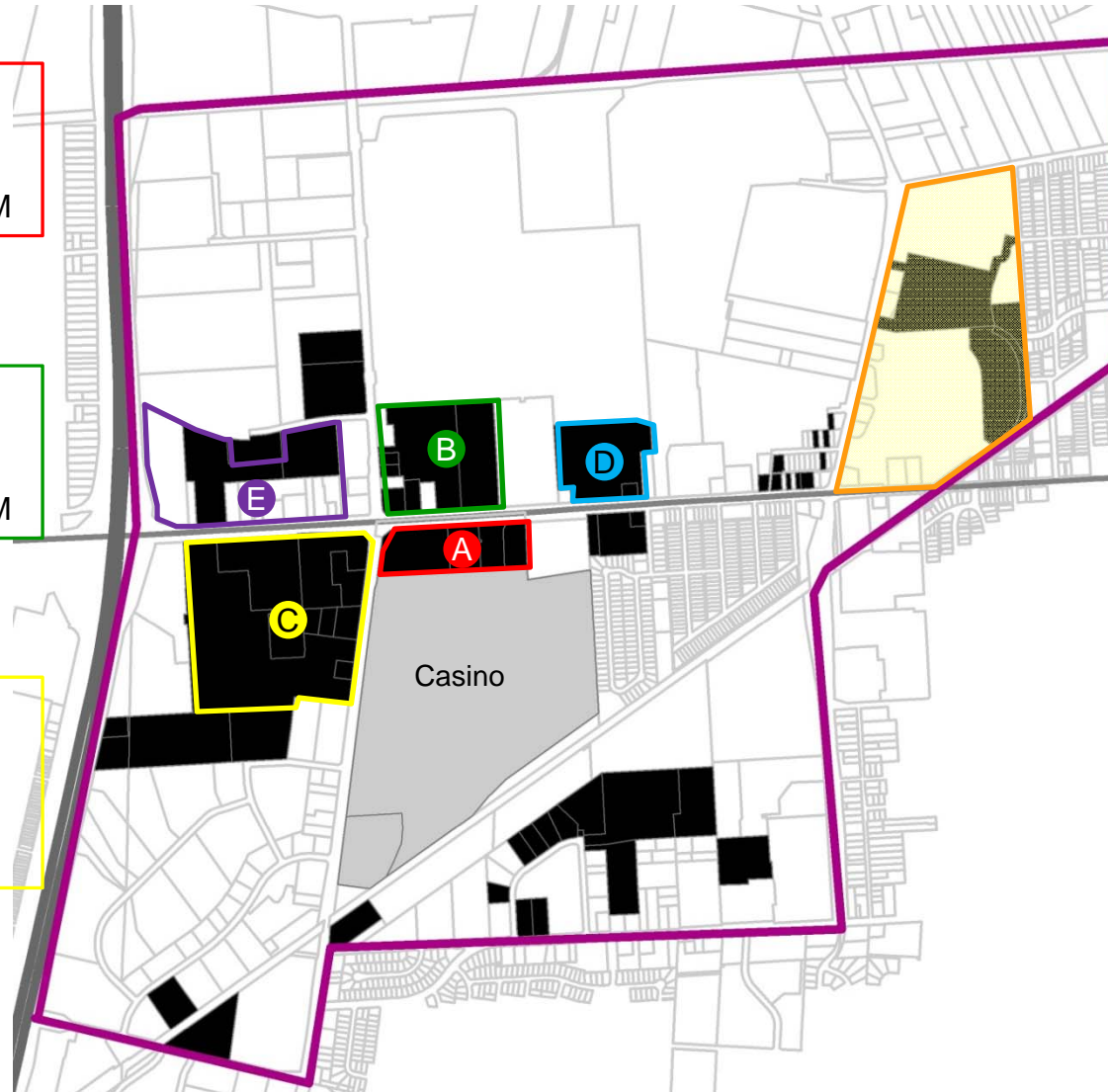
Size: 13.9 Acres
Potential Uses: Retail
Phasing: Near-term
Assessed Value: \$5.2M

B

Size: 29.7 Acres
Potential Uses: Retail
Phasing: Mid-term
Assessed Value: \$7.8M

C

Size: 66.7 Acres
Potential Uses: Retail
Phasing: Long-term
Assessed Value: \$13.6M



D

Size: 12.5 Acres
Potential Uses: Retail
Phasing: Near-term
Assessed Value: \$1.8 M

E

Size: 44.1 Acres
Potential Uses: Retail
Phasing: Long-term
Assessed Value: \$19.7 M

F

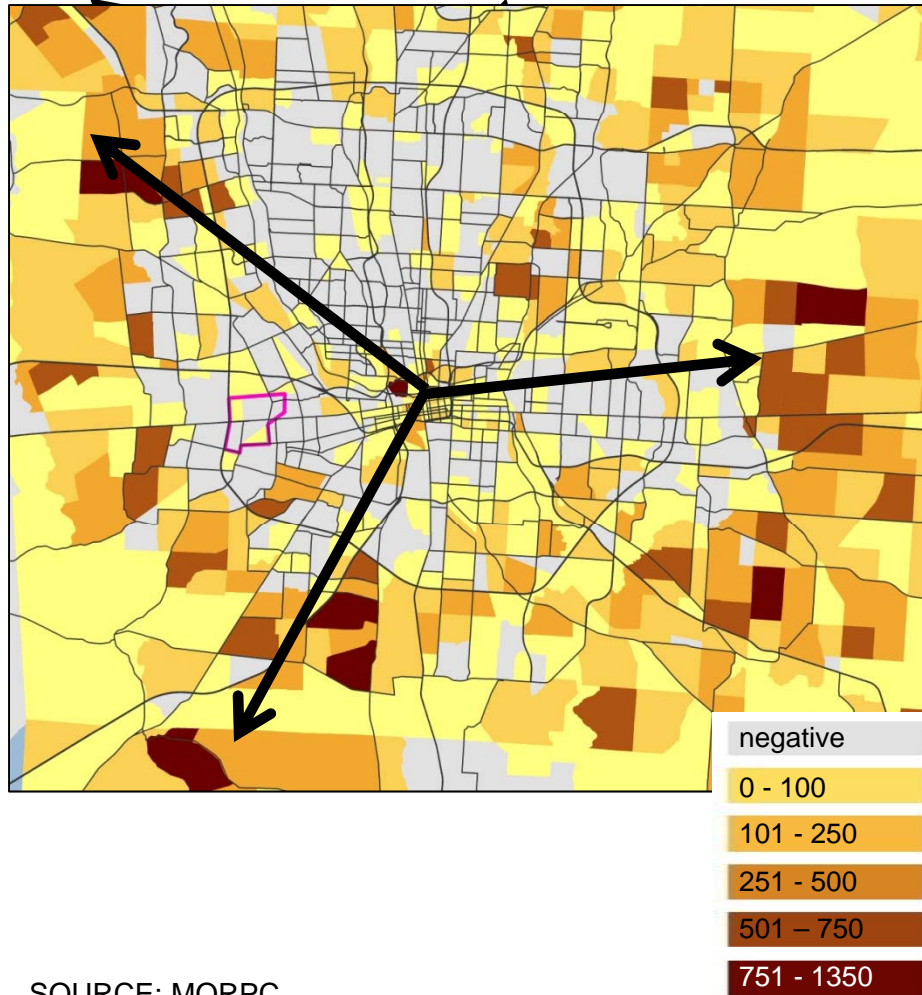
Size: 87.3 Acres
Potential Uses: Residential
Phasing: Mid to Long-term
Assessed Value: \$19.3 M



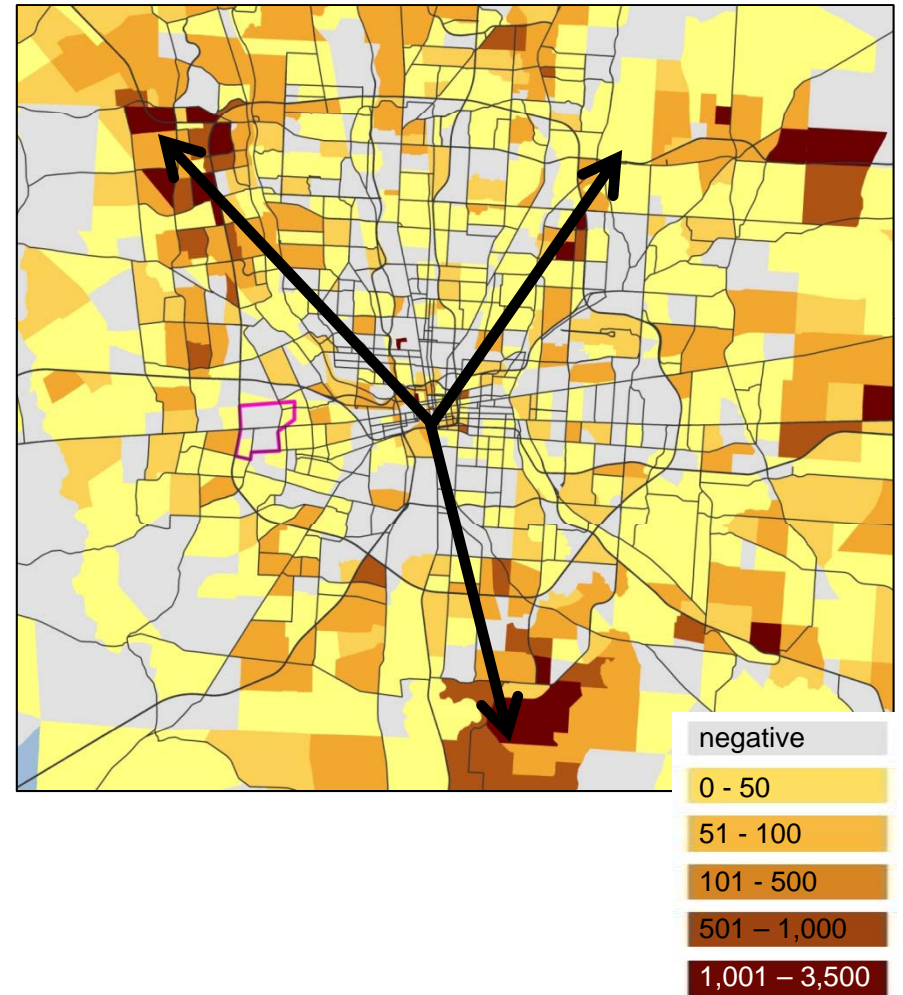
Development Context

GROWTH IS PROJECTED REGIONALLY... BUT NOT IN THE DIRECTION OF THE STUDY AREA

Projected Household Growth 2010 - 2020



Projected Employment Growth 2010 - 2020



SOURCE: MORPC

KEY FINDINGS

HIGH RATE OF VACANCY ALONG WEST BROAD STREET

- ▶ 24 vacant parcels along Broad Street
- ▶ 18 Different property owners of vacant and underutilized parcels
- ▶ 130 Acres of Vacant Land
- ▶ \$16.2 million – Vacant parcel land value
- ▶ \$16.1 million – Vacant parcel improvement value



OPPORTUNITIES AND CHALLENGES

STUDY AREA UNDERINVESTED BUT NOT UNDERSERVED

- ▶ 62 Occupied retail parcels along Broad Street (182.7 acres)
- ▶ National-scale tenants in Study Area include Target, Kroger, Big Lots!, and Dollar Tree. These retailers are not located on Broad Street and have limited visibility from the road
- ▶ Strong retail presence, strange retail configuration



WHAT WE'RE HEARING

PERCEPTIONS AND VISIONS FOR STUDY AREA

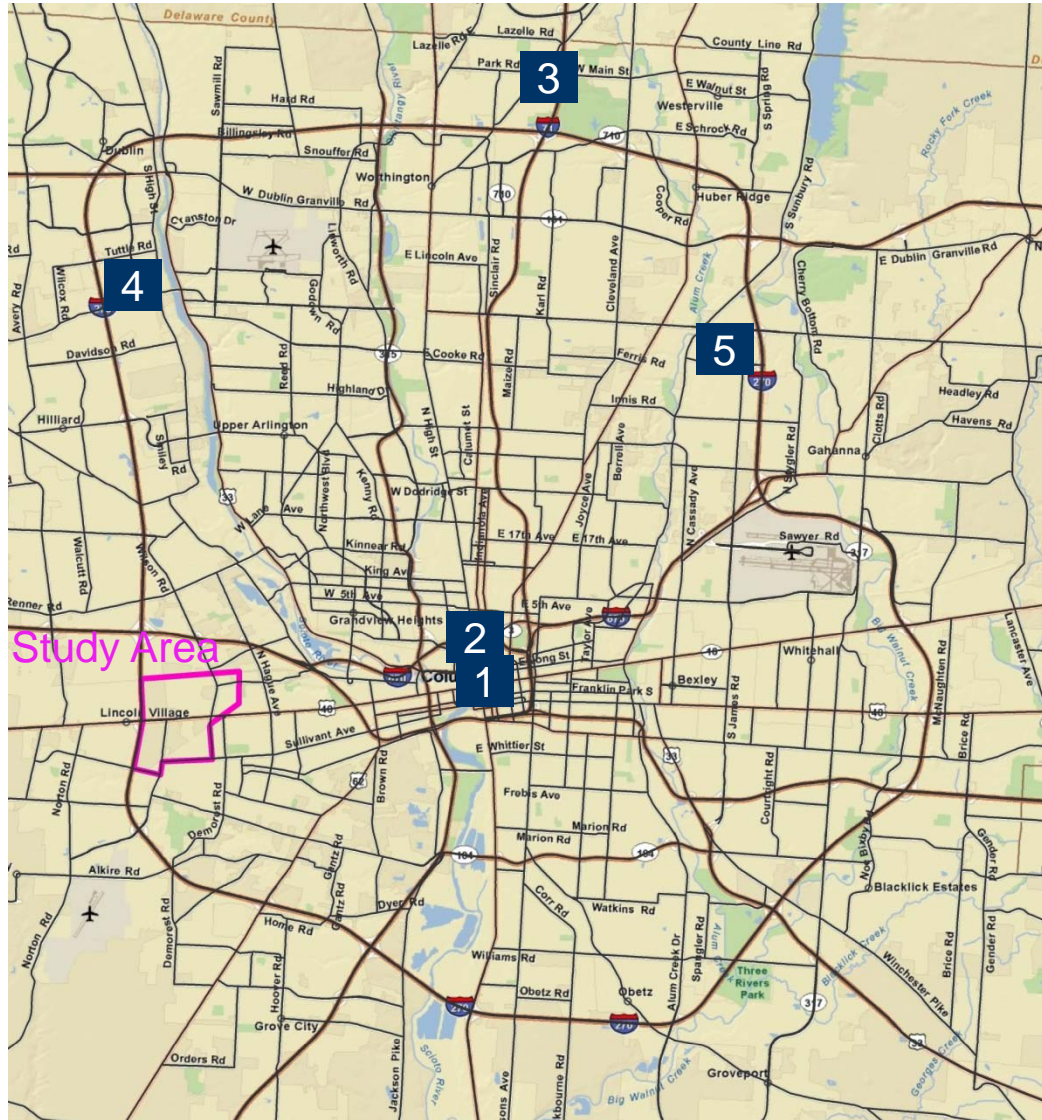
Neighborhood Perceptions

- ▶ Neighborhood with an active, engaged, and committed resident population
- ▶ Planned investment around Study Area could generate additional demand on site (e.g. AP23 and Cooper Park)
- ▶ Area has stigma of being unsafe (perception and reality)
- ▶ Insufficient employment (significant number of jobs lost after Delphi and JC Penney closed)
- ▶ Opening of Tuttle Crossing was devastating for retail in the study area
- ▶ Difficulty drawing new large-format retailers to the Westland Mall site
- ▶ Sears right of first refusal is a barrier to redevelopment
- ▶ Area is distressed but not distressed enough for city investment

Redevelopment Wishlist

- ▶ Community College (could be focused on hospitality)
- ▶ Charter School
- ▶ Medical Corridor
- ▶ Revitalized Broad Street
 - ▶ Complete Street with bike lanes, limited access, and raised islands
 - ▶ Entrepreneur Center
 - ▶ Gateway to Downtown Columbus
 - ▶ Shops and family-friendly entertainment
 - ▶ Farmer's Market
- ▶ Entertainment District
- ▶ Recreation Destination

THE STUDY AREA IN COMPARISON



MAP KEY	
1	Downtown Columbus
2	Arena District
3	Polaris Fashion Place and Town Center
4	Tuttle Crossing
5	Easton Town Center

THE STUDY AREA IN COMPARISON

	1-Mile Radius Surrounding:							
	Study Area	Downtown	Arena District	Polaris	Tuttle Crossing	Easton Town Center	Columbus	Franklin Co.
Households (2010)	4,925	4,305	5,288	3,085	3,168	4,316	324,782	474,721
Annualized HH Growth (2010-2015)	0.2%	1.5%	1.2%	2.1%	1.2%	1.5%	0.7%	0.8%
Household Density (HH/acre)	2.6	2.2	2.8	1.6	1.7	2.2	2.4	1.4
Median Income (2010)	\$38,364	\$26,737	\$35,506	\$70,256	\$75,046	\$26,829	\$49,692	\$55,046
Aggregate Spending (000s)	\$84,125	\$70,703	\$96,823	\$102,841	\$106,403	\$71,093	\$7,385,615	\$12,080,229
Spending per Households (2010)	\$17,081	\$16,424	\$18,310	\$33,336	\$33,587	\$16,472	\$22,740	\$25,447
Spending Density (\$/acre)	\$43,815	\$36,825	\$50,428	\$53,563	\$55,418	\$37,027	\$54,434	\$34,761
Median Home Value (2010)	\$92,316	\$184,101	\$161,139	\$195,142	\$180,574	\$184,320	\$116,971	\$131,161
Median Contract Rent (2000)	\$427	\$349	\$476	\$677	\$707	\$349	\$590	\$496
Owner Occupied Housing Units (2010)	31%	17%	16%	54%	45%	18%	43%	49%
Vacant Housing Units	19%	15%	15%	10%	13%	15%	13%	13%
Unemployment Rate (2011)	15%	21%	15%	5%	8%	21%	12%	11%
Acres	1,920	1,920	1,920	1,920	1,920	1,920	135,680	347,520

- Household spending on the low end, but above Downtown and Easton
- Median Home Value significantly less than other areas
- High vacancy rates of housing units in study area

SOURCE: ESRI Business Analyst; REIS

THE STUDY AREA IN COMPARISON

RETAIL CHALLENGED WITHOUT DAYTIME EMPLOYMENT ANCHOR

1-Mile Radius Surrounding:	Households	Office Employment	Rental Units	For Sale Units	Retail (GLA)
Downtown	4,305	47,711	3,440	865	---
Arena District	5,288	40,539	4,288	1,000	---
Polaris	3,085	9,107	1,225	1,860	449,281
Tuttle Crossing	3,168	3,440	1,535	1,632	1,127,330
Easton Town Center	4,316	47,956	3,448	868	1,365,563
Average	4,032	29,750	2,787	1,245	980,724
Westland Mall	4,884	1,267	2,990	1,893	889,172

REPLACE WITH
AGGREGATE
SPENDING
POWER?

Fewest "office"
jobs of the
comparison set

Residential concentrations
on par with other areas –
however, values and
incomes vary

Retail GLA close to that of
comparable sites. The
right SF # might be closer
to 450k.

ECONOMICS OF REDEVELOPMENT

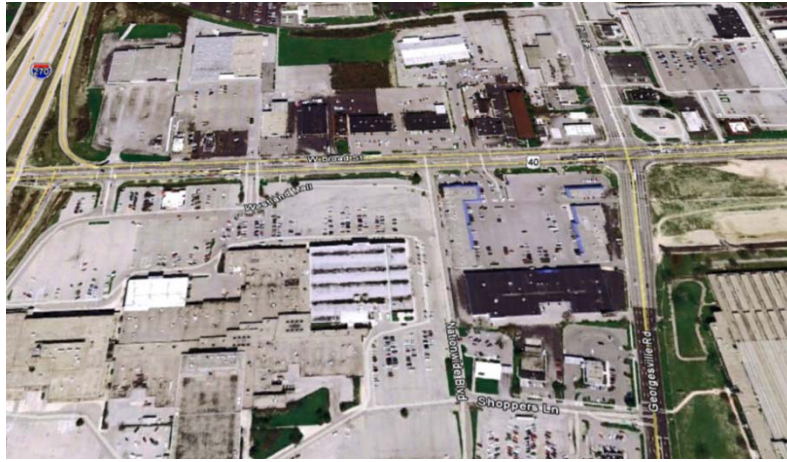
NEED TO CATCH UP ON REVENUE BY 20% AT LEAST

SEGMENT	OFFICE/INDUSTRIAL				RESIDENTIAL			RETAIL		
	Avg. Rents (\$/SF)	Vacancy (AVG)	Class	Av. Yr. Built	Rents	Vacancy (AVG)	Class	Rents (\$/SF/NNN)	Vacancy (AVG)	Yr. Built (Avg)
<i>Study Area</i>	N/A	N/A	N/A	N/A	\$522	27.9%	B/C	\$12	33.6%	1985
<i>Arena District</i>	\$19	14.2%	A/B/C	1950	\$1,006	4.4%	A/B/C	\$12	15.7%	1989
<i>Polaris</i>	\$17	16.9%	A/B/C	1998	\$854	4.6%	AB/C	\$18	15.5%	2000
<i>Tuttle Crossing</i>	\$20	19.3%	A/B/C	1996	\$951	3.1%	A/B/C	\$17	6.8%	1991
<i>Easton</i>	\$19	1.8%	A/B/C	2003	\$806	9.7%	A/B/C	\$15	19.7%	1981
Redevelopment Threshold	\$30	8%	N/A	N/A	\$1.45	N/A	N/A	\$25	N/A	N/A



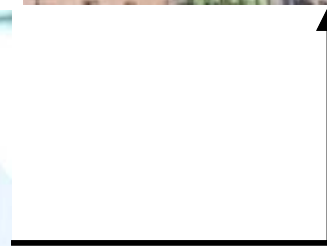
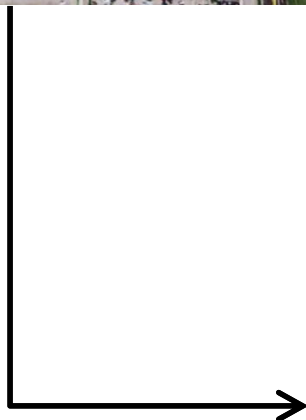
Barriers to Redevelopment

THREE KEY QUESTIONS TO CONSIDER



- ▶ Does the market want it?
- ▶ Who is going to pay for it?
- ▶ Will Wall Street underwrite the transformation?

THREE KEY QUESTIONS TO CONSIDER



WALL STREET AND “RESIDUAL LAND VALUE”

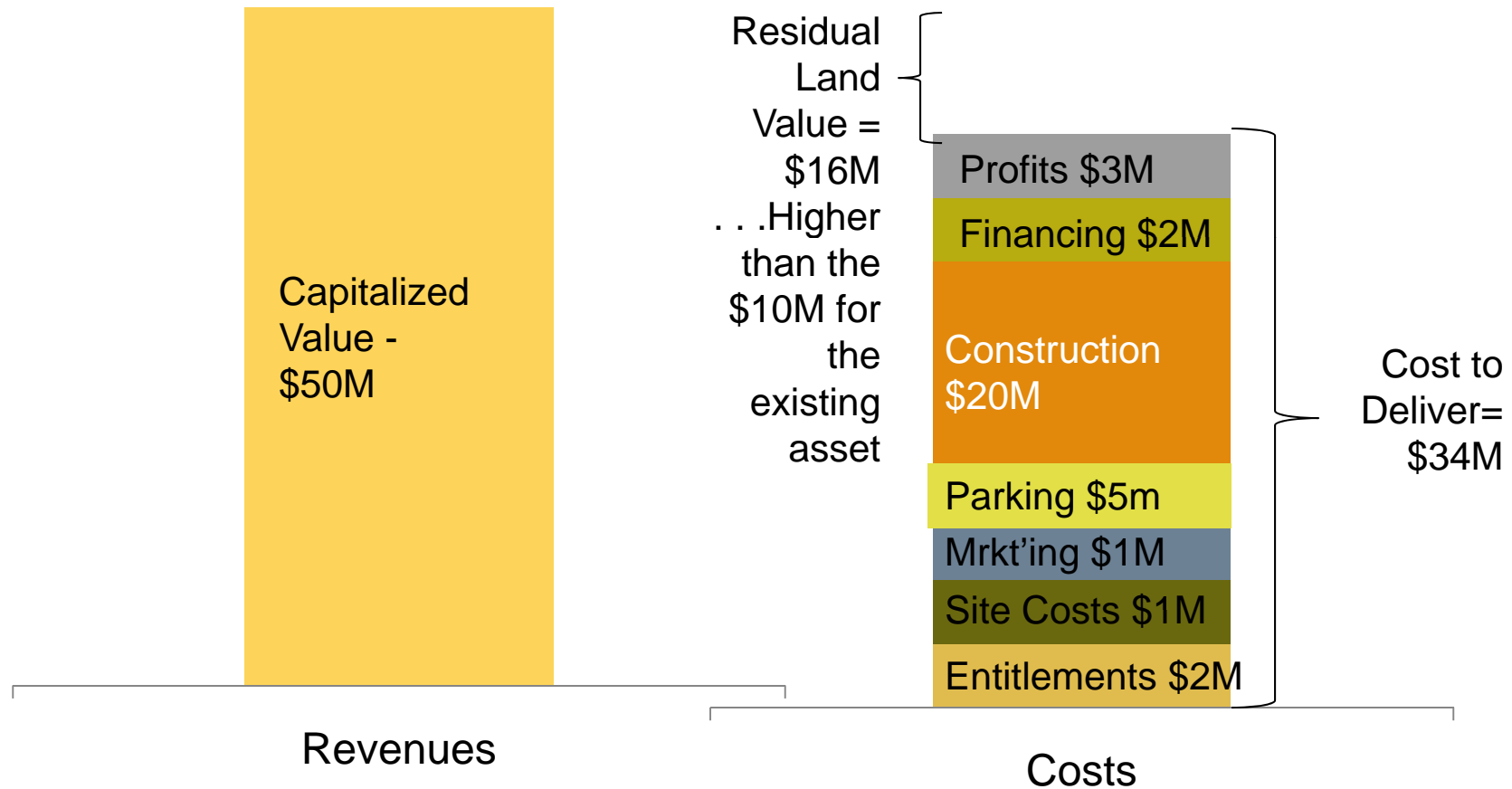


Existing stabilized asset has a discernible value

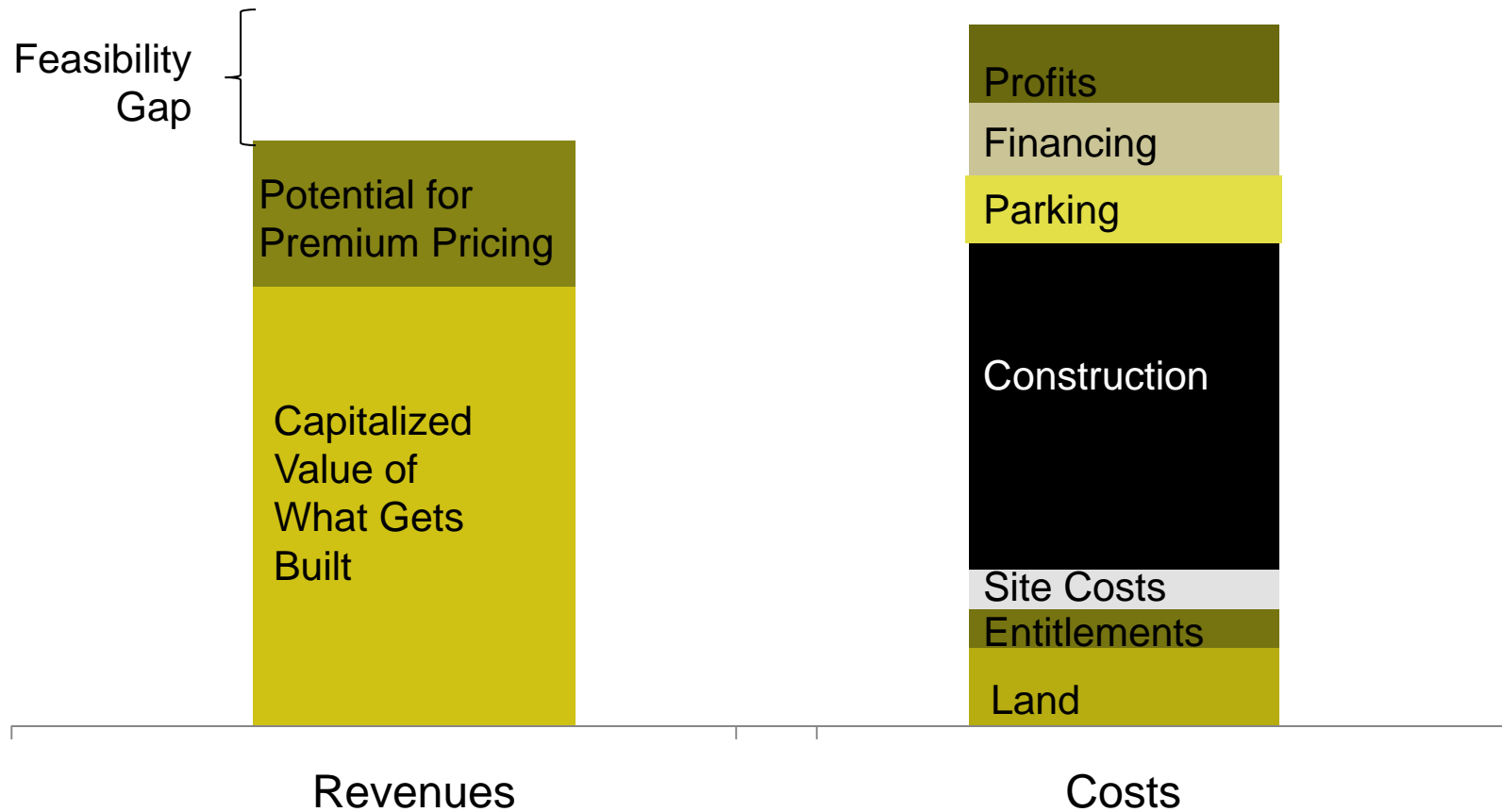
For this example: \$10M

To use the bank's money to control and redevelop the asset, the underlying land value has to prove to be more than \$10M

RESIDUAL LAND VALUE – HYPOTHETICAL (IDEAL)



IN REALITY, PROJECTS OFTEN LOOK LIKE THIS





Current Property Development Conditions

RETAIL MARKET FUNDAMENTALS

STRONG RETAIL OPPORTUNITIES WITH PLACEMAKING

Current Conditions

\$935M purchasing power within a 3-mile ring

Existing retail satisfies local demand for grocery, drug, general merchandise, and sporting goods

Critical Issues

Competition from existing retail centers

High Broad Street vacancy

Untested demand from casino goers

Opportunities

Reposition existing retailers

Destination retail to create a second attraction in addition to casino

Capture visitor demand unmet by casino

Absorption, Deliveries, and Vacancy – Southwest Submarket



Submarket	Total SF	Vacancy	Asking Rent/SF ¹
Northeast	15.1M	6.9%	\$13.30
Northwest	12.8M	8.6%	\$13.97
Southeast	.95M	14.1%	\$10.51
Southwest	6.8M	26.4%	\$8.08

¹ Neighborhood Retail

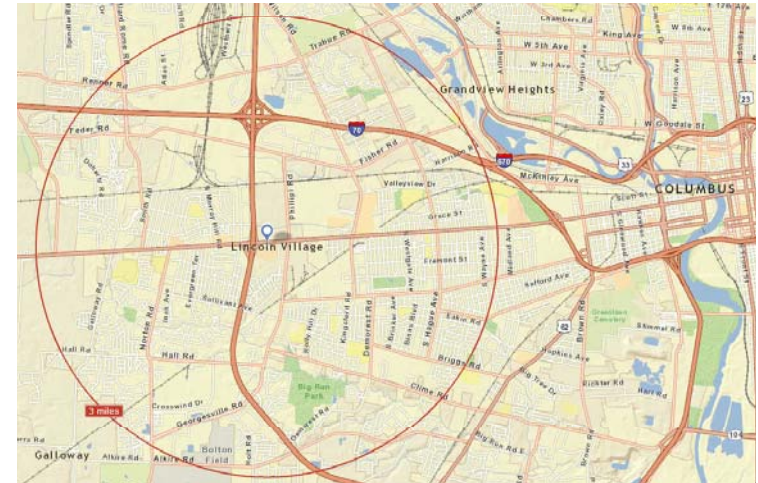
SOURCE: REIS, Inc.; Collier's

RETAIL DEMAND FROM HOUSEHOLDS

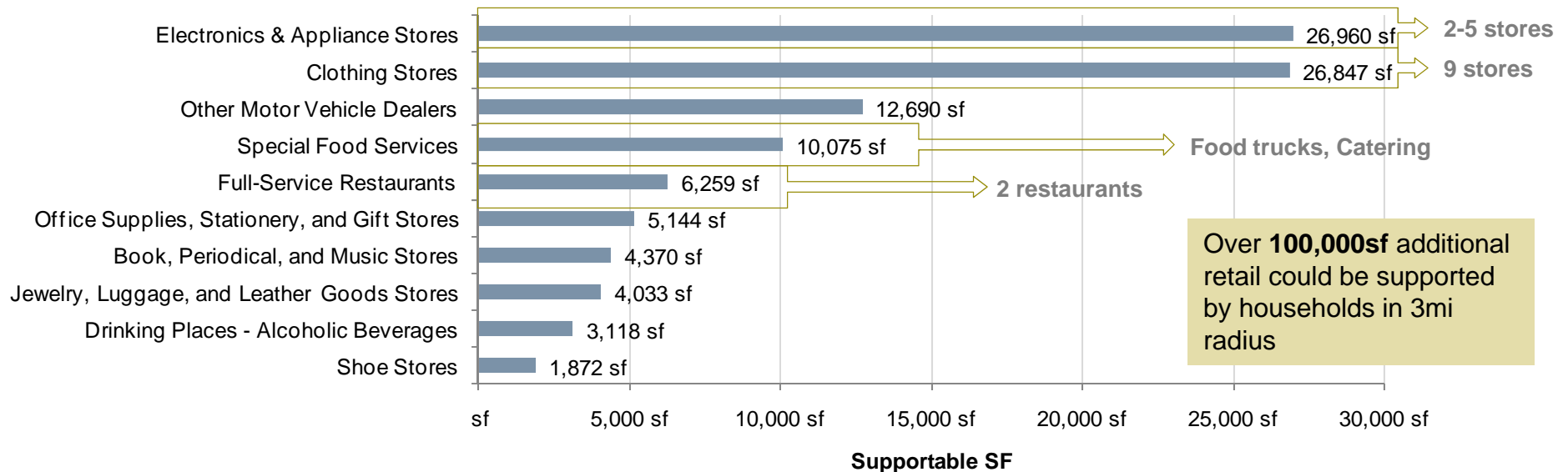
OPPORTUNITY REMAINS FOR NEIGHBORHOOD RETAIL

3 mile Radius:

- ▶ Neighborhoods: Greater Hilltop, Westland, Hilliard
- ▶ Population (2010): 12,600
Households (2010): 42,175
- ▶ Household Density (2010): 2.3/acre
- ▶ Spending/Household (2010): \$22,184



3mi Radius Supportable Stores (SF)



RETAIL

Market Snapshot

- ▶ Potential oversupply market-wide in larger-format and credit tenants
- ▶ Retail in Study Area is underperforming and could be improved by locating directly on Broad Street
- ▶ Top of market rents in \$12-\$14 NNN
- ▶ Substantial competitive retail space exists west of I-270, however destination and walkable retail is limited

Opportunity

- ▶ Local- and visitor-serving retail and restaurants (*100,000 sq. ft.*)
- ▶ Retail stores and services that appeal to casino visitors, such as spa, recreational facilities, entertainment (*132,000 sq. ft. total - 9 restaurants plus 60,000 sq. ft. lifestyle retail*)
- ▶ Expand existing cluster of automotive business
- ▶ Enhanced retail environment a precursor to residential at higher price points

Program Detail

250,000 SF GLA

Phase Ia – 50,000 GLA (local retail plus 2-3 restaurants)

Phase Ib – 50,000 GLA (local retail plus 2-3 restaurants)

Phase II – 150,000 GLA (complete restaurant row, other casino-driven retail)

RESIDENTIAL MARKET FUNDAMENTALS

OPPORTUNITY TO EXPAND PRICE POINTS

Current Conditions

Majority of homes in Study Area **under** \$100,000

Strongest growth in households between the ages of 25-34

Evidence of market support for 3br+ apartments and townhomes

Critical Issues

Real and perceived safety concerns

Current home prices do not reflect residential product casino and other redevelopment could catalyze

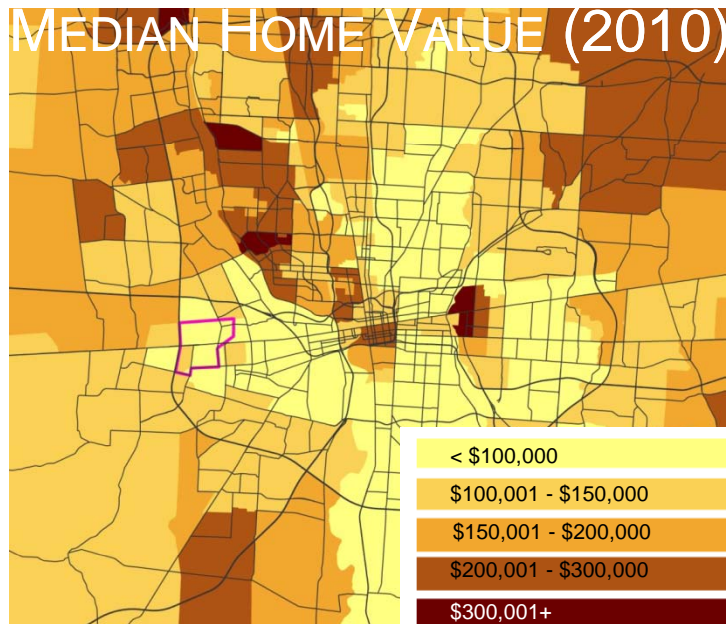
Opportunities

Connections to Westgate neighborhood

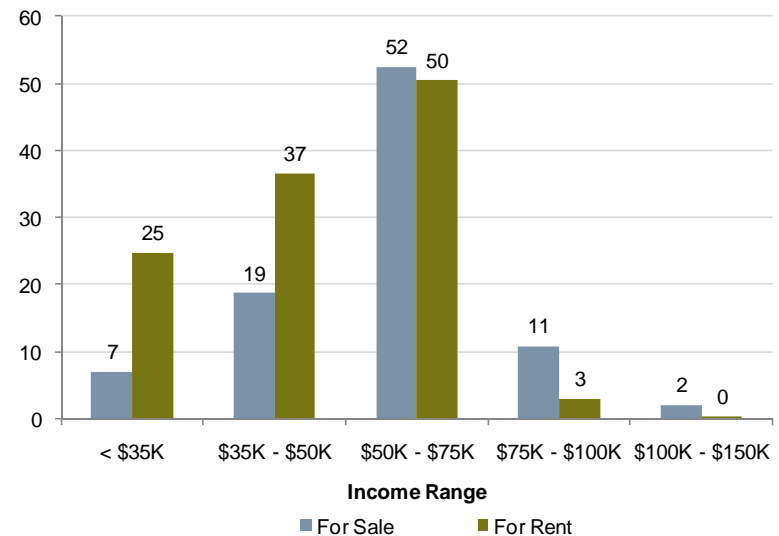
Opportunities for products that appeal to larger families

Potential for ~85 sales and 115 rental per year

MEDIAN HOME VALUE (2010)



Annual Site Demand Capture by Income



FOR-SALE RESIDENTIAL

Market Snapshot

- ▶ For-sale comprises ~40% of all residential within 1mi of Study Area, all SFD
- ▶ Residential neighborhoods in Study Area are challenged, but adjacency to Westgate neighborhood offers opportunity
- ▶ Low median home value in Study Area (\$92,300) as compared to Columbus (\$117,000) in 2010
- ▶ ~ \$90/SF-\$130/SF

Opportunity

- ▶ Annual demand for 85 for-sale units
- ▶ Broaden residential offerings in the study area to include TH residential at price points that appeal to households earning up to \$150K
- ▶ New residential that is a value option to nearby expensive communities – also capture move-down buyer
- ▶ Working hypothesis: Higher priced housing will be accepted post-redevelopment

Program Detail

	<u>Count*</u>	<u>Size Range (NSF)</u>	<u>Avg Price</u>
Phase I	400	1,800 – 2,200	\$220,000
Phase II	500	1,500 – 2,000	\$230,000

FOR-RENT RESIDENTIAL

Market Snapshot

- ▶ Oakbrook Manor is Study Area's largest rental community (~1,500 units)
- ▶ Other rental apartments are small and locally managed
- ▶ Effective study area rents average \$.90/SF - some projects reaching \$1.50/SF to \$1.70/SF
- ▶ Economics support wood frame construction, not concrete/steel

Opportunity

- ▶ High-quality alternative to older stock in a redeveloping neighborhood
- ▶ Appealing to families, including larger, extended families
- ▶ Broaden apartment offerings to include higher price points
- ▶ Annual demand for 115 units

Program Detail

Phase I	550 Units	\$800-\$1,200/mo	~\$1.10/SF
Phase II	750 Units	\$900-\$1,350/mo	~\$1.35/SF

HOSPITALITY MARKET FUNDAMENTALS

Current Conditions

Only three new hotels built since 2002

Average Daily Rate is \$105, ranging from \$70 for Economy hotels to \$165 for Upper Upscale hotels

Critical Issues

Keeping casino visitors in Columbus overnight

Underwriting of hotels challenging through 2012

Opportunities

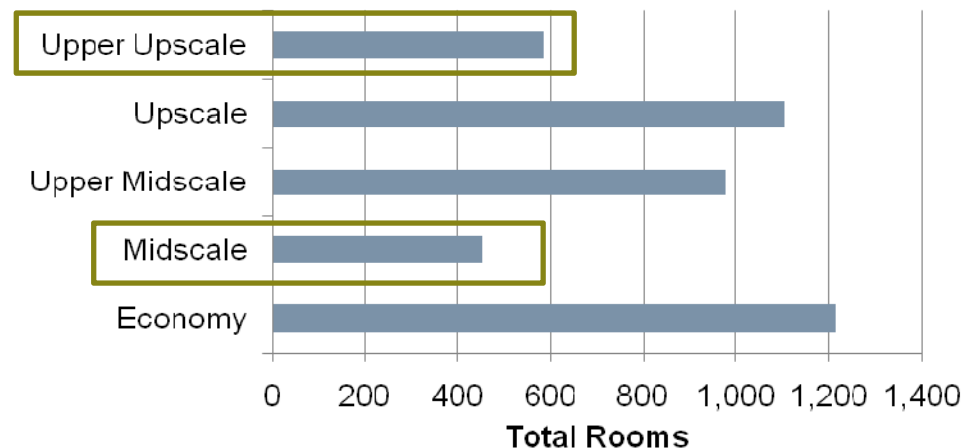
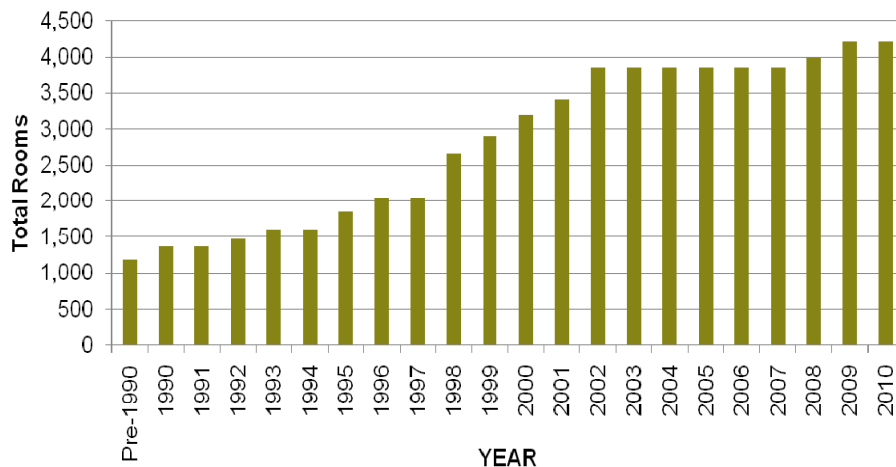
No hotel in Phase I casino development program

Midscale hotels - fewer in the current supply

Casino driven demand for additional hotel with meeting space

COLUMBUS I-270 WEST HOTEL SUPPLY

Total Hotels	42
Total Rooms	4,208



HOTEL

Market Snapshot

- ▶ Several quality “upper midscale” properties have recently been added to the market (e.g. Holiday Inn Express Dublin, Holiday Inn Hilliard)
- ▶ Midscale ADR is \$100 - \$110
- ▶ Highest-end of ADR range is between \$130 - \$145 (not including Downtown Marriott)
- ▶ Casino has no plans for a new hotel in the first 18 months of operation

Opportunity

- ▶ Midscale hotel with meeting space that caters to casino travelers. Limited offering of “midscale” hotels in this market
- ▶ No conference/meeting space in area
- ▶ As one of the few urban casinos in the country, Columbus Hollywood casino could draw visitors from rural areas who would spend the night. AP23 will generate hotel demand
- ▶ Casino could support 300 keys

Program Detail

	<u>Room Count Range</u>	<u>Expected ADR Range</u>
2-3 Midscale Hotels	80 – 100 (per hotel)	\$90 - \$100

- ▶ Offer up to 5,000 square feet of conference/meeting space
- ▶ Missing midscale chains : Wingate, Ramada, Red Lion, Candlewood Suites, Crossings

OFFICE MARKET FUNDAMENTALS

OPPORTUNITY AT LEAST 10 YEARS OUT

Current Conditions

Casino will be the source for new employment in Study Area

Vacancy rate in Southwest submarket 15%

Little office space in site vicinity

Outlook

Columbus market over-supplied for office space.

Class A not supportable for at least ten years

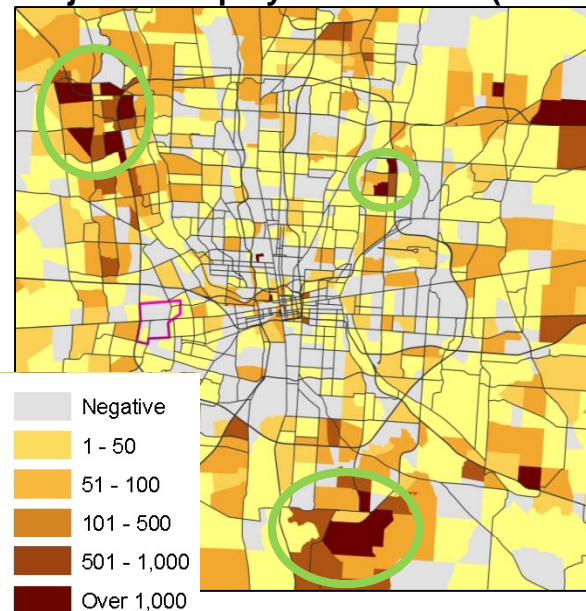
Opportunities

Catchment area when Hilliard is at peak occupancy

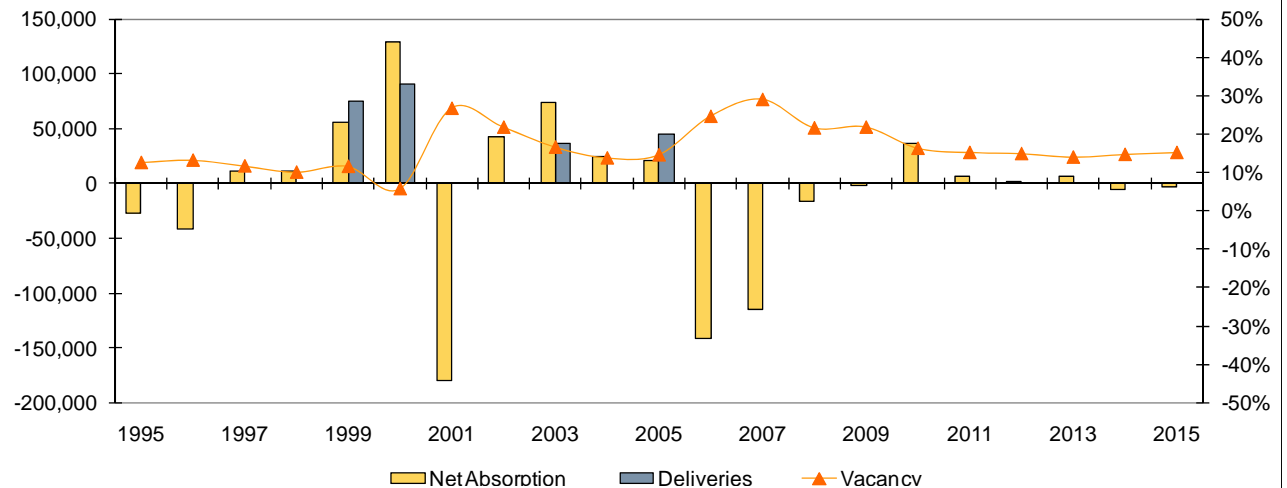
Medical and local-serving office

Government office space

Projected Employment Growth (2010-2015)



Southwest Office Market Net Absorption, Deliveries, Vacancy (2010-2015)



MARKET-DRIVEN OFFICE

Market Snapshot

- ▶ Office employment growth is not projected in or around study area.
- ▶ Only 171,000 sq. ft. of office space built in southwest submarket since 2000
- ▶ Submarket historical annual absorption negative; vacancy rate of 16%
- ▶ Typical Class A rents of \$19 and Class B rent of \$12 - \$14

Opportunity

In short-term, there is limited opportunity for small-scale office users including

- ▶ Small businesses - 90% of office users employ less than 10 FTEs
- ▶ “Retail office” - medical offices, accountants, and insurance agencies

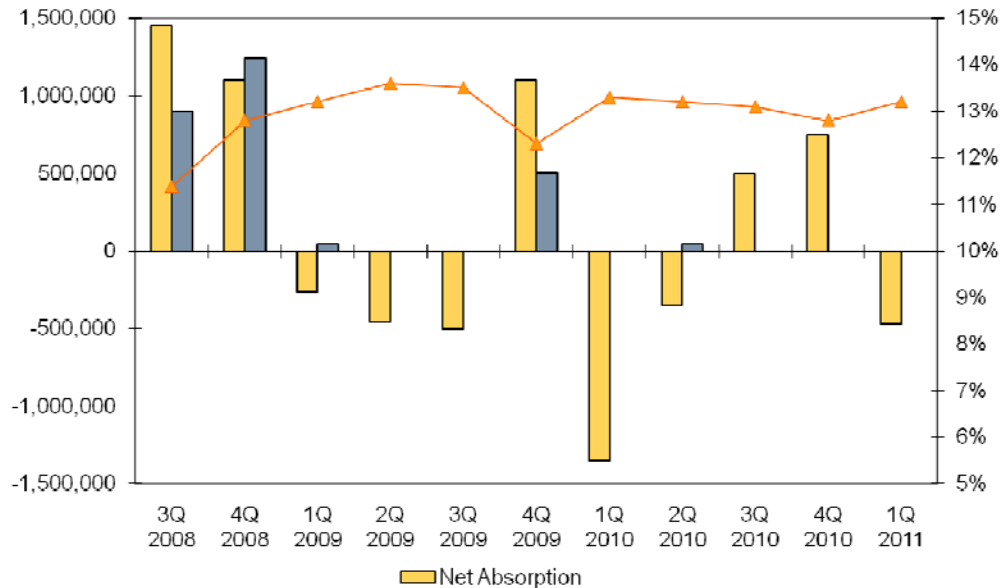
Public sector can help make a market for larger-scale office development by establishing an office in Study Area as an economic development investment

Program Detail

Market-driven Class A demand will not support office space development in Study Area. Numerous opportunities for local-serving office, especially given track record with casino adjacency. Government subsidy will be required to make an office market here.

INDUSTRIAL MARKET FUNDAMENTALS

Absorption, Deliveries, and Vacancy – Columbus, OH



Columbus Industrial Trends

- ▶ Gains from the end of 2010 were lost in 1Q 2011 with 468,993 square feet of negative absorption
- ▶ Vacancy rates in 1Q 2011 increased by 3 basis point to 13.2%
- ▶ Average asking rental rates for warehouse/distribution have remained stable, but rents R&D/Flex space continues to decline

Submarket	Total SF	Vacancy	Asking Rent/SF Warehouse Dist.	Asking Rent/SF R&D/Flex
East	20.2M	19.4%	\$2.82	\$5.18
West	35.9M	14.6%	\$2.35	\$4.97
North	16.9M	9.1%	\$3.46	\$5.37
Southeast	64.3M	16.3%	\$2.82	\$3.02
Southwest	17.7M	8.2%	\$2.93	\$4.67

SOURCE: Collier's

LIGHT INDUSTRIAL MARKET OPPORTUNITIES

PROJECTED DEMAND FOR WAREHOUSING AND FLEX

Example Office / Retail Uses

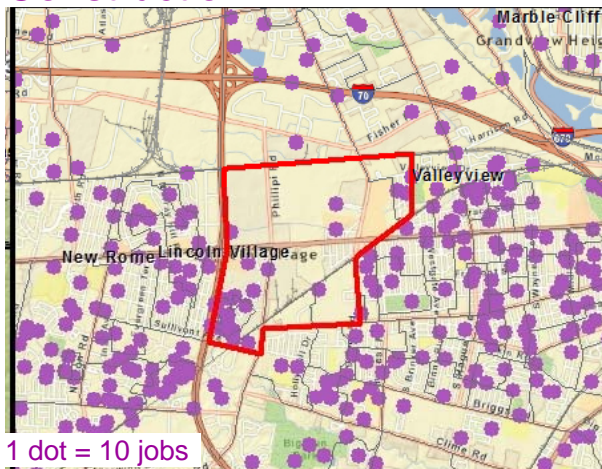
- Call Centers
- Employment Placement Agencies
- Credit Bureaus
- Security Guards and Patrol Services
- Locksmiths
- Business Service Centers
- Packaging and Labeling Services

Example Flex / Industrial Uses

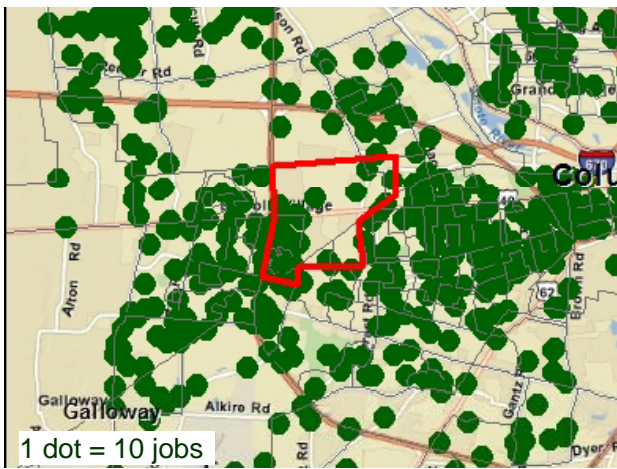
- Warehousing and Storage (primary use)
- Extermination and Pest Control
- Janitorial Services
- Landscaping Services
- Building Construction
- Specialty Trade Contractor

Potential Demand for Industrial/Industrial Space by Scenario and Use	Baseline	Growth	Optimistic
Office/Retail	74,980	112,470	149,960
Flex/Industrial	379,740	569,610	759,480
Total	454,720	682,080	909,440

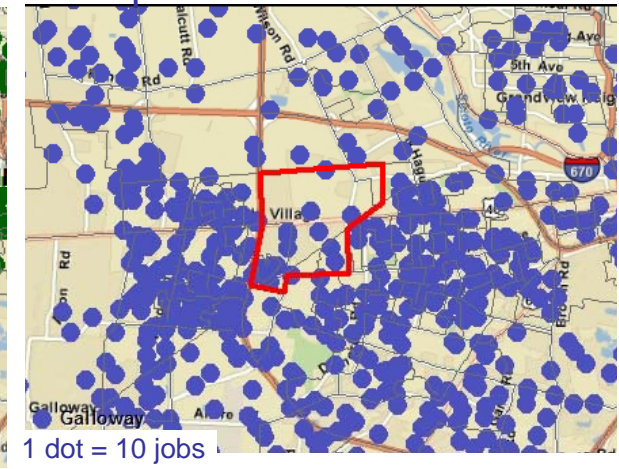
Construction



Business Services



Transportation



LIGHT INDUSTRIAL

Market Snapshot

- ▶ Employment growth projected for several light-industrial using industry sectors through 2018
- ▶ Study Area provides one of the only urban industrially zoned spaces in Columbus
- ▶ 13.2% vacancy for industrial space in Columbus market
- ▶ Typical asking rent of \$3 (warehouse/dist) and \$5 (R&D/flex)

Opportunity

In short-term, there is opportunity for light industrial/ commercial office users including:

- ▶ Office/retail – Call centers, credit bureaus, employment placement agencies
- ▶ Light industrial – Warehousing and storage, landscaping, security services

Program Detail

Market driven demand for light industrial uses based on employment growth projections. Uses such as call centers, employment placement agencies, and business services expand job opportunities in neighborhood. Additionally, credit bureaus, landscaping, and security service tenants meet both local and casino-driven demand.

SUMMARY OF DEVELOPMENT OPPORTUNITY

SITE REQUIRES PHASED DEVELOPMENT APPROACH

Development Type (Program)	Near Term (1 – 3 years)	Medium Term (3 – 5 years)	Long Term (5 – 10 Years)	Considerations
Retail 250,000 SF GLA Restaurant-driven with some lifestyle shops	★ ★	★ ★	★ ★ ★	Study area has unmet demand but Columbus market over-retailed. Local- serving retail mixed with retail targeting casino guests best option.
For Sale Housing 900 units 8-15 du/acre		★	★ ★	Unmet demand for for-sale residential exists. Neighborhood redevelopment could increase values and make development more viable in the medium- to long-term.
Rental Housing 1300 30-50 du/acre	★	★ ★		Low market price of single family homes limits demand for apartments. New construction at prevailing rents challenging, but multifamily a bright spot in current financing climate
Office 35,000 – 40,000 SF Local-serving “retail” office	★ ★	★	★	Market currently oversupplied. Opportunity to co-locate local-serving office (financial, health) in retail bays. Call center location could be a game-changer. Potential for a “lightning strike” or government subsidized office in later years. Competition for tenants will be intense.
Hotel w/ conferencing (240 – 300 keys) 45-60 Keys/Acre	★ ★	★ ★	★ ★ ★	Casino will spur demand for new hotel, which will not be provided onsite in Phase I. If private sector does not fill demand in the near term, then Penn National has Phase II plans for hotel development.
Industrial N/A	★ ★	★ ★	★ ★ ★	Existing warehouse and industrial uses may remain, with short-term opportunity for warehousing, business services, construction , and other flex/retail-office users.



Market Forces that may Change the Future

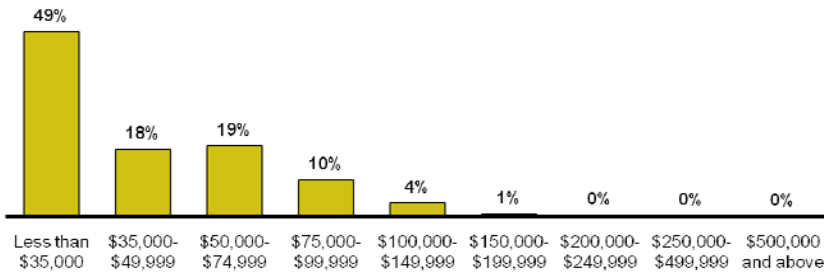
MARKET FORCES THAT MAY CHANGE FUTURE

- ▶ Demographics
- ▶ Casino
- ▶ Other Planned and Proposed Developments
- ▶ Catalytic Development Concepts

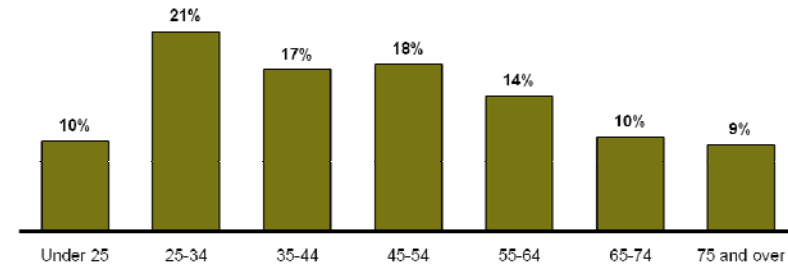
INCOME AND AGE DISTRIBUTION

NEARLY HALF OF STUDY AREA HHs EARN <\$35,000

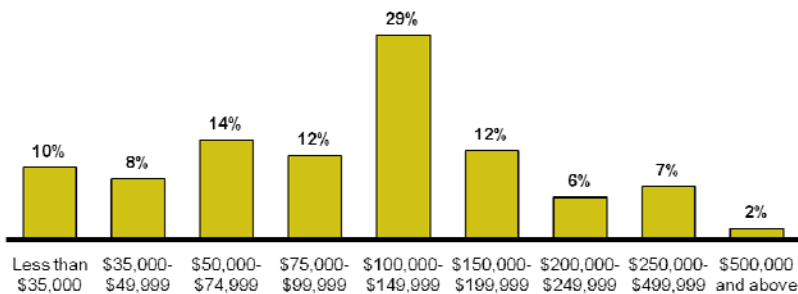
STUDY AREA



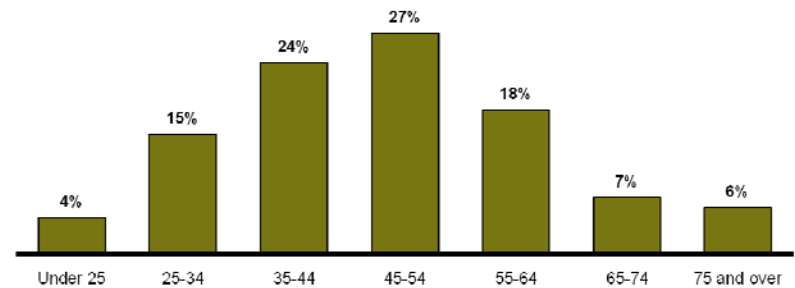
STUDY AREA



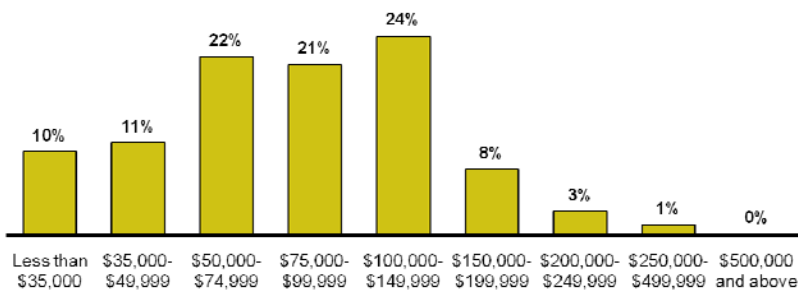
DUBLIN



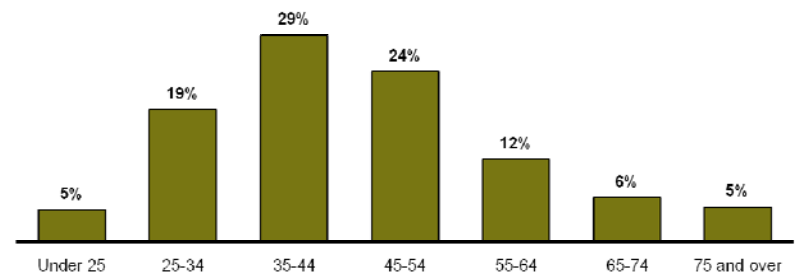
DUBLIN



HILLIARD



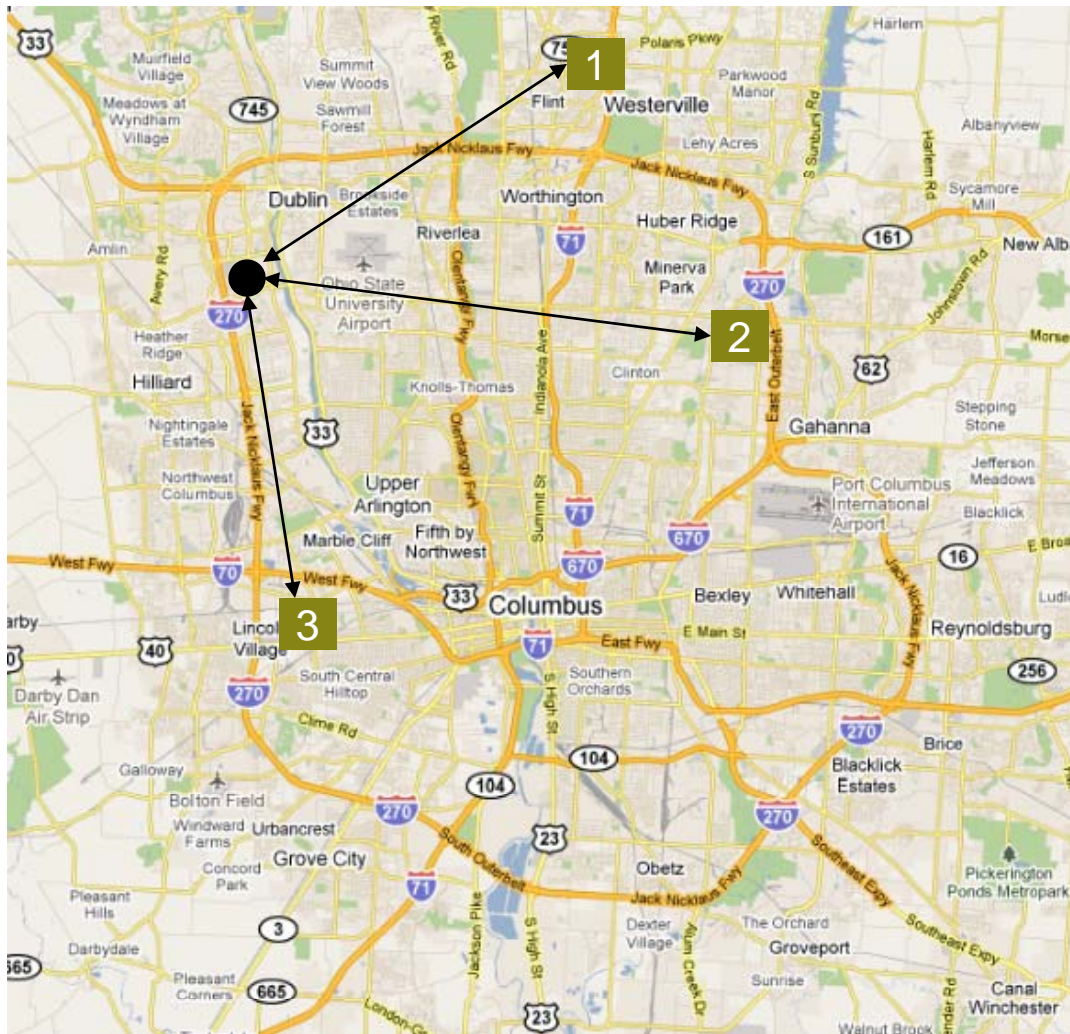
HILLIARD



SOURCE: ESRI Business Analyst

DUBLIN/HILLIARD RETAIL DEMAND POTENTIAL

DUBLIN/HILLIARD HHs DRIVE 13-22 MILES TO MAJOR RETAIL



MAP KEY	RETAIL CENTER	DISTANCE FROM DUBLIN/HILLIARD
1	Polaris Fashion Place and Town Center	13-18 miles
2	Easton Town Center	17-22 miles
3	Study Area	8-12 miles

Dublin/Hilliard 2010 Retail Demand:
\$994,292,000

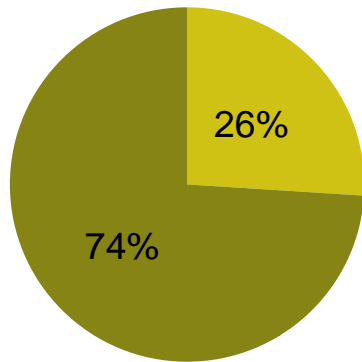
If the Study Area captured 1% of Dublin/Hilliard demand, the area would capture:

\$49,715,000

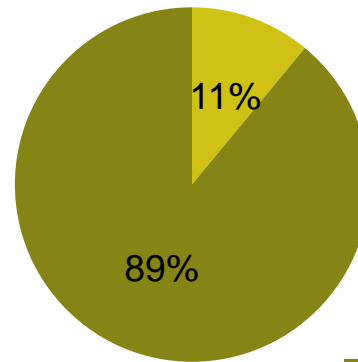
Which translates into an additional:
125,000 SF of Retail

LARGER MINORITY POPULATION IN STUDY AREA COMPARED TO 3-MILES RADIUS AND MSA

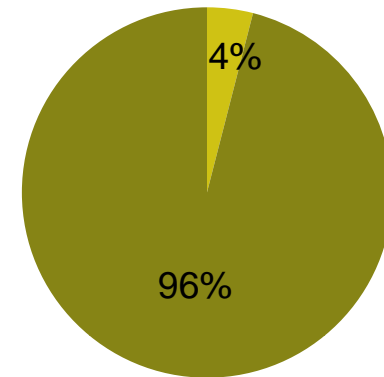
Study Area



3-Mile Radius

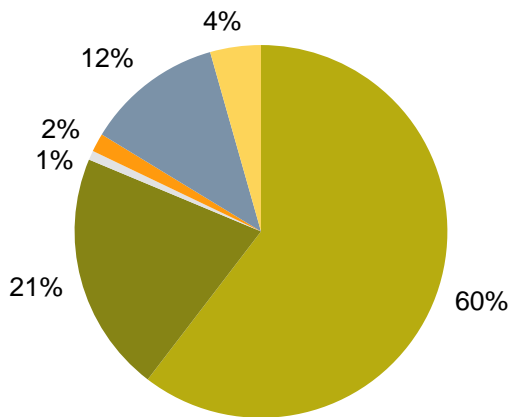


MSA

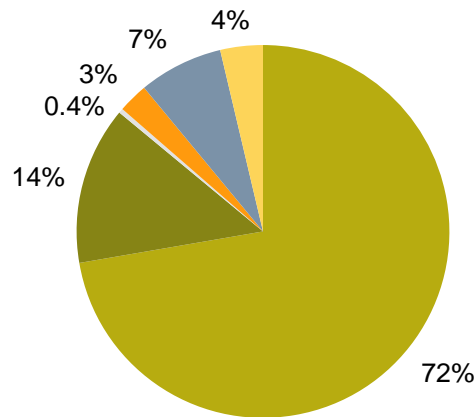


■ % Hispanic
 ■ % Non-Hispanic

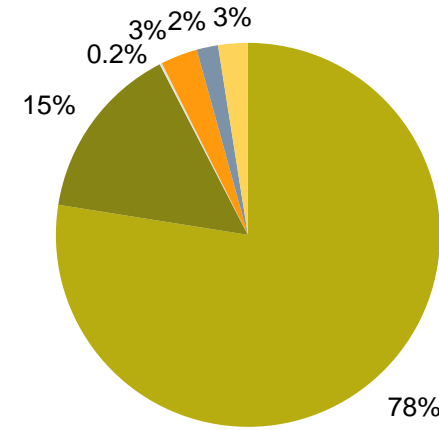
Study Area



3-Mile Radius



MSA



■ White
 ■ Black or African American
 ■ American Indian and Alaska Native
 ■ Asian
 ■ Some Other Race
 ■ Two or More Races

SOURCE: ESRI Business Analyst

MARKET FORCES THAT MAY CHANGE FUTURE

- ▶ Demographics
- ▶ Casino
- ▶ Other Planned and Proposed Developments
- ▶ Catalytic Development Concepts

CATALYZING DEVELOPMENT AROUND A CASINO




LESSONS LEARNED FROM COMPARABLE URBAN CASINOS



Comparable Criteria:

- ✓ Stand Alone Casinos
- ✓ Urban Locations
- ✓ Est. for at least five years

Case studies demonstrate that casinos have the best impact in neighborhoods with entertainment districts. With the right urban conditions, smart concession strategies, and the right incentives, casinos can catalyze development and improve their surroundings.

MAP KEY	CASINO/ LOCATION	YEAR OPEN	SIZE (SF)	TRADE AREA		LESSONS LEARNED
				POP.	AREA	
	Harrah's Casino New Orleans, LA	1999	100,000	11 million	---	<ul style="list-style-type: none"> • Located at the edge of the French Quarter , this is one of the first U.S. examples of a city introducing a casino into an urban neighborhood • City concessions initially restricted casino from developing a hotel or restaurants • When the State permitted the casino to build restaurants in 2001, the new restaurant were designed to connect to Fulton Street and to form a pedestrian link • Casino and convention center together drove traffic through businesses in the French Quarter
	Harrah's Casino Joliet, IL	1993	40,000	9 million	Chicago MSA	<ul style="list-style-type: none"> • Located in the center of Joliet at the juncture of Rt. 30 and Rt. 53 • Operational since 1993, the casino has not catalyzed development around itself • Missed opportunities to integrate with surrounding downtown neighborhood due to surface parking surrounding site, an inward-oriented complex, and inconsistent architectural styles.
	Greektown Casino Detroit, MI	2000	100,000	9.3 million	150 miles	<ul style="list-style-type: none"> • Located in a dense retail district of downtown Detroit • Casino attempted to integrate with vibrant entertainment district by retaining original streets and structures and preserving street-level restaurants • Successfully bolstered the district by taking on existing character of the neighborhood

SOURCE: Schray, Luke. "Casinos in Context: The Impacts of Stand-Alone Casino Development on Urban Neighborhoods"

MARKET FORCES ARE SHIFTING DEMAND

CASINO-DRIVEN DEMAND

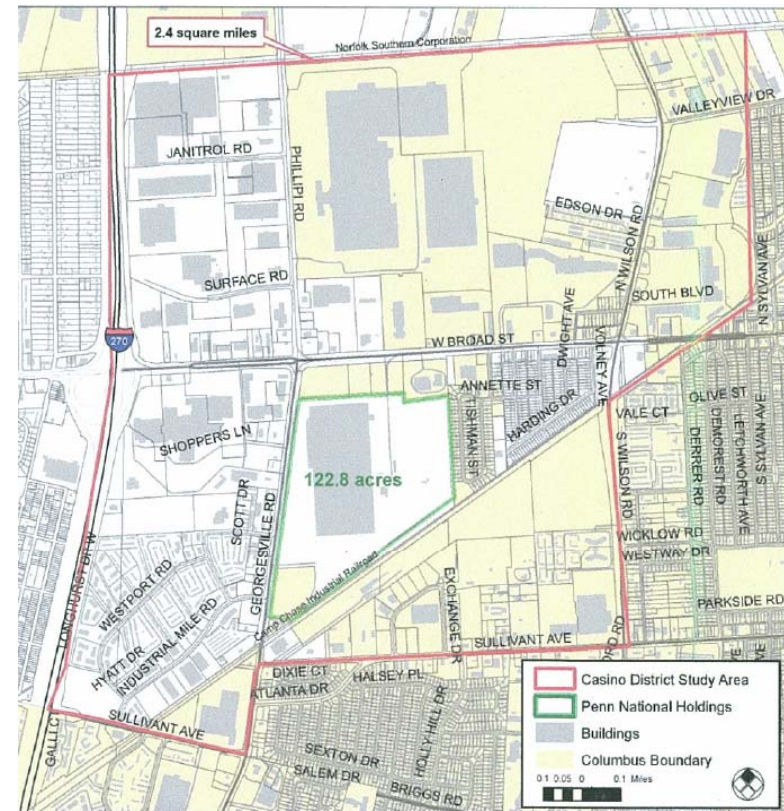
Key Facts and Figures

- ▶ **\$400 million: Total Development Costs**
- ▶ **2012: Scheduled Opening**
- ▶ **2,000: Permanent Casino Jobs**
- ▶ **10 million: Annual Visitation**
- ▶ **90 miles: Hollywood Casino Trade Area**
- ▶ **2-4 hours: Average length of stay**
- ▶ **3,000: Gaming Seats (slots)**
- ▶ **70: Tables (30 poker tables)**

Development Program

- ▶ **Phase I:**
 - 3 Restaurants with at total of 700 seats (Steakhouse, Buffet ,Sportsbar)
 - Minimal Retail (Gift shop, Columbus Fire Dept store)
 - Meeting Space – 10,363 sf
 - 137 RV spots and servicing area
 - 2,123 structured parking; 1,377 surface parking
- ▶ **Phase II:**
 - Hotel
 - Additional parking
 - Additional meeting space

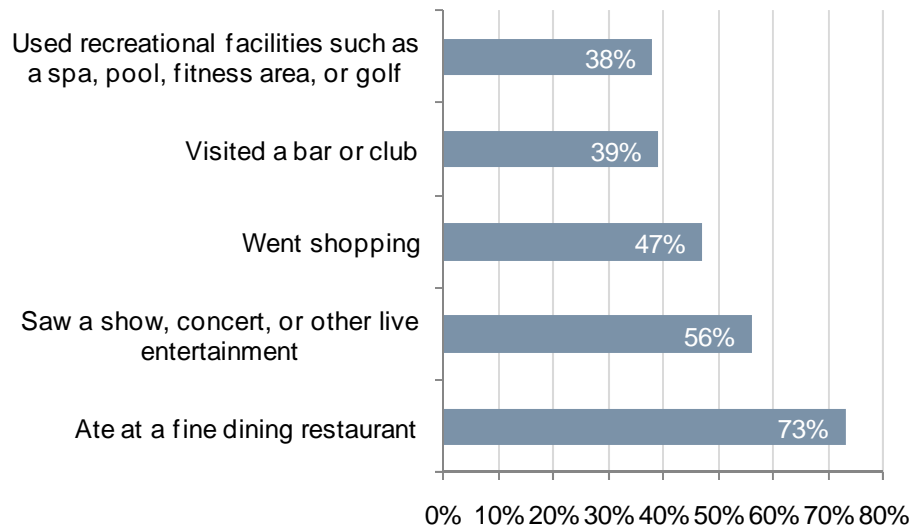
	SLOTS	TABLES	POKER	TOTAL GAMING SEATS
Total Games	3,000	70	30	
Seats/Game	1	6	9	
TOTAL SEATS	3,000	420	270	3,690



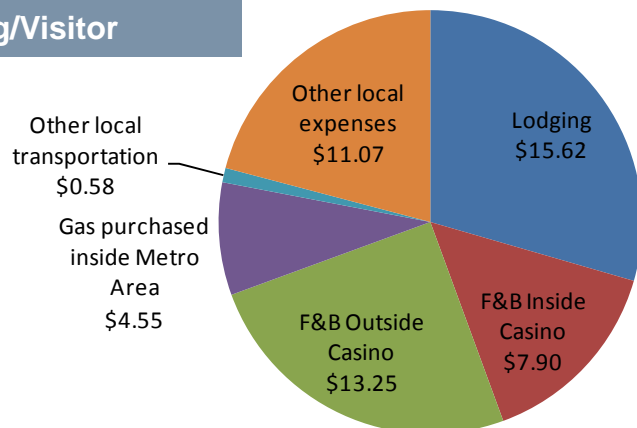
RETAIL DEMAND FROM CASINO VISITORS

VISITOR SPENDING OUTSIDE OF THE CASINO

Rate of Participation in Non-Casino Activities by Casino Visitors



Est. Spending/Visitor



Casino Visitors: Facts & Figures

- ▶ **Millions of visitors** projected annually to Columbus Hollywood Casino from a **90 mile** trade area (2010 Population: 5.7 million)
- ▶ Typically stay **2-4 hours**
- ▶ **31%** of US adults ages 21+ visited a casino in 2010 (slightly more men than women)
- ▶ The **50-64 age** group is the largest demographic group that visited casinos in 2010. (58% of casino visitors are 50+)
- ▶ **59%** of casino visitors shopped or ate at other places in the area outside the casino property
- ▶ Outside of casino, visitors typically spend on **F&B, gas, entertainment, and recreational/spa facilities**

CASINO SUPPORTED DEVELOPMENT

KEY DEVELOPMENT RATIOS BASED ON CASE STUDIES

LAND USE	DEVELOPMENT RATIO	PNG PROGRAM (Total Seats)	DEVELOPMENT IMPLICATIONS
HOTEL			
	8.0 (Keys/100 Seats)	3,690	300 Keys
FOOD			
Restaurants	0.25 (Rest./100 Seats)	3,690	9 Restaurants
Restaurant Seats	40 (Rest. Seats/100 Seats)	3,690	1,480 Restaurant Seats
LIFESTYLE RETAIL			
Total SF	1,600 (SF/100 Seats)	3,690	59,000 SF

Lifestyle Retail includes boutiques, upscale gifts, fine foods, and apparel stores.

SOURCE: RCLCO

SOME BUSINESSES GROW AROUND CASINOS

GROWTH SURROUNDING PENN NATL CASINOS

RCLCO gathered business listings data from areas surrounding every Penn National Gaming gaming facility in an urban area in the nation. We compared growth in stores by store type and sales volume by NAICS code. The following store types showed same store growth or new store additions within ½ mile radii of an existing and operational Penn National Gaming facility.

SUMMARY OF URBAN CASINO BUSINESS GROWTH SEGMENTS PENN NATIONAL CASINOS, VARIOUS MARKETS, USA (2004 – 2010)

BUSINESS CATEGORIES	EXAMPLES	GROWTH POTENTIAL (FROM CASE STUDIES)	REAL ESTATE PRODUCT TYPES	BRANDING/ THEMING CONCEPTS
Full service restaurants	Ruby Tuesday, Pizzeria Uno, Panera, Buffalo Wild Wings	Very strong	Anchored and unanchored retail, in- line retail	Casino-adjacent dining district
Automotive servicing, including gasoline	Fuel, Texaco, Meineke, Jiffy Lube	Very Strong	Re-use of industrial buildings, unanchored	Auto spa district
Craft and game stores, including hobbies/toys	Michael's, GameStop, Sam Ash	Strong	Anchored and unanchored retail, in- line retail	Family-oriented shopping
Mid-market general merchandise/auto stores	Anna's Linens, Sears Outlet, Bed Bath Beyond, Pep Boys	Strong	Anchor retail, end-cap retail	Family-oriented shopping
Flower stores, fresh flowers	FTD, Various	Strong	In-line retail, ground floor office space	N/a
Consumer Lending	Various	Strong	In-line retail, ground floor office space	Consumer finance district
Consumer Financial Planning	Ameriprise, Prudential, Schwab	Strong	In-line retail, ground floor office space	Consumer finance district
Real Estate Agencies/Brokerages	Coldwell Banker, Weichert, Colliers	Strong	Low-rise/Mid-rise office	Consumer finance district
Clubs and Associations	AAA, Lions Club, Rotary, Alumni Association, Boy Scouts,	Moderate	Low-rise/Mid-rise office	N/a

MARKET FORCES THAT MAY CHANGE FUTURE

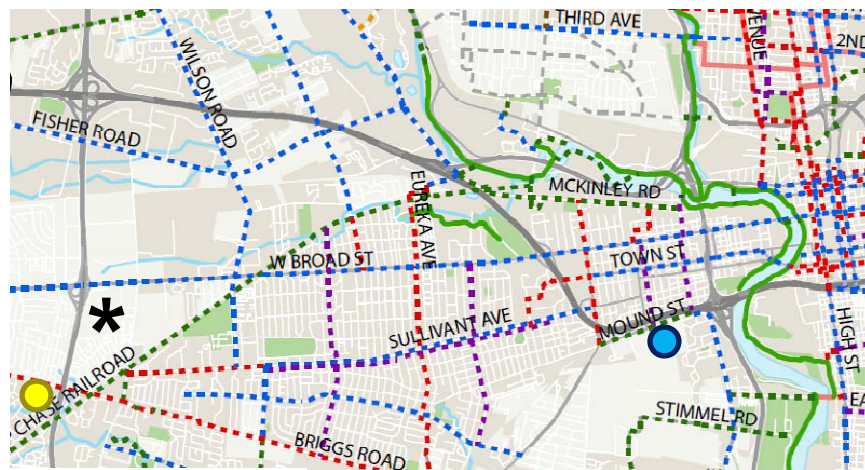
- ▶ Demographics
- ▶ Casino
- ▶ Other Planned and Proposed Developments
- ▶ Catalytic Development Concepts

MARKET FORCES ARE SHIFTING DEMAND

OTHER POTENTIAL DEMAND DRIVERS

Central Ohio Greenways Project

- ▶ X00-mile Rails-to-Trails project connecting xx and Columbus
- ▶ Proposed bike lane and bike boulevard from site to downtown
- ▶ Opportunities to connect to Greenway and program for its users



Proposed Bikeways

- Shared Use Path
- Bike Lane
- Bike Boulevard
- Signed Shared Roadway

- * Westland Mall
- AP 23
- Cooper Stadium

AP23

- ▶ Multi-sport, multi-purpose athletic and wellness facility that caters to AAU (Amateur Athletic Union)
- ▶ 235,000 SF facility located in former Meijer store to the south of Study Area
- ▶ Off-season basketball, volleyball, indoor track, soccer, mixed martial arts competitions
- ▶ 2000-3000 visitors expected each weekend



Cooper Park

- ▶ Half-mile racetrack and automotive research center (47 acre site)
- ▶ Rezoning for redevelopment unanimously approved in June 2011
- ▶ \$40 million investment, in partnership with Jeff Gordon Racing
- ▶ Project will support 300 new full and part-time jobs for Franklinton
- ▶ Anticipated to host 16-20 races per year and other events, such as snowboarding and BMX biking expositions and a rodeo



MARKET FORCES THAT MAY CHANGE FUTURE

- ▶ Demographics
- ▶ Casino
- ▶ Other Planned and Proposed Developments
- ▶ Catalytic Development Concepts

CALL CENTER LOCATIONS REUSING EXISTING PROPERTIES (RETAIL/INDUSTRIAL)



CATALYTIC RETAIL DEVELOPMENTS



NATIONAL HARBOR, Maryland



HARLEM USA, New York, New York



ZONA ROSA, Kansas City, Missouri



POWER PLANT LIVE!,
Baltimore, Maryland



THE GREEN TOWN CENTER, Dayton, Ohio

ENTERTAINMENT RETAIL DISTRICT



BAYOU PLACE, Houston, TX



CHURCH STREET MARKETPLACE, Burlington, VT



TRAPPERS ALLEY/GREEKTOWN, Detroit, MI



UNDERGROUND ATLANTA, Atlanta, GA

AUTOMOTIVE DISTRICT



HAYDOCY AUTOMOTIVE, Columbus, OH
Completion Date: 2012



MERCEDES BENZ OF ANNAPOLIS,
Annapolis, MD

Aspirational: Grossinger Autoplex

- Urban adaptive reuse development
- Site was previously a Home Depot EXPO Design Center
- Unconventional dealership site
 - Multi-line automotive sales
 - Indoor dealership with a smaller footprint - 310,000 SF (building and lot)
 - Surface parking needs reduced through use of car lifts
 - "Green Dealership" – LEED certified



GROSSINGER AUTOPLEX, Chicago, IL

DESTINATION RETAIL

A DAY AT THE SPA? HUNTING AND FISHING?



SPA?
SPORTS?
BOTH?



NON-COMMERCIAL ACTIVITY CENTERS



Future Market Positioning

- Unique arts and production destination
- Non-commercial activity center
- Locus for arts-oriented uses
- Locus for production-oriented uses



Market Opportunities

- Low lease rates
- Lower land values
- Limited other market opportunities
- Centrally-located for residents, but not appealing for commercial users
- Can re-use existing buildings

Clockwise from top left:

- Howard Ave, Kensington, MD
- Sportsplex, Greensboro NC
- Young at Art, Ft. Lauderdale, FL
- Amicus Green Building, Kensington, MD
- Howard Ave, Kensington, MD



Development Challenges

- Establish site control and/or master leasing
- Updated zoning (perhaps incorporate ULI and ROD)
- Much can be accomplished via robust landscaping and right-of-way improvements
- Recruiting businesses and entrepreneurs

WESTLAND MALL SITE

- ▶ May be difficult to market a retail-driven concept
- ▶ Need investment to make the property marketable

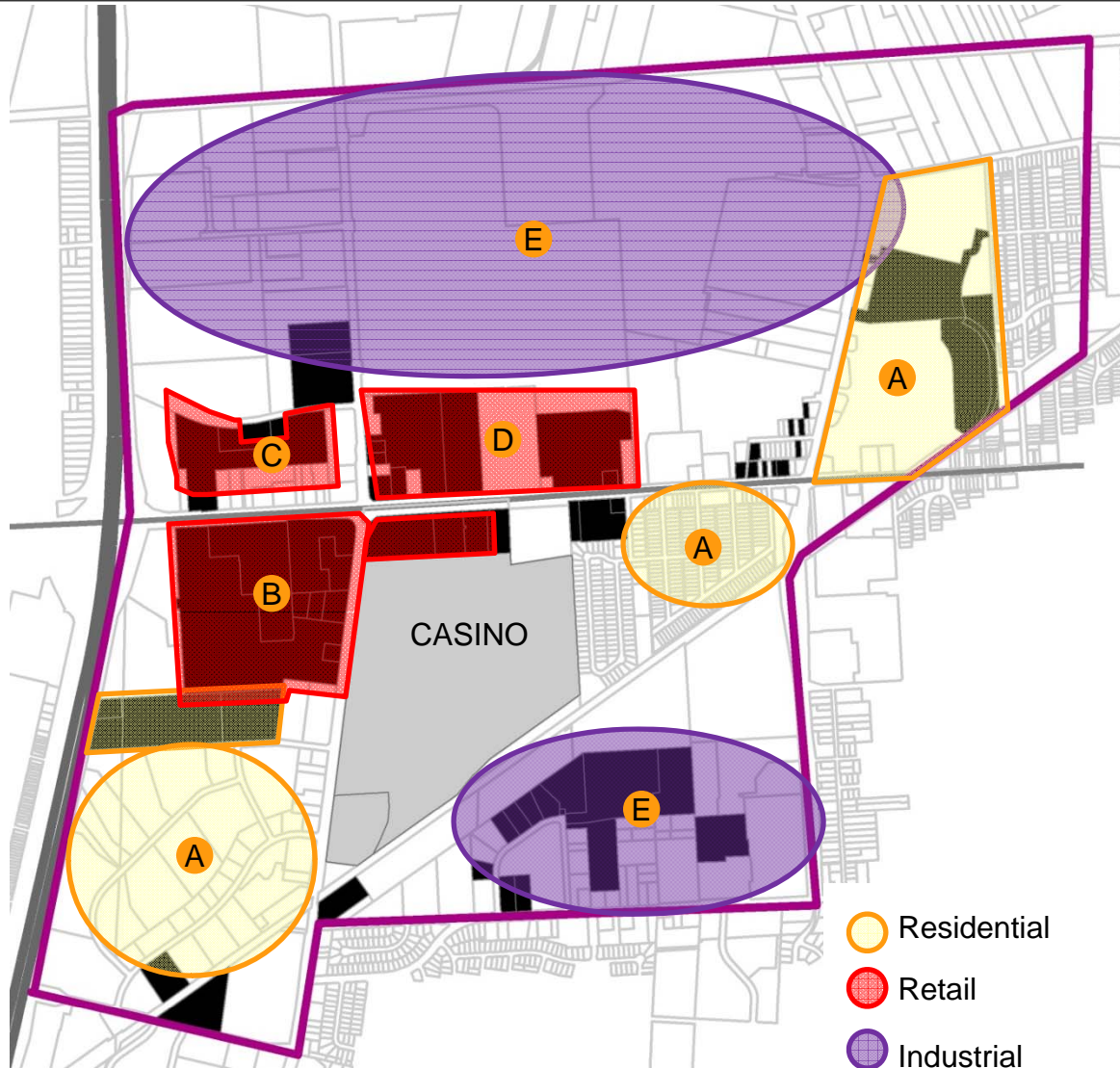




Impact on Project Feasibility

DEVELOPMENT TRAJECTORIES

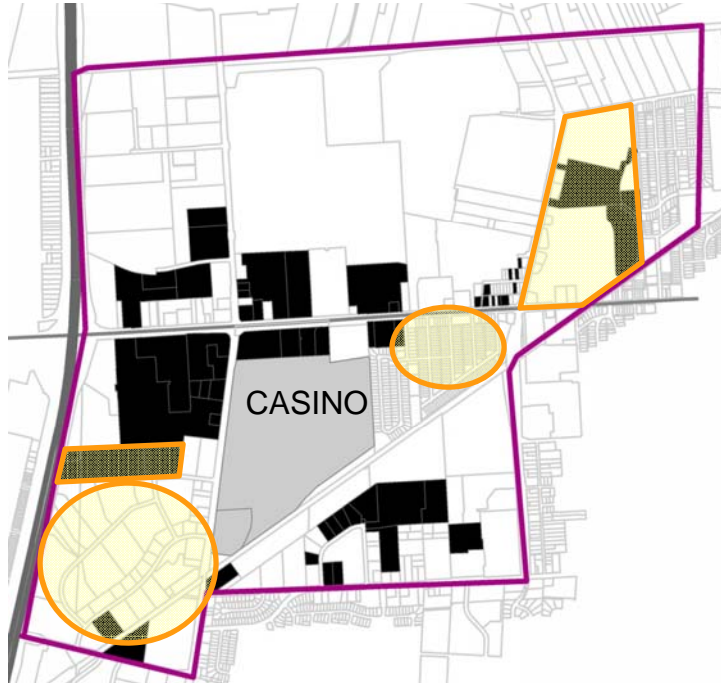
MIXED USE OPPORTUNITIES



- A. Housing Reinvestment
- B. Destination Retail
- C. Small Business Incubator
- D. Casino Driven Retail
- E. PDR/Workforce Development

DEVELOPMENT TRAJECTORY

HOUSING REINVESTMENT



Program:

- *Market position:* New, higher-density townhome residential that appeals to households earning \$150,000+
- *Strategy:* Higher-density townhomes in new neighborhoods, Incentives for infill residential development in existing neighborhoods
- *Phase I:* 400 units (1,800 – 2,200 sq. ft.)
- *Phase II:* 500 units (1,500 – 2,000 sq. ft.)
- *Average Price:* \$220,000 - \$230,000
- *Absorption:* 85 units per year

Pros:

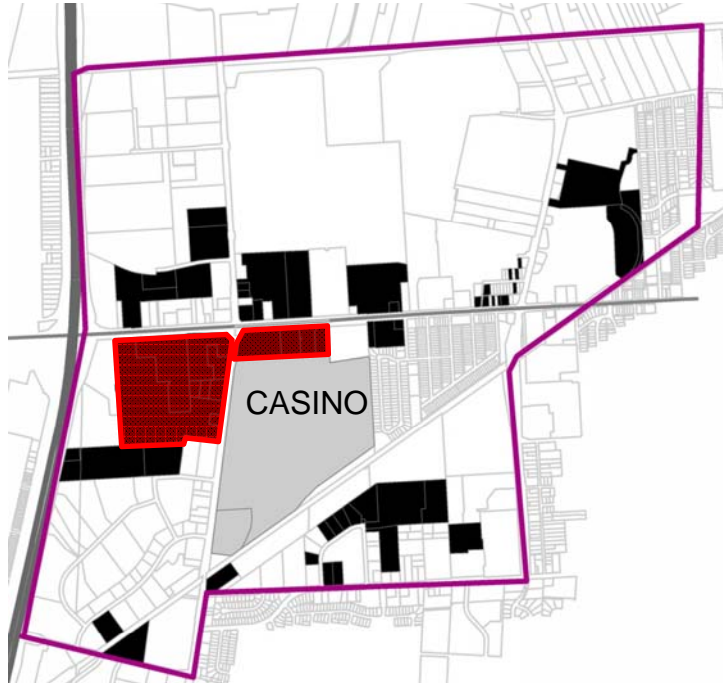
- Provide housing for Weston employees that is near to their jobs
- Reduce neighborhood residential vacancy rate
- Expand market for local retail
- Update existing housing stock
- Improve income diversity in market

Considerations:

- Compatibility of adjacent uses with residential
- Retaining existing Weston population
- Capturing a greater share of the Columbus's \$150K+ households
- Policy levers: Tax credits for workforce housing

DEVELOPMENT TRAJECTORY

DESTINATION RETAIL



Program:

- *Market position:* Destination retail district that serves local market, casino visitors, and a broader market. Site program can take on multiple forms including:
 - Pedestrian-oriented lifestyle center, may include hotel
 - Relocation of existing Broad St. retailers to a better-configured and more visible site
 - Cabellas, Bass-Pro, or other super-regional retail destination
- *Phase I:* 100,000 sq. ft. (4-5 restaurants) on 14 acre site north of casino

Pros:

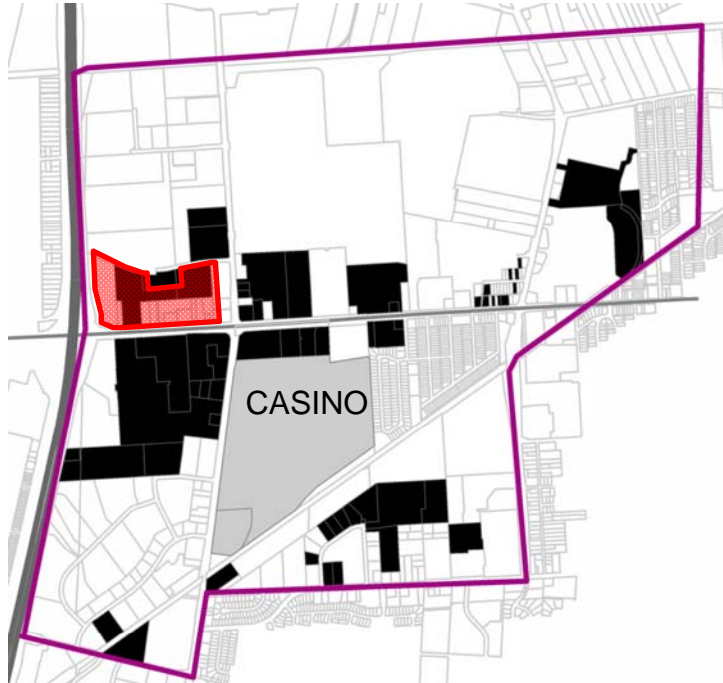
- Early success can build momentum for further redevelopment
- Phase I meets unmet neighborhood demand for sit-down restaurants
- Creates critical mass at W. Broad / Georgesville Rd
- Generates sales tax revenues to county
- Exceeds local retail demand by attracting shoppers from a larger trade area

Considerations:

- Retail mix that compliments –not duplicate – existing retail in surrounding neighborhoods
- Untested demand from casino visitors
- Heavy subsidy will be required in early years
- Place-making –will new destination retail enhance the existing neighborhood?
- Shuttles between casino and retail

DEVELOPMENT TRAJECTORY

SMALL BUSINESS INCUBATOR



Program:

- *Market position:* Create a small business incubator that builds on the concentration of food truck, thrift store, and other informal economy vendors in the region.
- Add workforce development, small business services, financial services that could help independent vendors open new stores. Sponsor business plan competition to launch program.
- Create a retail center with space set aside for local vendors. Ex. Westport Village, Louisville

Pros:

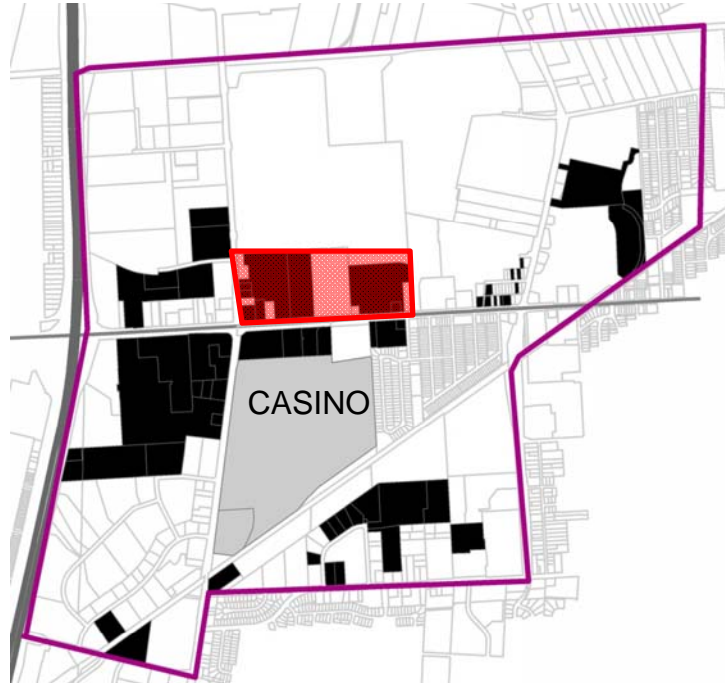
- Promotes local entrepreneurship – will the next Jeni's Ice Cream emerge from Weston?
- Keeps and expands jobs in the neighborhood
- Celebrates and promotes unique local character of neighborhood
- Sales tax revenues to county

Considerations:

- High risk – business model based on inexperienced retailers
- Need a team of local champions for this effort – small business services, financing, real estate development, marketing
- Heavy subsidy will be required in early years

DEVELOPMENT TRAJECTORY

CASINO DRIVEN RETAIL



Program:

- *Market position:* Capture retail demand of casino visitors that will not be met within the casino:
 - Recreation/ Spa/ Entertainment Retail
 - Automotive Retail
 - Consumer Lending and Financial Planning
 - Hotel
- Create a regional destination to compliment the casino and Cooper Park
 - High end car dealership with showroom and high-speed testing at Cooper Park

Pros:

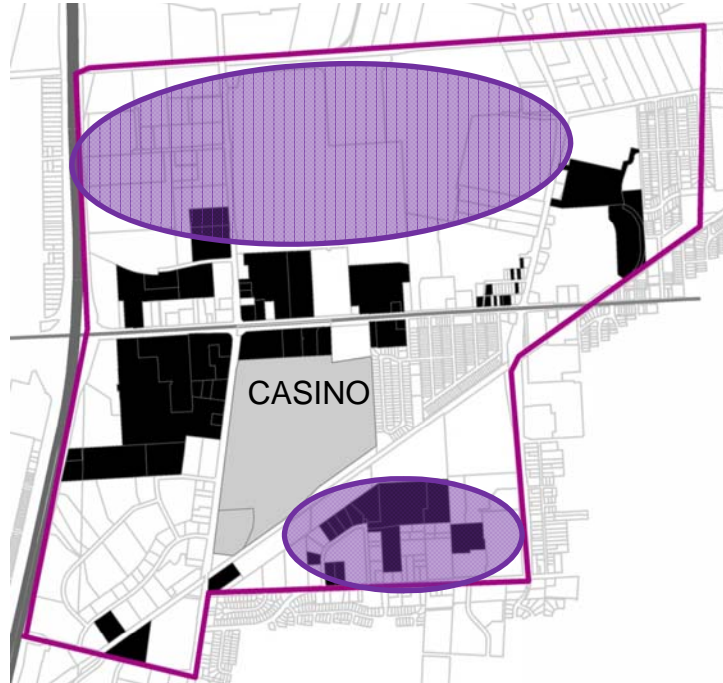
- Builds on existing cluster of automotive uses along West Broad Street
- Complimentary to casino use – could make visitors stay longer
- Exceeds local retail demand by attracting shoppers from a larger trade area
- Sales tax revenues to county

Considerations:

- Relies largely on patronage from casino visitors
- Casino visitation rate, length of stay, and spending patterns untested in Ohio
- Shuttles between casino and retail

DEVELOPMENT TRAJECTORY

PDR/WORKFORCE DEVELOPMENT



Program:

- *Market position:* Prepare and market sites for light industrial and office retail users
 - Office retail – 150,000 sq. ft. – call centers, employment services, business support services, office administrative services, security services
 - Flex/Industrial – 750,000 sq. ft. - Warehousing and Storage, landscape engineers, Building services

Pros:

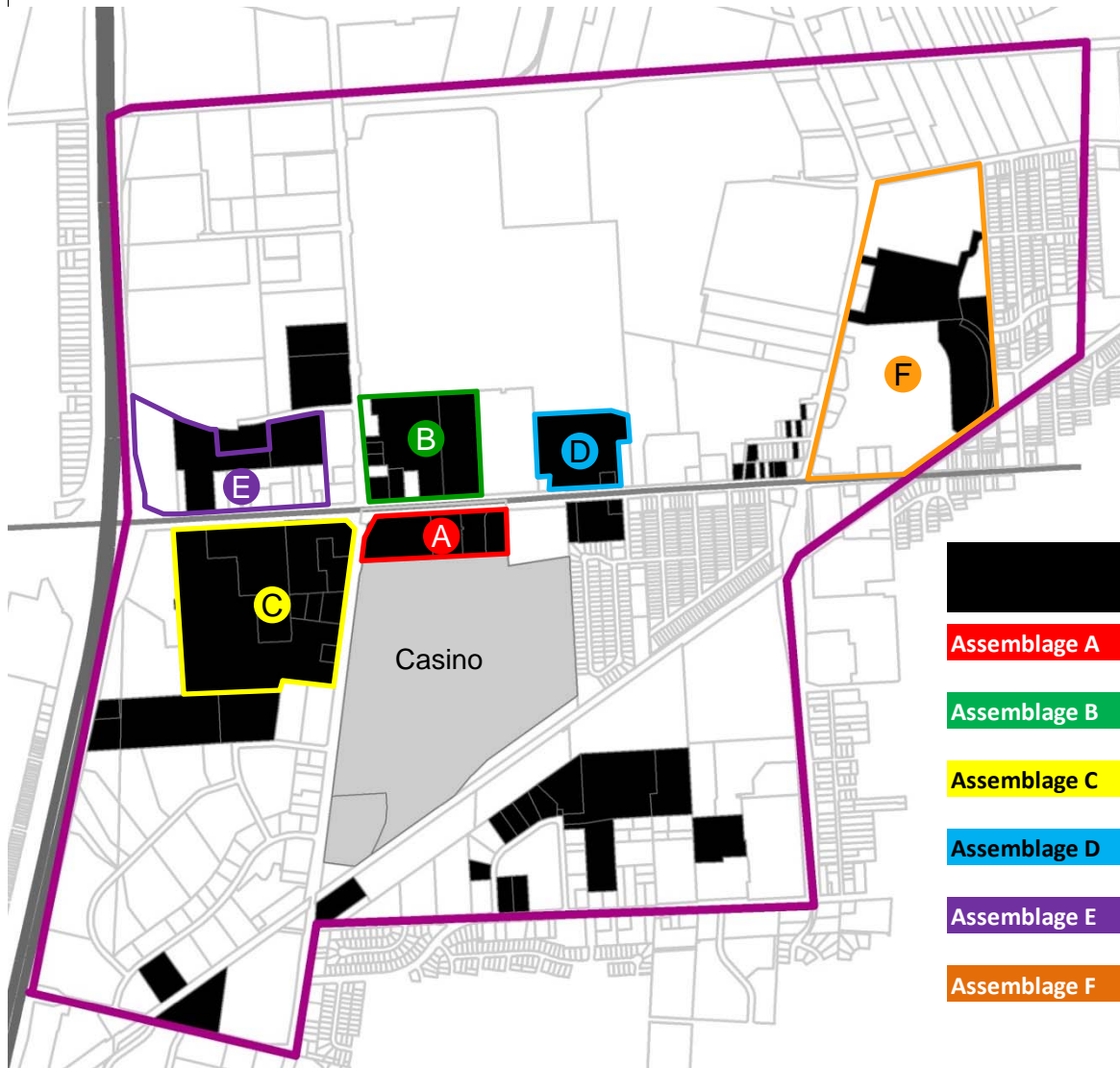
- Retains manufacturing and light industrial in jobs in neighborhood
- Brings jobs to neighborhood residents
- Creates higher-wage jobs for low-skilled workers
- Retains one of the few remaining urban industrially-zoned sites for light industrial use

Considerations:

- Casino visitation rate, length of stay, and spending patterns untested in Ohio
- Traffic to and from industrial sites
- Potential negative externalities that could affect adjacent residential neighborhoods
- Job training programs for local residents
- Incentives for workforce housing development to serve industrial employees in neighborhood

OPPORTUNITIES FOR SITE ASSEMBLAGE

PICKING THE LOW HANGING FRUIT



- High vacancy and existing retail clusters along Broad St. create opportunities for redevelopment.
- Multiple parcel ownership is a challenge, and first phase needs to succeed.
- Assemblage A presents opportunity for an early win on a modestly-sized site

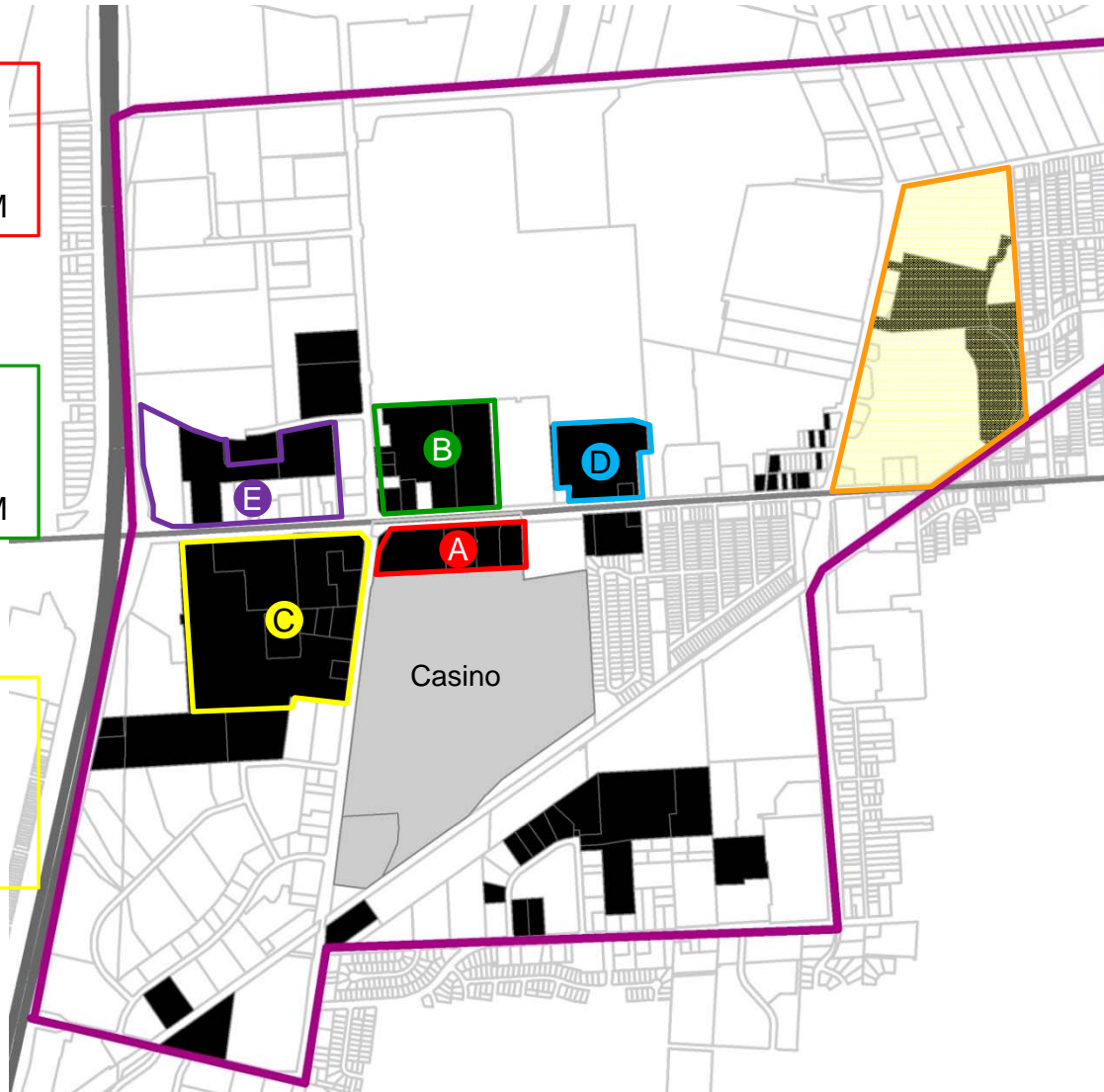
	No. of Parcels	Assessed Acreage	Assessed Land Value	Improvement Value	Total Assessed Value
Assemblage A	4	13.9	\$4,202,200	\$954,700	\$5,156,900
Assemblage B	10	29.7	\$4,583,000	\$3,233,300	\$7,816,300
Assemblage C	8	66.7	\$5,774,200	\$7,855,100	\$13,629,300
Assemblage D	2	12.5	\$878,500	\$936,900	\$1,815,400
Assemblage E	17	44.1	\$7,386,800	\$12,291,400	\$19,678,200
Assemblage F	12	87.3	\$9,654,100	\$9,612,800	\$19,266,900

DEVELOPMENT TRAJECTORIES

A
Size: 13.9 Acres
Potential Uses: Retail
Phasing: Near-term
Assessed Value: \$5.2M

B
Size: 29.7 Acres
Potential Uses: Retail
Phasing: Mid-term
Assessed Value: \$7.8M

C
Size: 66.7 Acres
Potential Uses: Retail
Phasing: Long-term
Assessed Value: \$13.6M



D
Size: 12.5 Acres
Potential Uses: Retail
Phasing: Near-term
Assessed Value: \$1.8 M

E
Size: 44.1 Acres
Potential Uses: Retail
Phasing: Long-term
Assessed Value: \$19.7 M

F
Size: 87.3 Acres
Potential Uses: Residential
Phasing: Mid to Long-term
Assessed Value: \$19.3 M

CRITICAL ASSUMPTIONS

The conclusions and recommendations presented in this report are based on our analysis of the information available to us from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

Our conclusions and recommendations are based on certain assumptions about the future performance of the global, national, and/or local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing conclusions and making the appropriate recommendations. However, given the fluid and dynamic nature of the economy and real estate markets, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions and recommendations periodically to ensure that they stand the test of time.

We assume that, in the future, the economy and real estate markets will grow at a stable and moderate rate. However, history tells us that stable and moderate growth patterns are not sustainable over extended periods of time. Indeed, we find that the economy is cyclical and that the real estate markets are typically highly sensitive to business cycles. Our analysis does not necessarily take into account the potential impact of major economic "shocks" on the national and/or local economy and does not necessarily account for the potential benefits from a major "boom." Similarly, the analysis does not necessarily reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. The future is always difficult to predict, particularly given changing consumer and market psychology. Therefore, we recommend the close monitoring of the economy and the marketplace. The project and investment economics should be "stress tested" to ensure that potential fluctuations in the economy and real estate market conditions will not cause failure.

In addition, we assume that economic, employment, and household growth will occur more or less in accordance with current expectations, along with other forecasts of trends and demographic and economic patterns. Along these lines, we are not taking into account any major shifts in the level of consumer confidence; in the cost of development and construction; in tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth); or in the availability and/or cost of capital and mortgage financing for real estate developers, owners, and buyers. Should any of the above change, this analysis should probably be updated, with the conclusions and recommendations summarized herein reviewed accordingly (and possibly revised).

We also assume that competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand. Finally, we assume that major public works projects occur and are completed as planned.

GENERAL LIMITING CONDITIONS

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

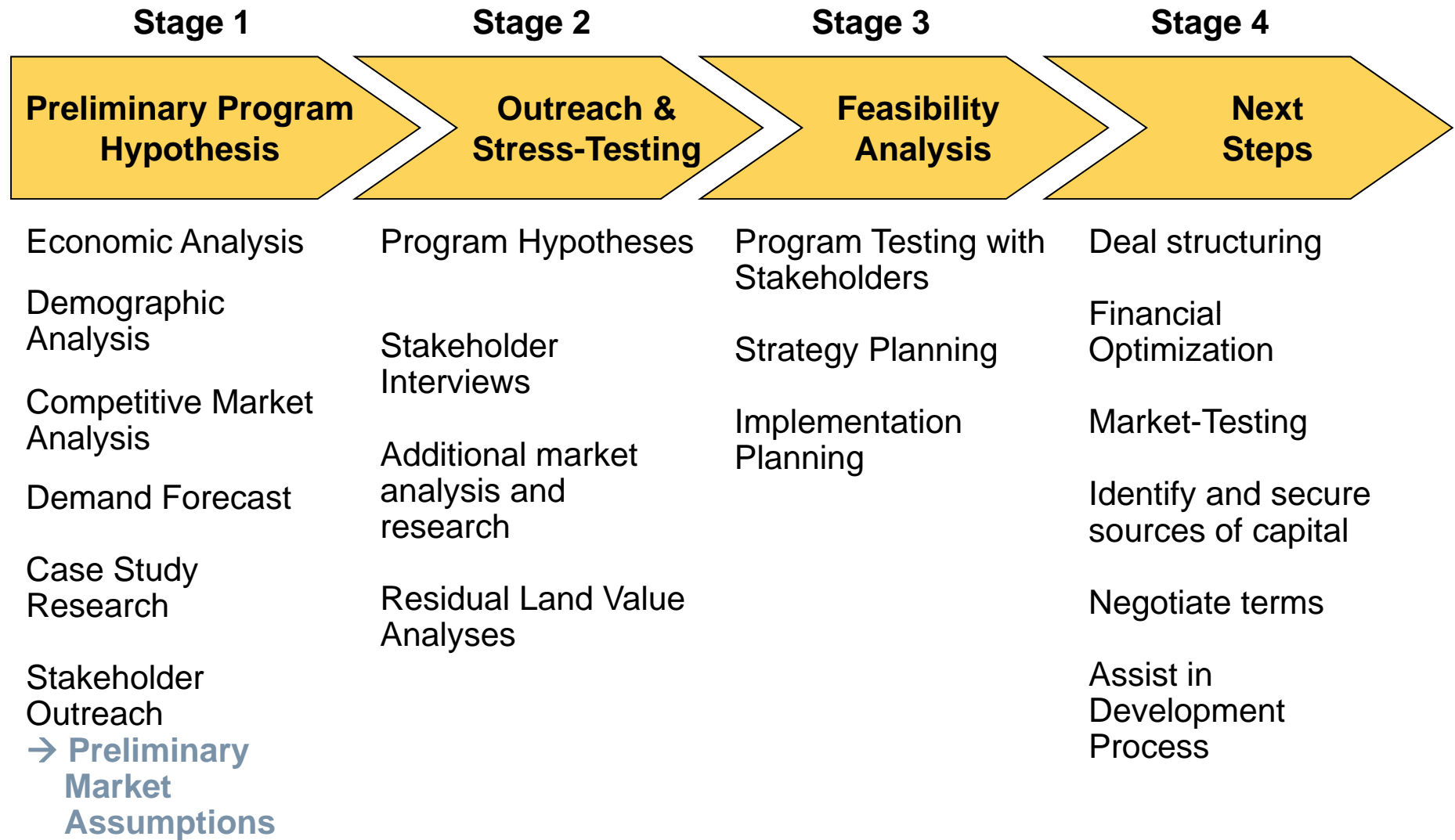
Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.

Weston Area Redevelopment Study Implementation Strategy Discussion

Central Ohio Community Improvement Corporation | September 28, 2011



WESTON AREA PROCESS REVIEW





















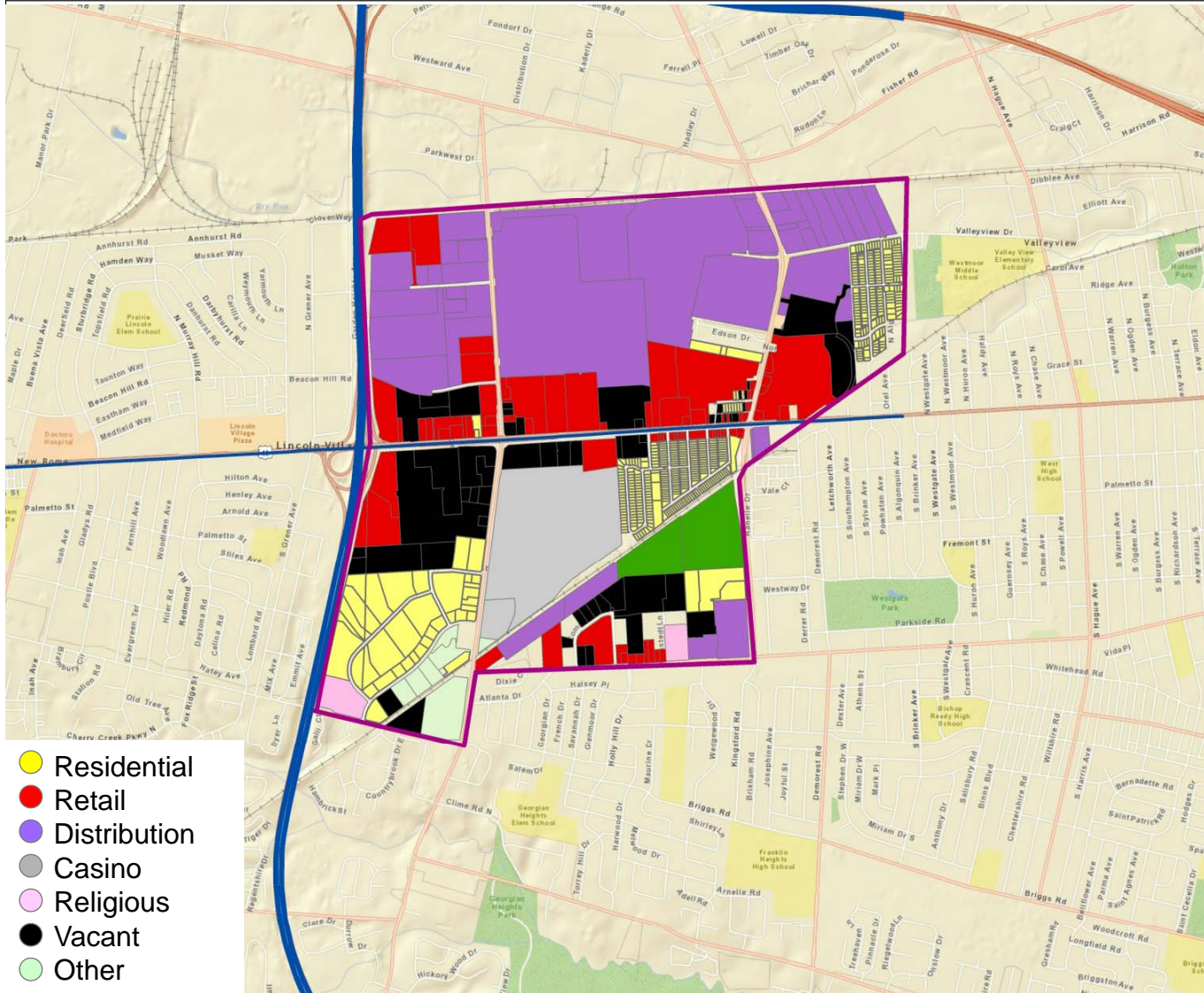
Summary of Findings

SUMMARY OF DEVELOPMENT OPPORTUNITY

SITE REQUIRES PHASED DEVELOPMENT APPROACH

Development Type (Program)	Near Term (1 – 3 years)	Medium Term (3 – 5 years)	Long Term (5 – 10 Years)	Considerations
Retail 250,000 SF GLA Restaurant-driven with some lifestyle shops				Study area has unmet demand but Columbus market over-retailed. Local- serving retail mixed with retail targeting casino guests best option.
For Sale Housing 900 units 8-15 du/acre				Unmet demand for for-sale residential exists. Neighborhood redevelopment could increase values and make development more viable in the medium- to long-term.
Rental Housing 1300 30-50 du/acre				Low market price of single family homes limits demand for apartments. New construction at prevailing rents challenging, but multifamily a bright spot in current financing climate
Office 35,000 – 40,000 SF Local-serving “retail” office				Market currently oversupplied. Opportunity to co-locate local-serving office (financial, health) in retail bays. Potential for call center uses may be game-changer. Potential for a “lightning strike” or government subsidized office in later years. Competition for tenants will be intense.
Hotel w/ conferencing (240 – 300 keys) 45-60 Keys/Acre				Casino will spur demand for new hotel, which will not be provided onsite in Phase I. If private sector does not fill demand in the near term, then Penn National has Phase II plans for hotel development.
Industrial N/A				Existing warehouse and industrial uses may remain, with short-term opportunity for warehousing, business services, construction, and other flex/retail users.

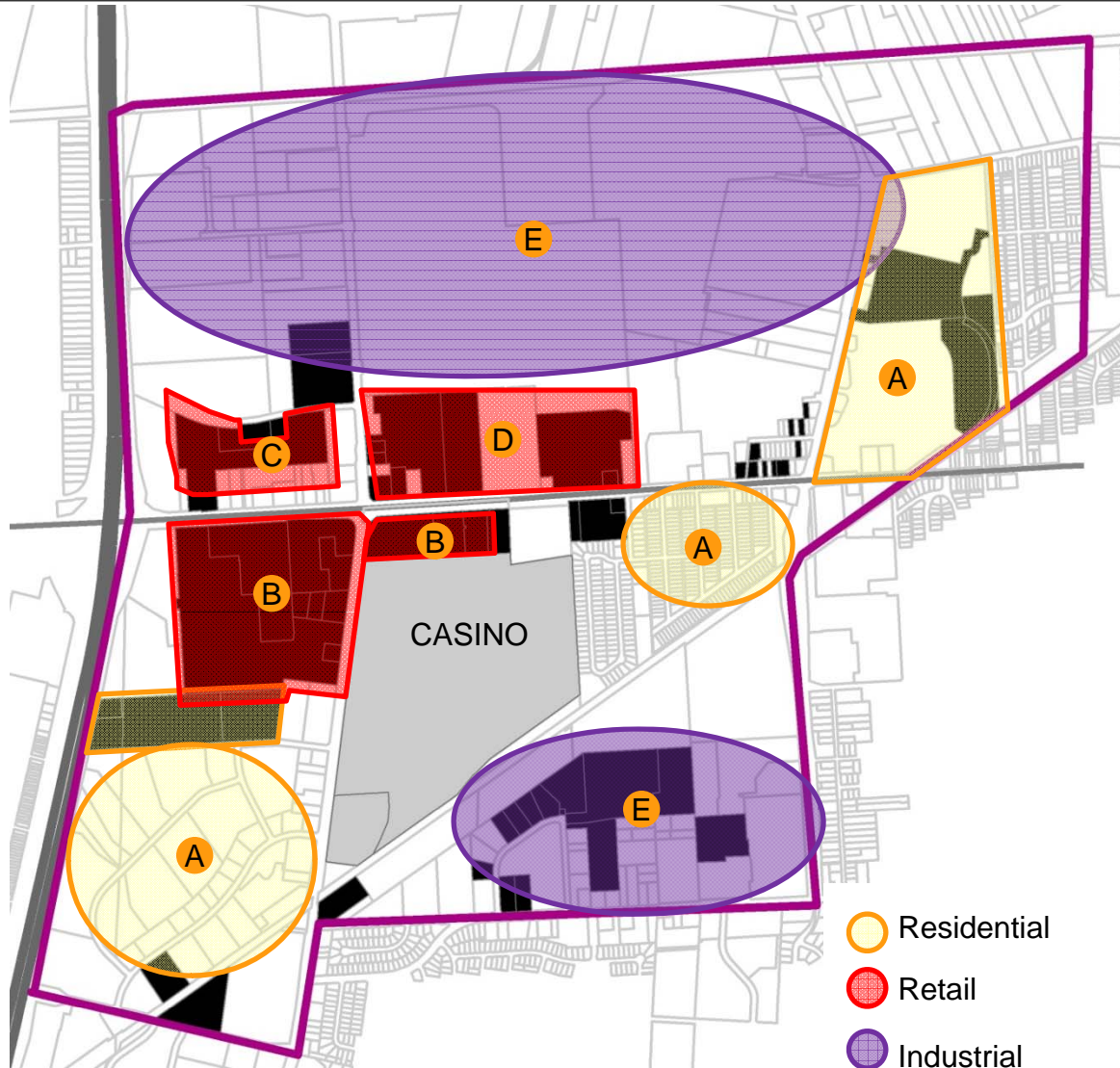
KEY SITE CONSIDERATIONS



- Numerous small parcels, especially along Broad
- Casino site abuts numerous vacant and/or for-sale parcels
- Fragmented retail footprint – no clear retail center
- Existing residential perpetuates image problem in study area
- Industrial/warehouse parcels challenging to redevelop in near term

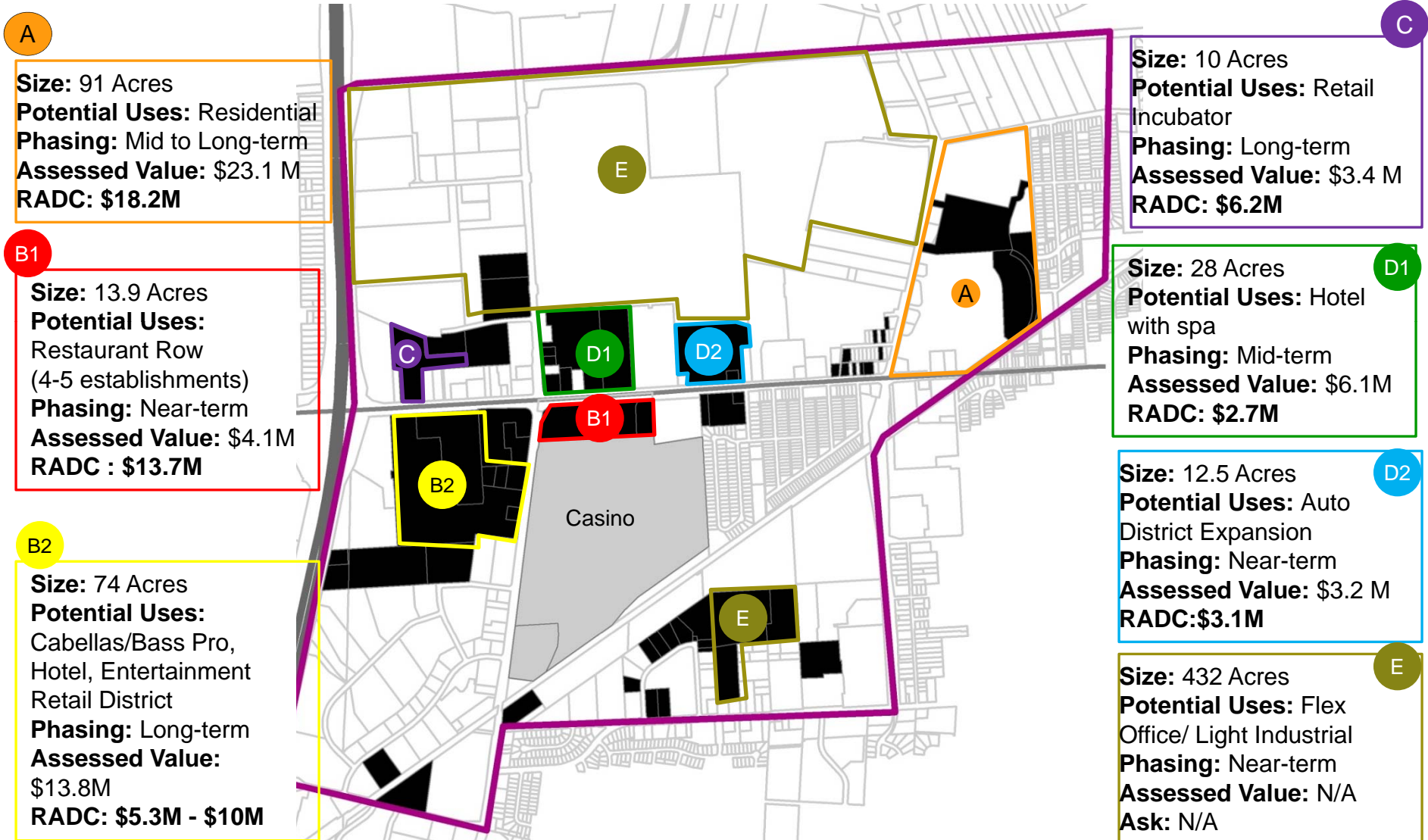
DEVELOPMENT TRAJECTORIES

MIXED USE OPPORTUNITIES



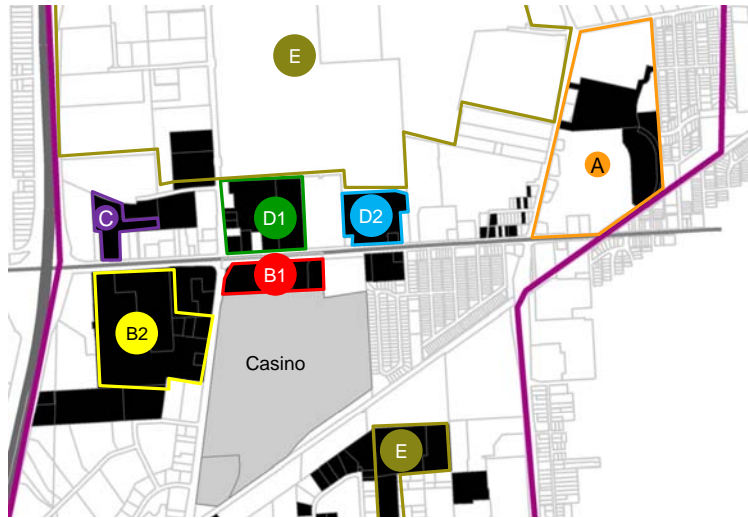
- A. Housing Reinvestment
- B. Destination Retail
- C. Small Business Incubator
- D. Casino Driven Retail
- E. PDR/Workforce Development

DEVELOPMENT TRAJECTORIES



DEVELOPMENT TRAJECTORIES

DEVELOPMENT AND JOBS PROJECTIONS

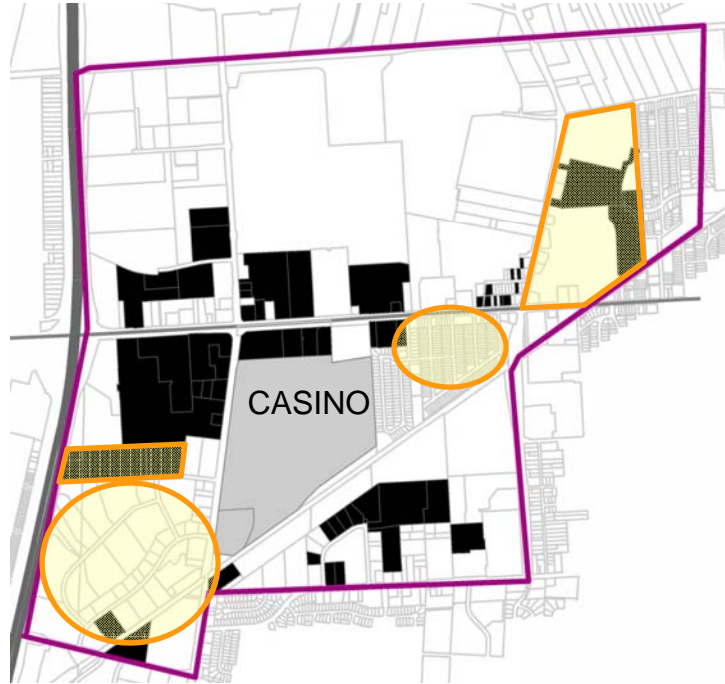


Assemblage	Uses	Current Use		Future Uses			
		Housing (units)	Jobs	Housing (units)	Retail (SF)	Commercial (SF)	New Jobs (Total)
A	Great Western Shopping Center	0	26	900	0	0	0
B1	Vacant	0	0	0	80,000	0	107
B2	Wesland Mall	0	215	0	250,000	0	333
C	Thrift Shop, Hobby Lobby	0	14	0	30,000	0	40
D1	Vacant Shell, Kohl's, Circuit City	0	75	0	10,000	90000	133
D2	Vacant Retail	0	17	0	25,000	0	33
E	Distribution/Flex/Vacant	0	3,200	0	0	450,000	600
TOTAL		0	3,547	900	395,000	540,000	1,247

Source: ESRI GIS

DEVELOPMENT TRAJECTORY

HOUSING REINVESTMENT



Market position: New, higher-density townhome residential that appeals to households earning \$150,000+

- *Strategies:* Higher-density townhomes in new neighborhoods, Incentives for infill residential development in existing neighborhoods, incentives to encourage neighborhood employees and to buy or rent in Study Area neighborhood, home owner tax credit, tax abatements for rental property improvements
- *Phase I:* 400 units (1,800 – 2,200 sq. ft.)
- *Phase II:* 500 units (1,500 – 2,000 sq. ft.)
- *Average Price:* \$220,000 - \$230,000
- *Absorption:* 85 units per year

Pros:

- Provide housing for Weston employees that is near to their jobs
- Reduce neighborhood residential vacancy rate
- Expand market for local retail
- Update existing housing stock
- Improve income diversity in market
- Consistent with the Hilltop Plan

Considerations:

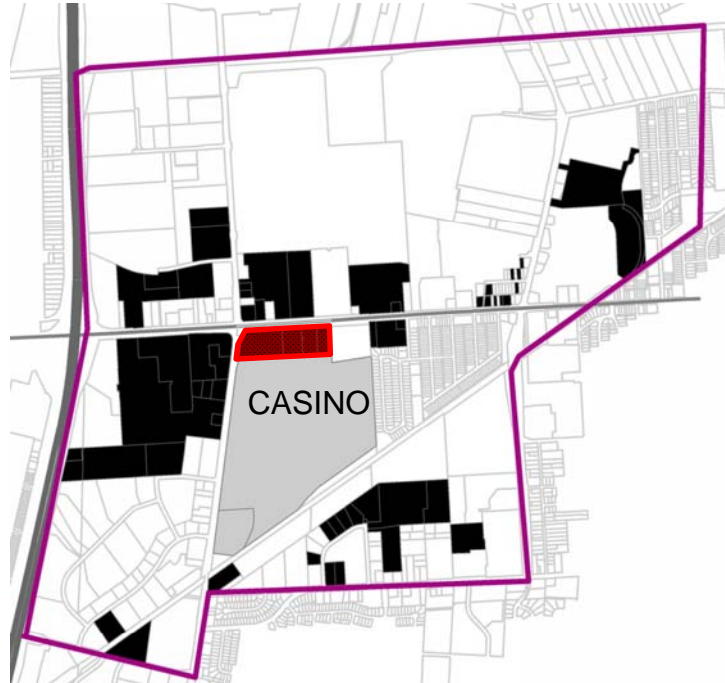
- Compatibility of adjacent uses with residential
- Retaining existing Weston population
- Capturing a greater share of the Columbus's \$150K+ households
- Policy levers: Tax credits for workforce housing
- Partner with casino and local lending institution(s) to provide incentives for housing

Financial Implications

Risk-adjusted development costs:
\$18.2M (only includes Great Western site)

DEVELOPMENT TRAJECTORY

DESTINATION RETAIL – PHASE I



Market position: Restaurant cluster that meets demand of both neighborhood residents and casino visitors. New restaurants should be family-friendly, affordable, and sit-down places.

- *Phase I:* 80,000 sq. ft. (4-5 restaurants) on 12 acre site north of casino.
- *Strategy:* Under-program Phase I in order to generate activity, capture an early win, and build investor confidence. Fill vacant site to the north of the casino with neighborhood-enhancing retail.

Pros:

- Early success can build momentum for further redevelopment
- Phase I meets unmet neighborhood demand for sit-down restaurants
- Casino program offers minimal F&B
- Fills in a significant vacancy gap along Broad Street
- Generates sales tax revenues to county

Considerations:

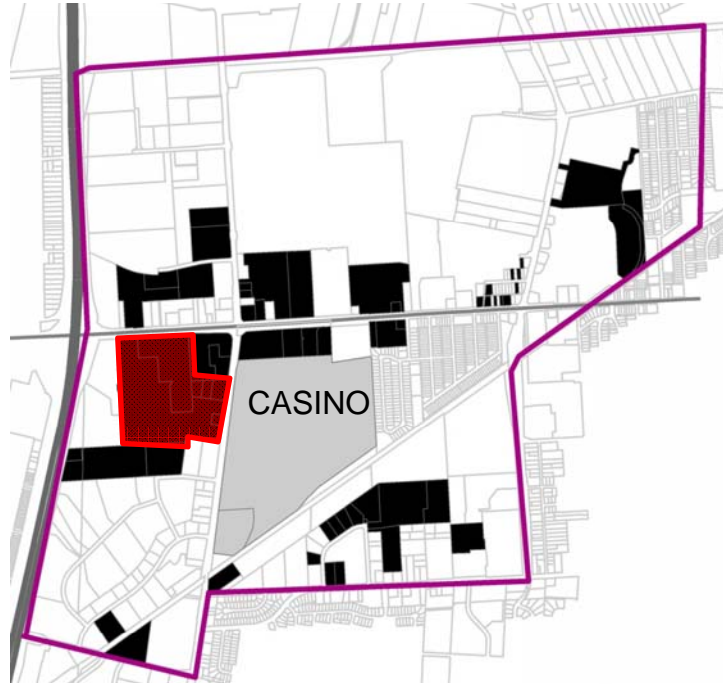
- Private sector will likely step in and so something on this site, but that something may be a gas station
- Untested demand from casino visitors
- Some subsidy may be required in early years
- Shuttles between casino and restaurants

Financial Implications:

- Risk-adjusted development costs: \$13.7M
- Estimated Annual Property Tax Equivalent: \$73,000
- Assumes that sale price is the current assessed value

DEVELOPMENT TRAJECTORY

DESTINATION RETAIL – PHASE II



Market position: Destination retail district that serves local market, casino visitors, and a broader market. Site program can take on multiple forms including:

- Pedestrian-oriented lifestyle center
- Relocation of existing Broad St. retailers to a better-configured and more visible site
- Cabellas, Bass-Pro, or other super-regional retail destination
- *Supportable SF*: 250,000 sq. ft., but could be larger for specialized retailers with larger trade areas
- *Density* – Tested feasibility at low (.35 FAR, 100% surface parked) and higher (.5% FAR, 100% surface parked) densities

Pros:

- Creates critical mass at W. Broad / Georgesville Rd
- Generates sales tax revenues to county
- May exceed local retail demand by attracting shoppers from a larger trade area

Considerations:

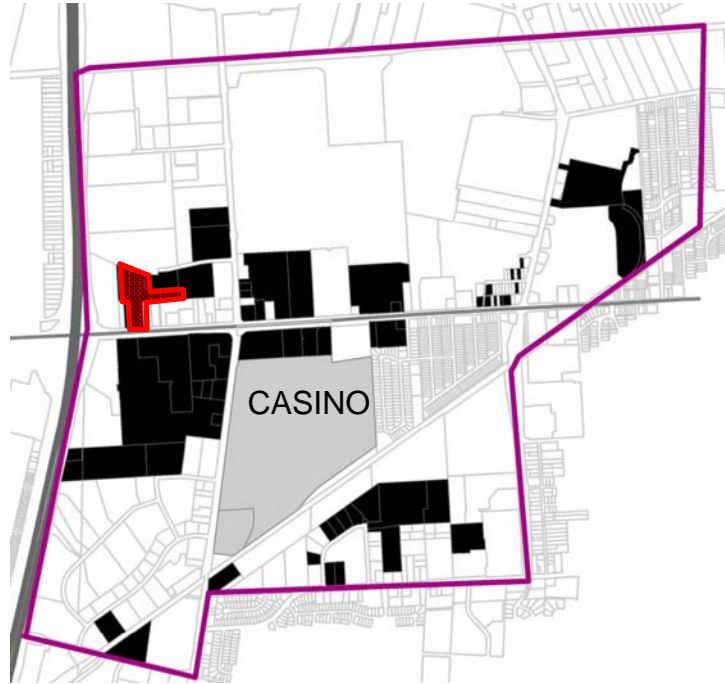
- Retail mix that compliments –not duplicates – nearby retail
- Northwest corner of site will be expensive to purchase, and current owners have no redevelopment plans
- Untested demand from casino visitors
- Shuttles between casino and retail
- Public infrastructure requirements – how well does what currently exists meet future needs?

Financial Implications

- Risk-adjusted development costs: \$5.2M (low-density); \$10.0M (higher density)
- Cabellas- \$30 million upfront payment, sales revenues shared
- Estimated Annual Property Tax Equivalent: \$900,000 - \$1.1M

DEVELOPMENT TRAJECTORY

SMALL BUSINESS INCUBATOR



Program:

- *Market position:* Create a small business incubator that builds on the concentration of food truck, thrift store, and other informal economy vendors in the region.
- Add workforce development, small business services, financial services that could help independent vendors open new stores. Sponsor business plan competition to launch program.
- Create a retail center with space set aside for local vendors. Ex. Westport Village, Louisville

Pros:

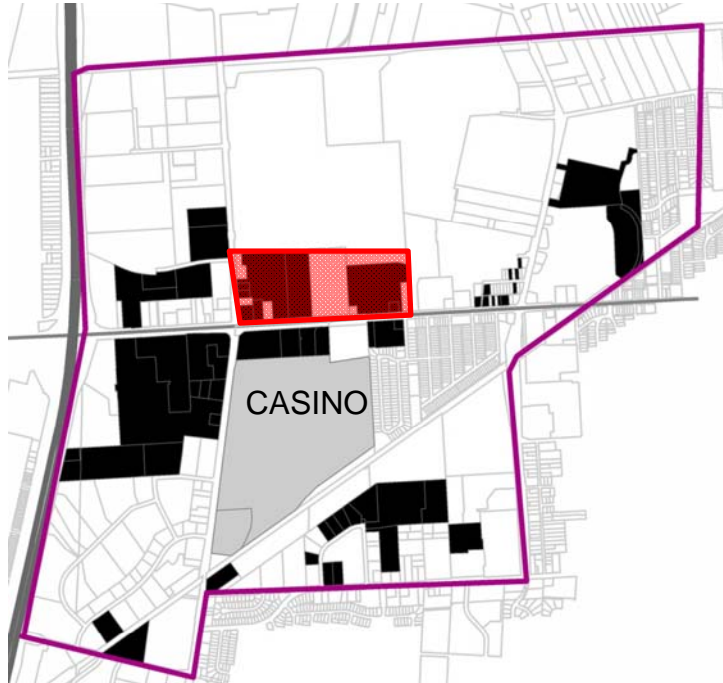
- Promotes local entrepreneurship – will the next Jeni's Ice Cream emerge from Weston?
- Keeps and expands jobs in the neighborhood
- Celebrates and promotes unique local character of neighborhood
- Sales tax revenues to county

Considerations:

- High risk – business model based on inexperienced retailers
- Need a team of local champions for this effort – small business services, financing, real estate development, marketing
- Heavy subsidy will be required in early years

DEVELOPMENT TRAJECTORY

CASINO DRIVEN RETAIL



Program:

- *Market position:* Capture retail demand of casino visitors that will not be met within the casino:
 - Recreation/ Spa/ Entertainment Retail
 - Automotive Retail
 - Consumer Lending and Financial Planning
 - Hotel
- Create a regional destination to compliment the casino and Cooper Park
 - High end car dealership with showroom and high-speed testing at Cooper Park

Pros:

- Builds on existing cluster of automotive uses along West Broad Street
- Complimentary to casino use – could make visitors stay longer
- Exceeds local retail demand by attracting shoppers from a larger trade area
- Sales tax revenues to county

Considerations:

- Relies largely on patronage from casino visitors
- Casino visitation rate, length of stay, and spending patterns untested in Ohio
- Shuttles between casino and retail, Cooper Park and retail

Financial Implications

Hotel:

Risk-adjusted development costs – \$450,000
 Estimated Annual Property Tax Equivalent: \$272,000

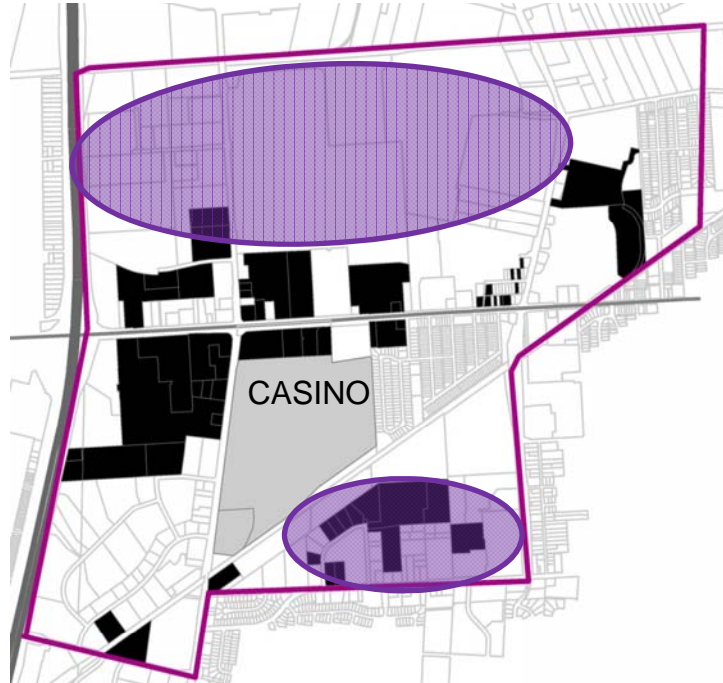
Financial Implications

Auto Dealership:

Risk-adjusted development costs – \$3.1M
 Estimated Annual Property Tax Equivalent: \$20,000

DEVELOPMENT TRAJECTORY

PDR/WORKFORCE DEVELOPMENT



Program:

- *Market position:* Prepare and market sites for light industrial and office retail users
 - Office retail – 150,000 sq. ft. – call centers, employment services, business support services, office administrative services, security services
 - Flex/Industrial – 750,000 sq. ft. - Warehousing and Storage, landscape engineers, Building services

Pros:

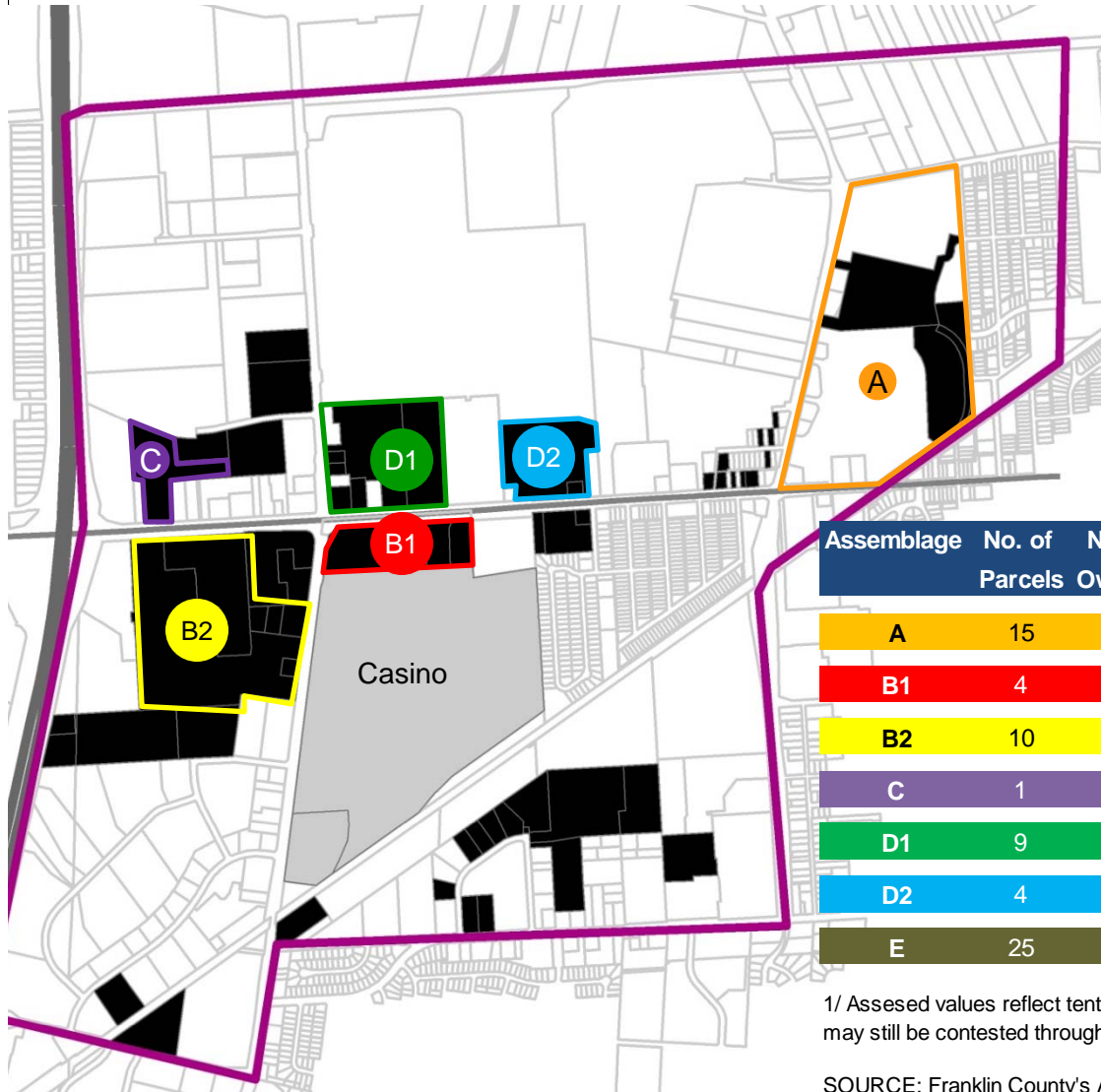
- Retains manufacturing and light industrial in jobs in neighborhood
- Brings jobs to neighborhood residents
- Creates higher-wage jobs for low-skilled workers
- Retains one of the few remaining urban industrially-zoned sites for light industrial use

Considerations:

- Casino visitation rate, length of stay, and spending patterns untested in Ohio
- Traffic to and from industrial sites
- Potential negative externalities that could affect adjacent residential neighborhoods
- Job training programs for local residents
- Incentives for workforce housing development to serve industrial employees in neighborhood

OPPORTUNITIES FOR SITE ASSEMBLAGE

PICKING THE LOW HANGING FRUIT



- High vacancy and existing retail clusters along Broad St. create opportunities for redevelopment.
- Multiple parcel ownership is a challenge, and first phase needs to succeed.
- Assemblage B1 presents opportunity for an early win on a modestly-sized site

Assemblage	No. of Parcels	No. of Owners	Acres	Assessed Value (2011) ¹	Tax District
A	15	10	91	\$23,134,100	CITY OF COLUMBUS
B1	4	3	14	\$4,094,400	COLUMBUS-SOUTHWESTERN CSD
B2	10	5	74	\$13,794,000	FRANKLIN AND PRARIE TOWNSHIPS
C	1	1	10	\$3,400,000	FRANKLIN TOWNSHIP
D1	9	7	28	\$6,078,800	FRANKLIN TOWNSHIP
D2	4	4	2	\$3,150,000	COLUMBUS-SOUTHWESTERN CSD
E	25	18	430	N/A	MULTIPLE

^{1/} Assesed values reflect tentative reappraisal values for 2011, which are the most current assessed values but may still be contested through September 29, 2011.

SOURCE: Franklin County's Auditor Office

CITY/COUNTY INCENTIVE PROGRAMS

MATCHING SOURCES TO USES

Program Name	Jurisdiction		Development Trajectory				
	City	County	A. Housing Reinvestment	B. Destination Retail	C. Small Business Incubator	D. Casino-Driven Retail	E. PDR/Workforce Development
Existing County/City Incentives							
Jobs Growth Incentive							
Job Creation Tax Credit							
Enterprise Zone							
Community Reinvestment Area							
Capital Improvement Funds							
Tax Increment Financing							
Business Development Loan Fund							
Working Capital Loan Fund							
Green Columbus Fund							
Microenterprise Loan Program							
Microenterprise Development Training							
Franklin County Biz Launch Fund							
Facade Improvement Program (Pilot)							
Retail Incubator (under consideration)							
Workforce Training (under consideration)							
Demolition Program (Pilot)							
Housing Development Program							
Rental Housing Production/Preservation (RHPP)							
Neighborhood Investment Districts (NIDs) / Residential Tax Incentives							

PROPOSED NEW INCENTIVE PROGRAMS

CLOSING THE GAPS

Program Name	Development Trajectory				
	A. Housing Reinvestment	B. Destination Retail	C. Small Business Incubator	D. Casino-Driven Retail	E. PDR/ Workforce Development
<u>RCLCO Proposed Public Involvement</u>					
• Joint Economic Development (JED) District					
• Special Improvement District					
• Revolving Loan Fund for Small Business Startups					
• Land Acquisition for Key Sites					
• Home owner tax credit					
• Tax Abatement (1:1) on qualified improvements to rental property					
• 10-year full abatement for conversion of existing building to commercial/residential use					
• Housing assistance for casino workers to live in neighborhood through vouchers/low interest loans (in partnership with lending institution)					
• Tiered TIF Incentives					
• ID redevelopment entity for area/site and review enabling legislation to understand capacity/limitations to funding and/or running a retail incubator					
• Entrepreneur Development Grants					
• Public Improvement Fee/ Retail Sales Fee					

Weston Area Redevelopment Study Public Meeting #1

Central Ohio Community Improvement Corporation | July 14, 2011



AGENDA



Study Objectives

Study Area in Context

Preliminary Findings

Barriers to Redevelopment

Roadmap to Reinvestment

Questions and Answers

Breakout Sessions

PROJECT TEAM



RCLCO – Lead Consultant

- Shyam Kannan
- Tammy Shoham
- Joyce Chao

- Roxyanne Burrus – Outreach



Glavan Imageworks

- Jeff Glavan
- Alana Thompson



Practice Areas

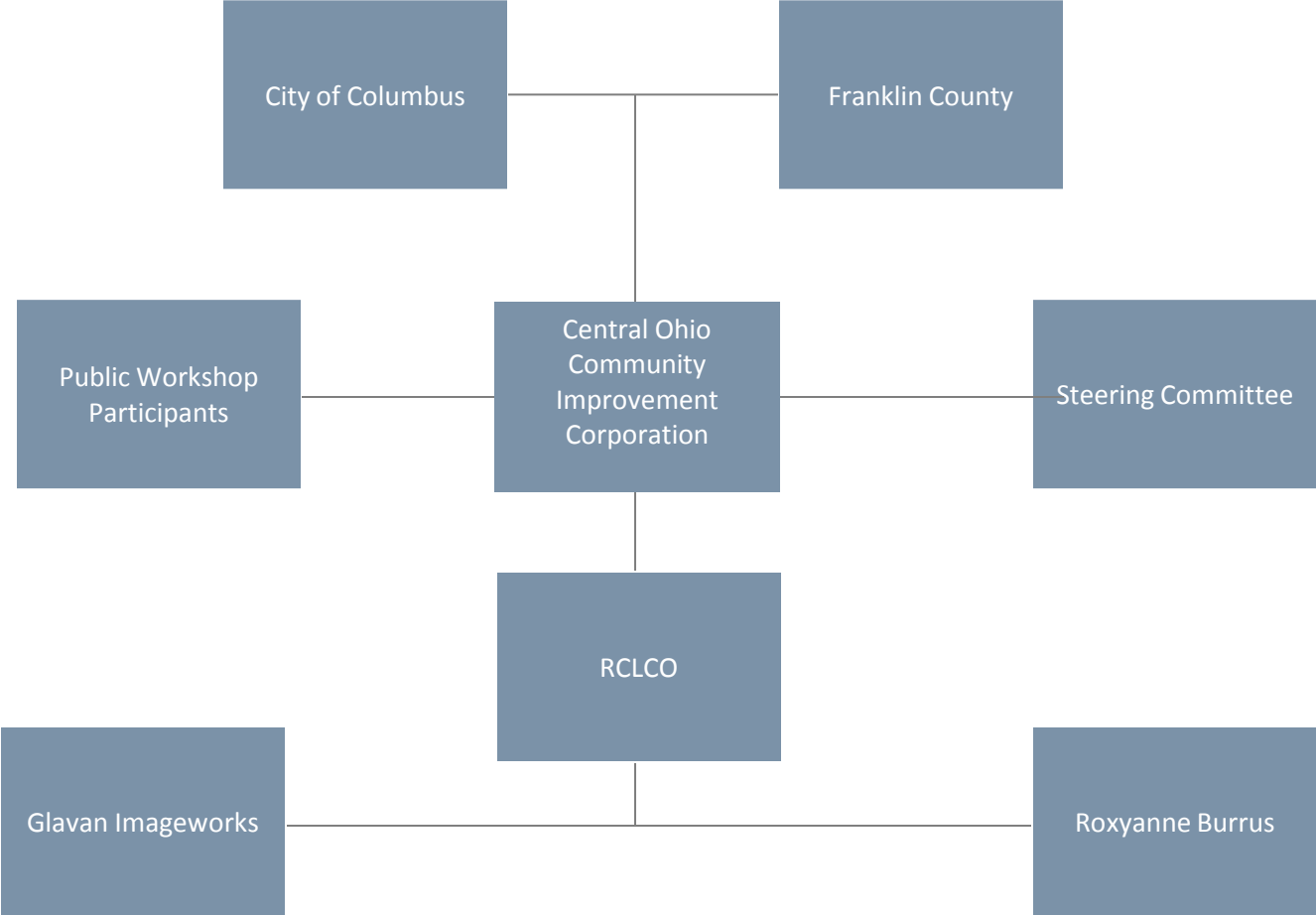
- ▶ Urban Development
- ▶ Community Development
- ▶ Economic Development
- ▶ Management Consulting

Offices

- ▶ Washington, DC
- ▶ Los Angeles
- ▶ Austin
- ▶ Orlando

RCLCO is a land use economics firm delivering **real estate strategies, market intelligence, and implementation assistance**

PROJECT ORGANIZATION



GOALS AND OBJECTIVES

WHAT WILL THIS STUDY ANSWER?

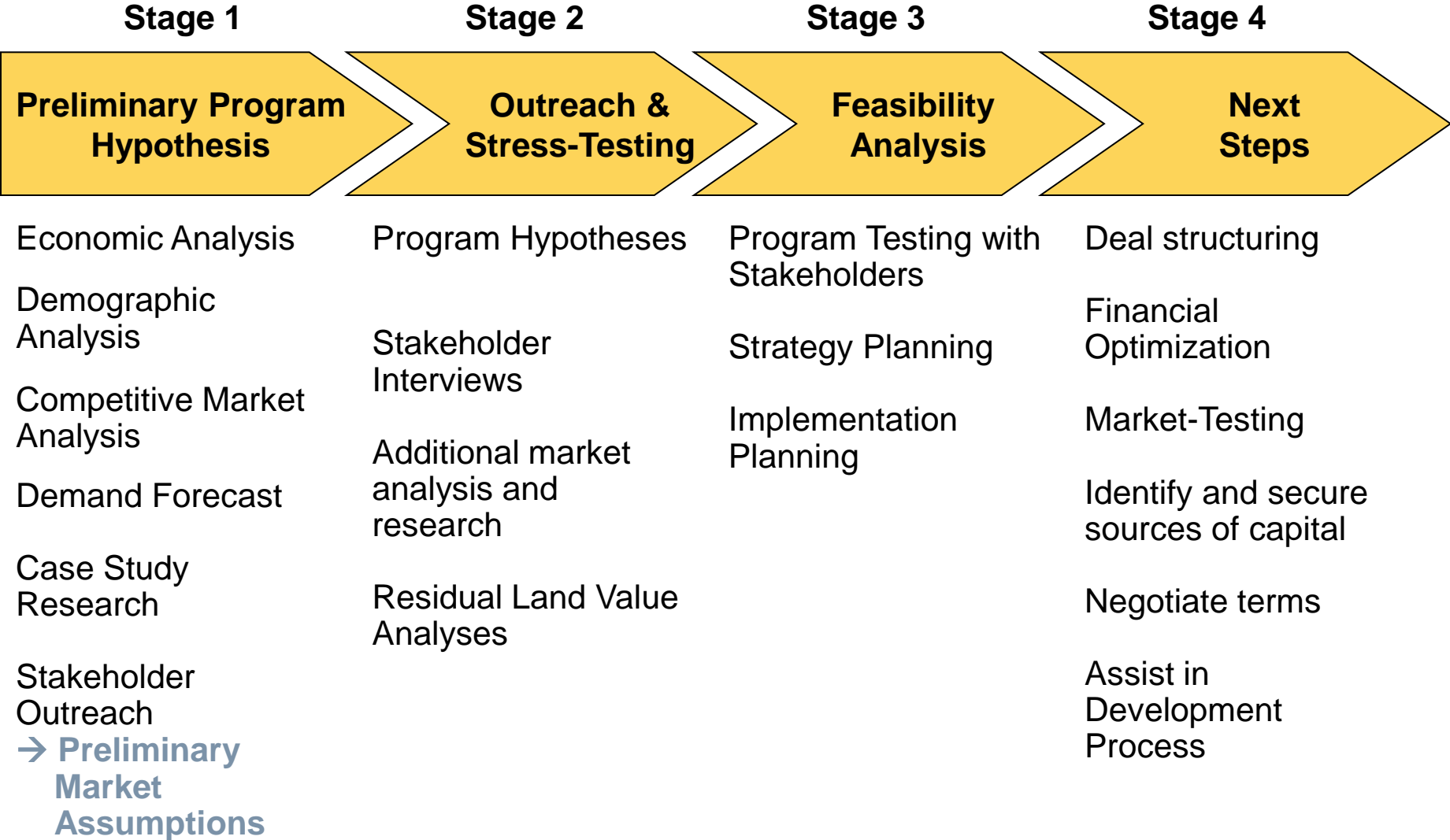
The **Market Analysis** will

investigate the demand for various uses within the Study Area

The **Redevelopment Strategy** will identify a roadmap for reinvestment based on

- a. Real estate finance
- b. Policy levers
- c. Necessary strategies/implementation tools
- d. Assemblage opportunities
- e. Location

PROJECT PROCESS REVIEW



AGENDA

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Preliminary Findings

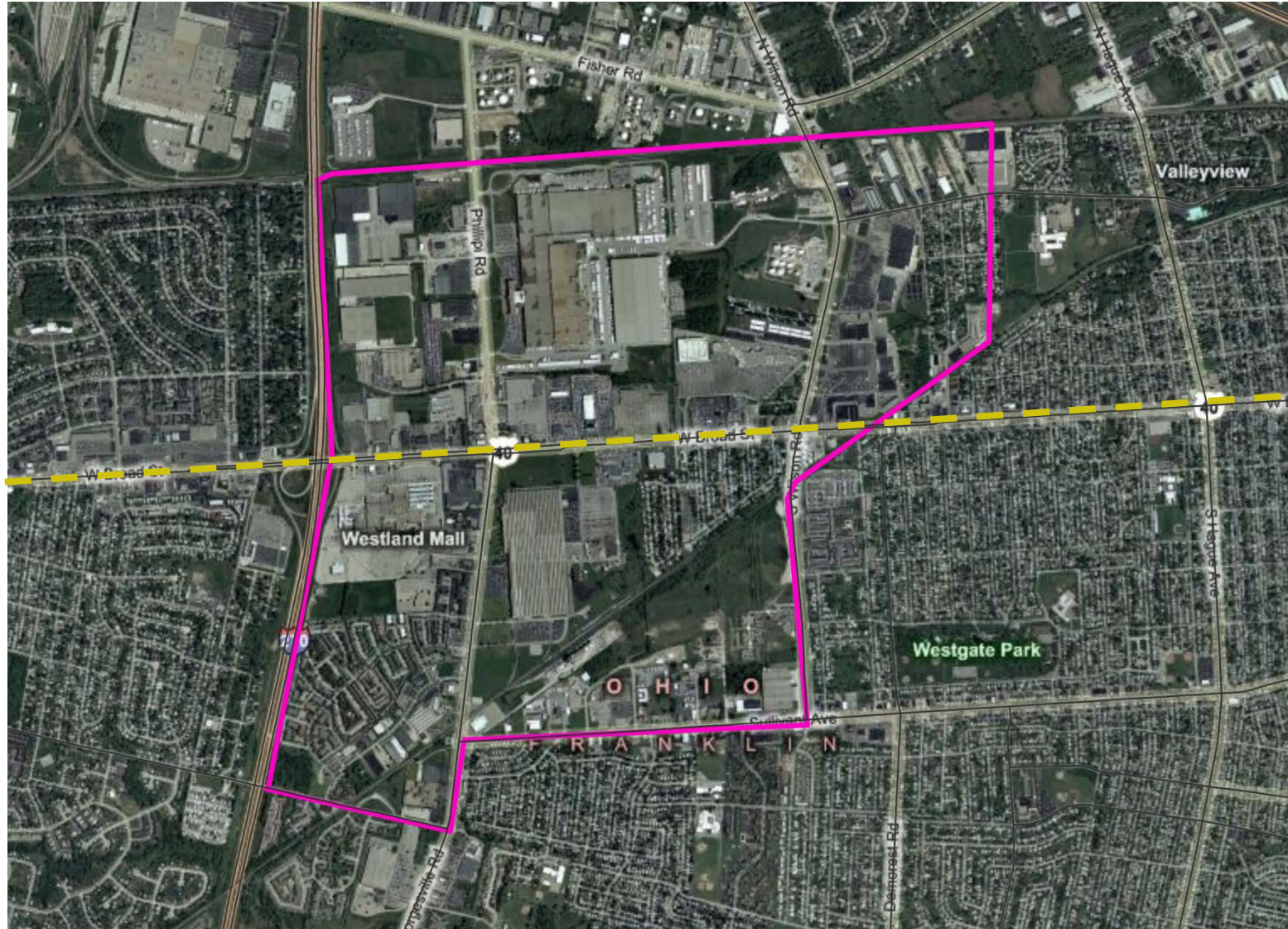
Barriers to Redevelopment

Roadmap to Reinvestment

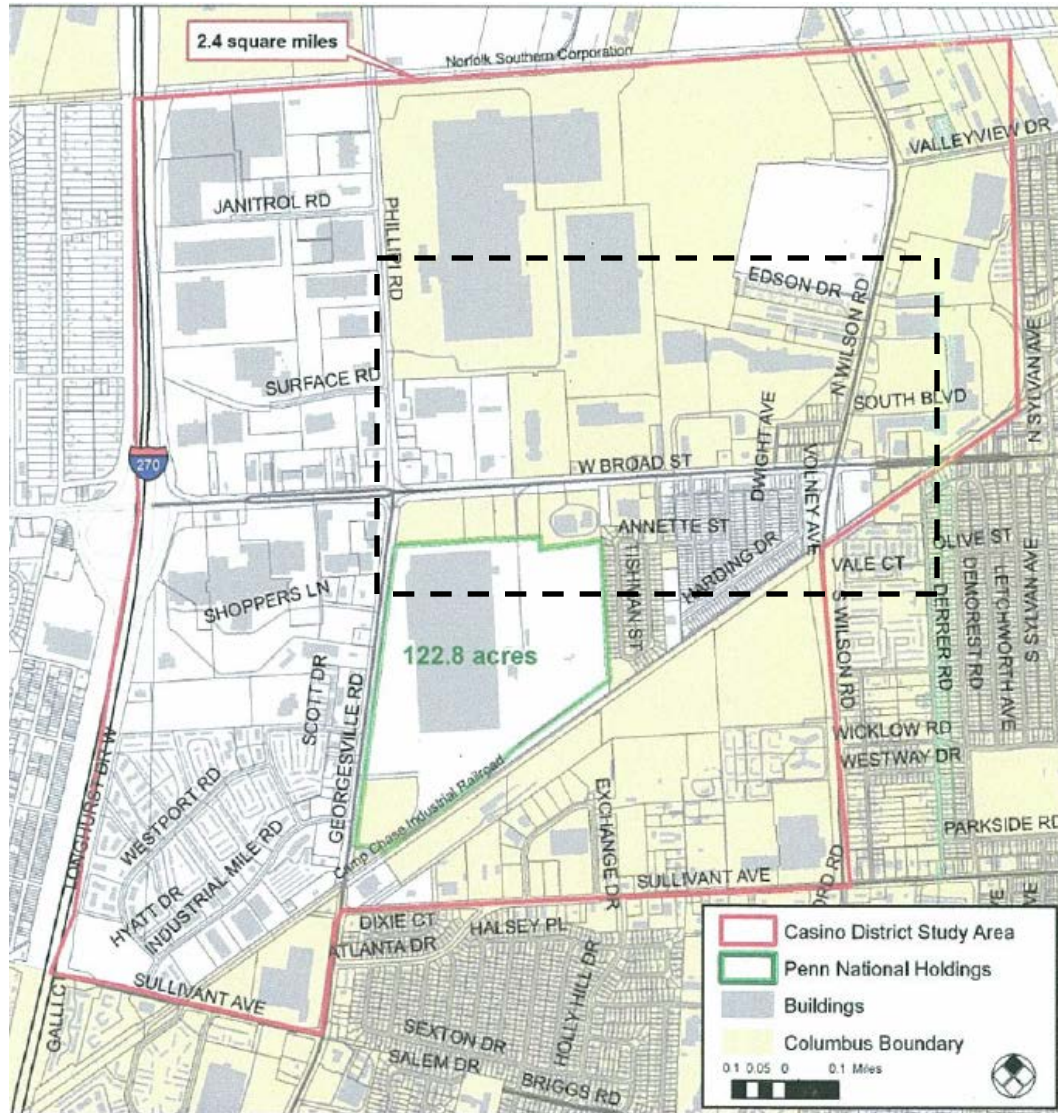
Questions and Answers

Breakout Sessions

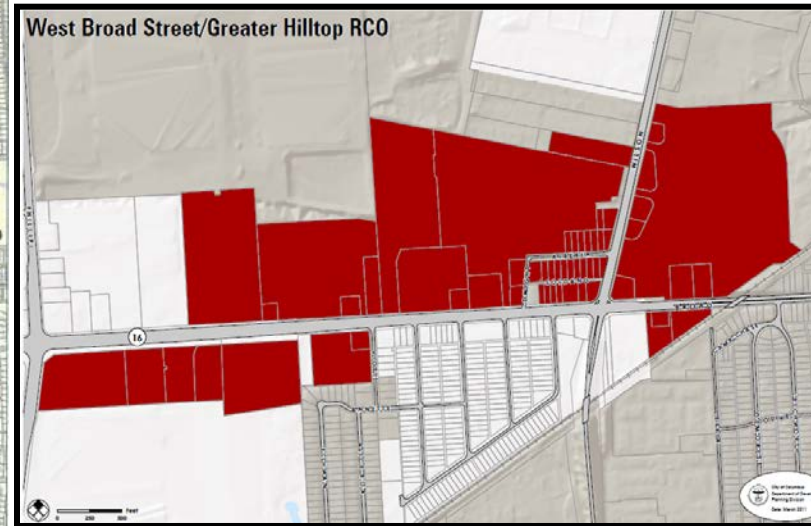
STUDY AREA



STUDY AREA



- ▶ City of Columbus
- ▶ Franklin Township
- ▶ Franklin County



AGENDA

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▶ Preliminary Findings

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MIXED REAL ESTATE MARKET CONDITIONS

BUILT CONDITIONS REFLECT UNPLANNED GROWTH

Retail

Market-rationale for stronger retail along corridor

Oversupply of retail space – limits on rent growth

Introduction of Casino may be opportunity to improve retail mix

Office

Not currently a destination office location

Quasi-office users consuming retail space

Opportunity for new professional jobs in existing retail centers

Need for medical office will grow over time

Residential

Relatively under-invested housing stock in study area neighborhoods

Proximity to stronger housing suggests location itself not the weak link

Perceptions of safety, security, crime may be suppressing this market

Industrial

Strong business community and strong jobs presence

Potential for modern/tech oriented users of “industrial” land in future

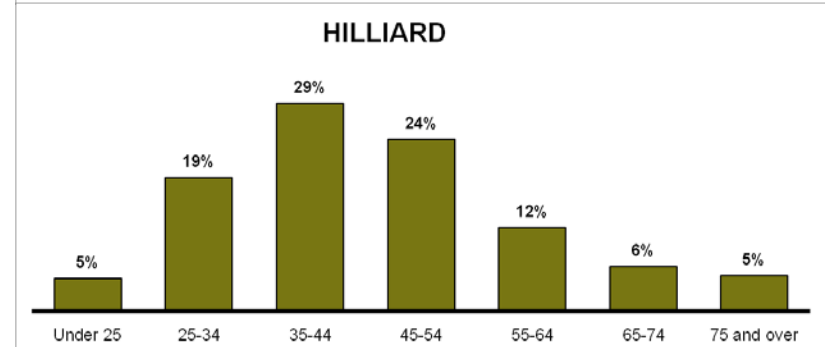
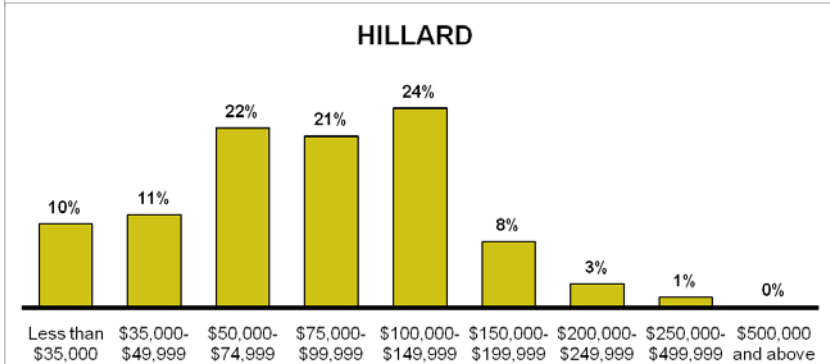
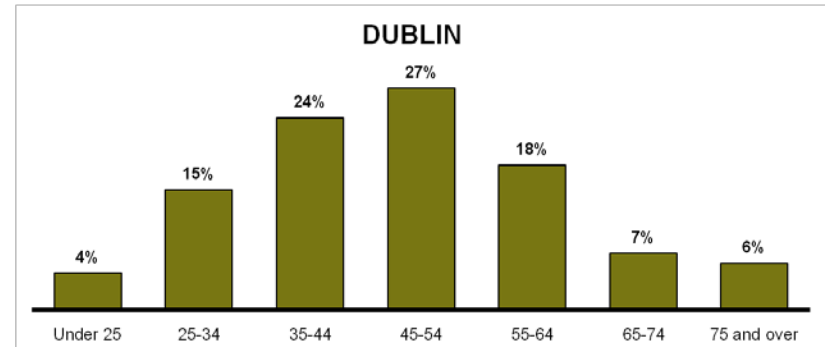
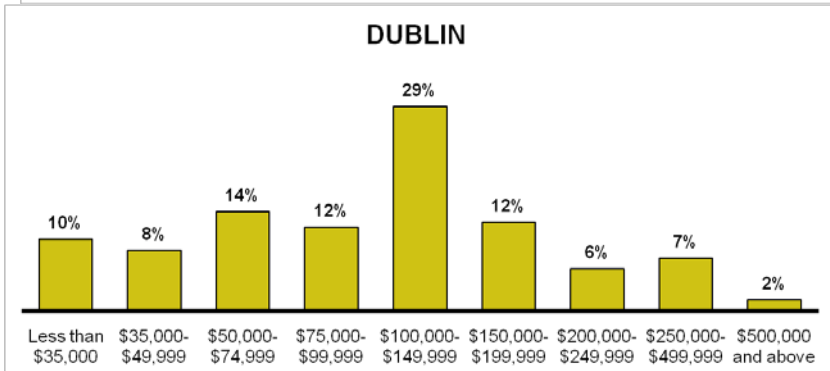
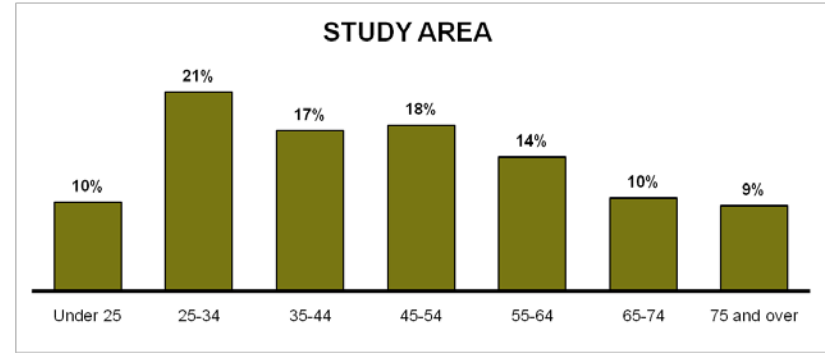
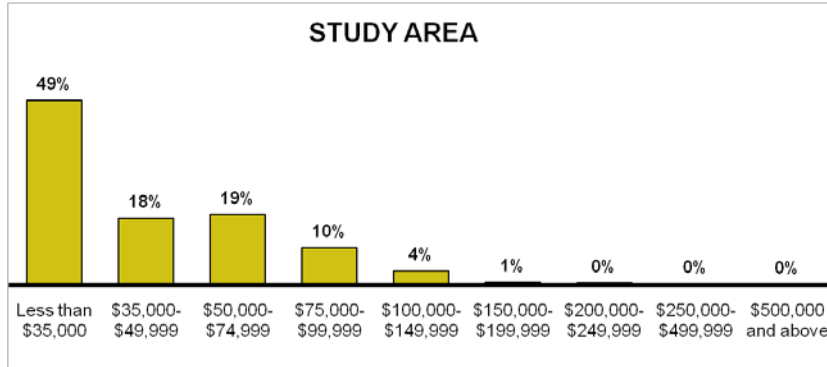
Hotel

Existing hotel market serves transient and logistics needs

Casino development suggests opportunity for new supporting hospitality

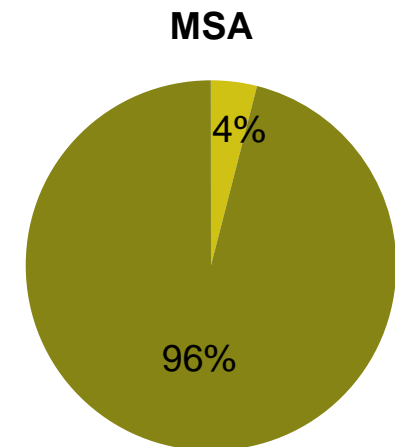
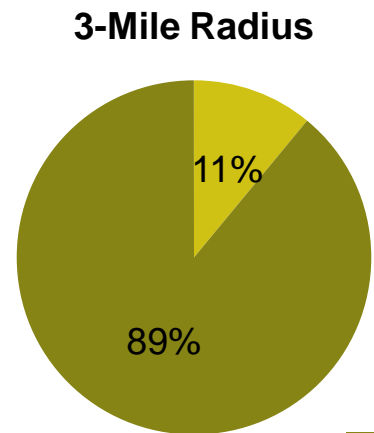
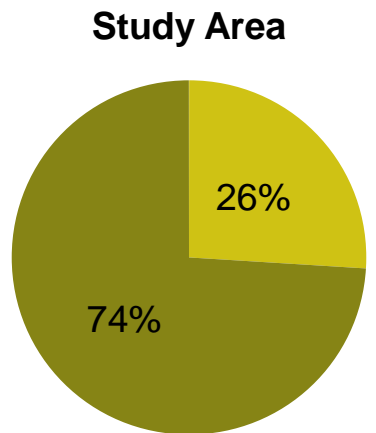
STUDY AREA SNAPSHOT

INVESTORS SEE INCOMES AVERAGING <\$35,000

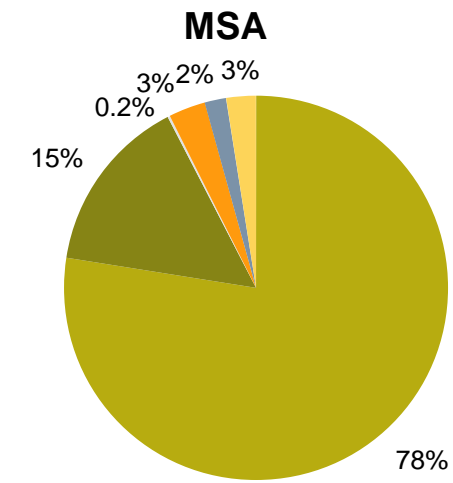
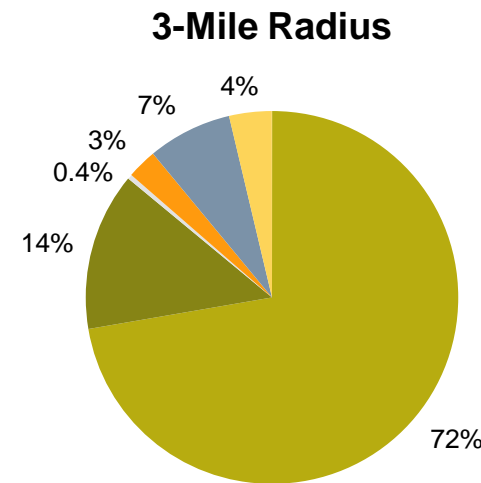
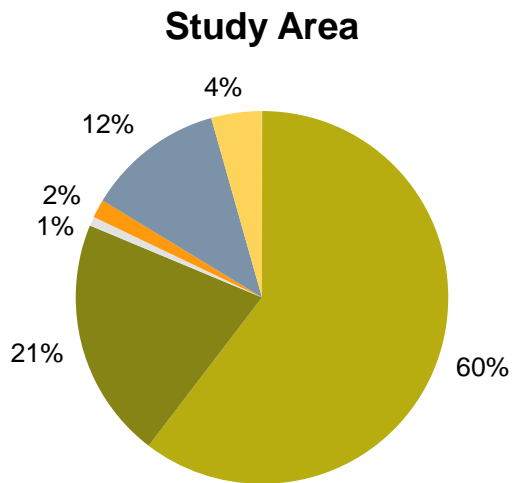


SOURCE: ESRI Business Analyst

LARGER MINORITY POPULATION IN STUDY AREA COMPARED TO 3-MILE RADIUS AND MSA



■ % Hispanic
 ■ % Non-Hispanic



■ White
 ■ Black or African American
 ■ American Indian and Alaska Native
 ■ Asian
 ■ Some Other Race
 ■ Two or More Races

SOURCE: ESRI Business Analyst

AGENDA

Study Objectives

Study Area in Context

Preliminary Findings

▶ **Barriers to Redevelopment**

Roadmap to Reinvestment

Questions and Answers

Breakout Sessions

THREE KEY QUESTIONS TO CONSIDER



- ▶ Does the market want it?
- ▶ Who is going to pay for it?
- ▶ Will Wall Street underwrite the transformation?

AGENDA

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Barriers to Redevelopment

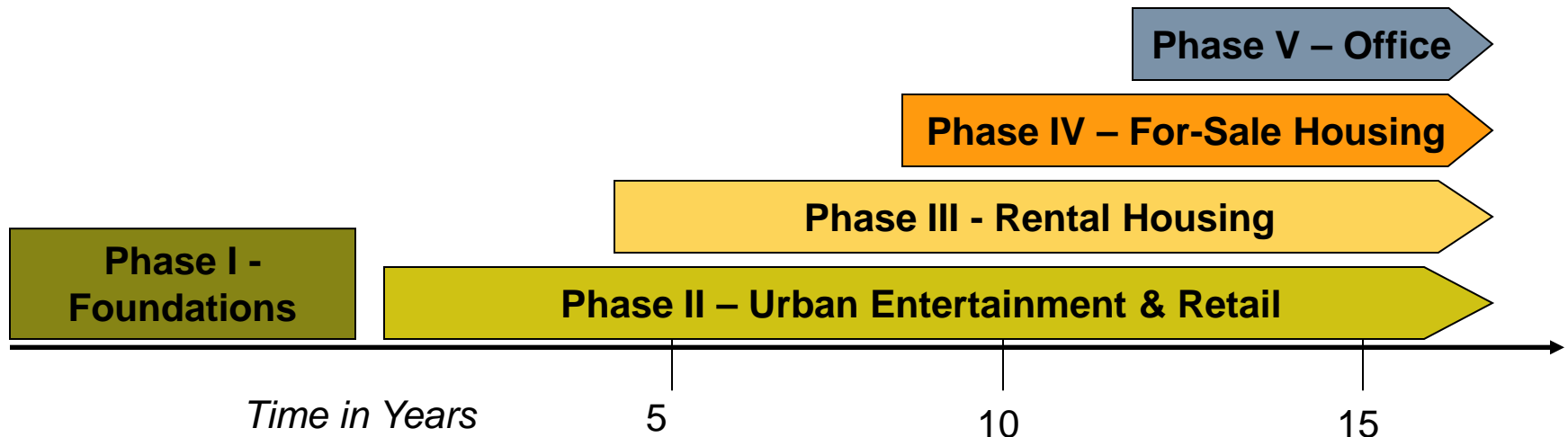
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URBAN REDEVELOPMENT TRAJECTORY

NOT ALWAYS A LINEAR PATH, BUT FEW SHORTCUTS



Foundational Elements - Typically a cultural or institutional driver, supplemented by good bones, catalyzed by a BID/CID/other development entity and often times a pioneering private partner

Urban Entertainment - almost always “bought” or highly subsidized in the early years, and may need aggressive branding/marketing in order to thrive

Rental Housing – initially attracted by the emerging lifestyle zone

For-Sale Housing – perceived value proposition now supports individual investment

Office – Either a response to new workforce realities or economic development initiatives

HOLLYWOOD CASINO SNAPSHOT

Key Facts and Figures

- ▶ **\$400 million:** Total Development Costs
- ▶ **2012:** Scheduled Opening
- ▶ **2,000:** Permanent Casino Jobs
- ▶ **10,000:** Daily Visitation
- ▶ **90 miles:** Hollywood Casino Trade Area
- ▶ **2-4 hours:** Average length of stay
- ▶ **3,000:** Gaming Seats (slots)
- ▶ **70:** Tables (30 poker tables)

Development Program

▶ Phase I:

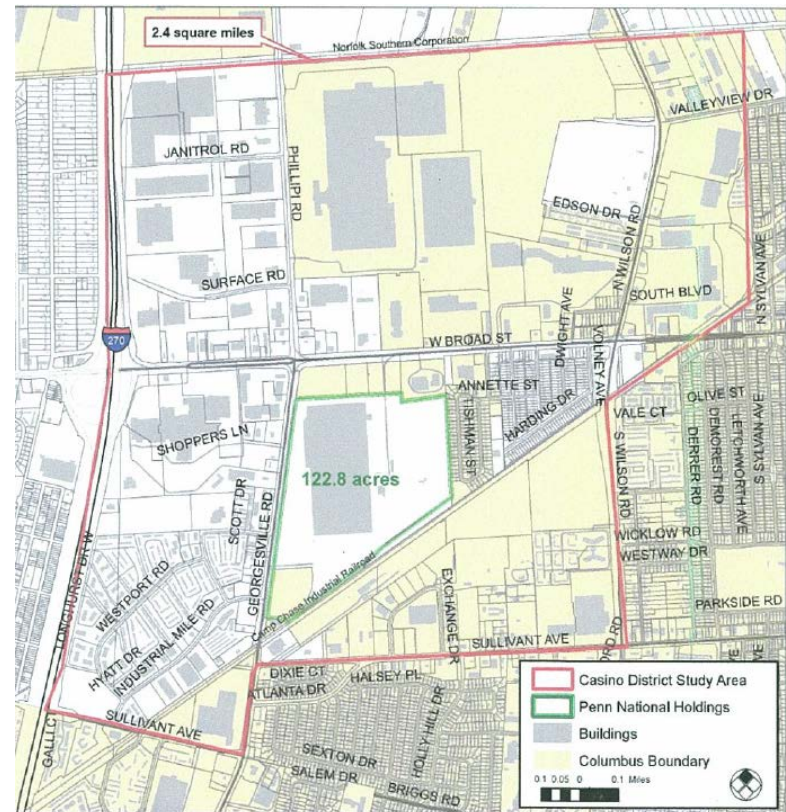
- 3 Restaurants with at total of 700 seats (Steakhouse, Buffet ,Sportsbar)
- Minimal Retail (Gift shop, Columbus Fire Dept store)
- Meeting Space – 10,363 sf
- 137 RV spots and servicing area
- 2,123 structured parking; 1,377 surface parking

▶ Phase II:

- Hotel
- Additional parking
- Additional meeting space

Source: Penn National Gaming

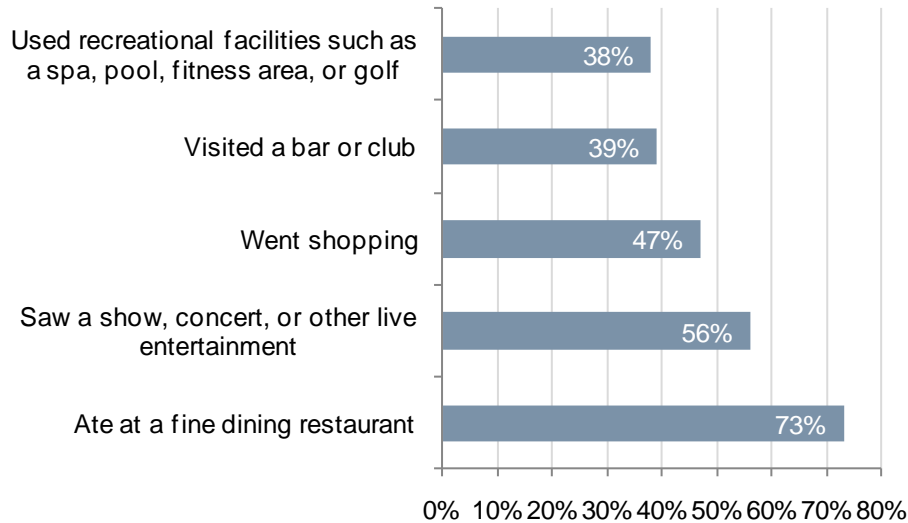
	SLOTS	TABLES	POKER	TOTAL GAMING SEATS
Total Games	3,000	70	30	
Seats/Game	1	6	9	
TOTAL SEATS	3,000	420	270	3,690



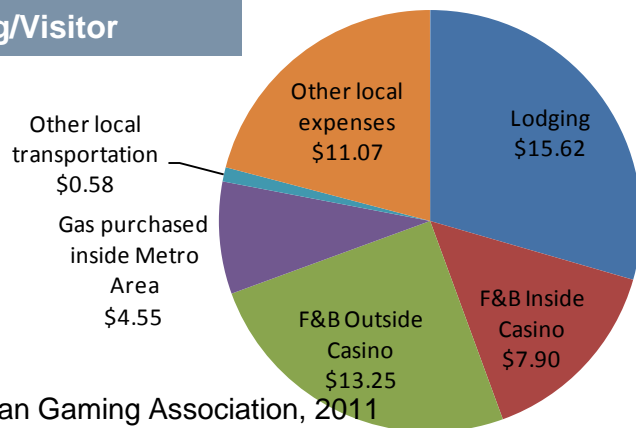
RETAIL DEMAND FROM CASINO VISITORS

VISITOR SPENDING OUTSIDE OF THE CASINO

Rate of Participation in Non-Casino Activities by Casino Visitors



Est. Spending/Visitor



Source: American Gaming Association, 2011

Casino Visitors: Facts & Figures

- ▶ **Millions of visitors** projected annually to Columbus Hollywood Casino from a **90 mile** trade area (2010 Population: 5.7 million)
- ▶ Typically stay **2-4 hours**
- ▶ **31%** of US adults ages 21+ visited a casino in 2010 (slightly more men than women)
- ▶ The **50-64 age** group is the largest demographic group that visited casinos in 2010. (58% of casino visitors are 50+)
- ▶ **59%** of casino visitors shopped or ate at other places in the area outside the casino property
- ▶ Outside of casino, visitors typically spend on **F&B, gas, entertainment, and recreational/spa facilities**

SOME BUSINESSES GROW AROUND CASINOS

GROWTH SURROUNDING PENN NATL CASINOS

RCLCO gathered business listings data from areas surrounding every Penn National Gaming gaming facility in an urban area in the nation. We compared growth in stores by store type and sales volume by NAICS code. The following store types showed same store growth or new store additions within ½ mile radii of an existing and operational Penn National Gaming facility.

SUMMARY OF URBAN CASINO BUSINESS GROWTH SEGMENTS PENN NATIONAL CASINOS, VARIOUS MARKETS, USA (pre-recession vs. post recession, 2000's)

BUSINESS CATEGORIES	EXAMPLES	GROWTH POTENTIAL (FROM CASE STUDIES)	REAL ESTATE PRODUCT TYPES	BRANDING/ THEMING CONCEPTS
Full service restaurants	Ruby Tuesday, Pizzeria Uno, Panera, Buffalo Wild Wings	Very strong	Anchored and unanchored retail, in-line retail	Casino-adjacent dining district
Automotive servicing, including gasoline	Fuel, Texaco, Meineke, Jiffy Lube	Very Strong	Re-use of industrial buildings, unanchored	Auto spa district
Craft and game stores, including hobbies/toys	Michael's, GameStop, Sam Ash	Strong	Anchored and unanchored retail, in-line retail	Family-oriented shopping
Mid-market general merchandise/auto stores	Anna's Linens, Sears Outlet, Bed Bath Beyond, Pep Boys	Strong	Anchor retail, end-cap retail	Family-oriented shopping
Flower stores, fresh flowers	FTD, Various	Strong	In-line retail, ground floor office space	N/a
Consumer Lending	Various	Strong	In-line retail, ground floor office space	Consumer finance district
Consumer Financial Planning	Ameriprise, Prudential, Schwab	Strong	In-line retail, ground floor office space	Consumer finance district
Real Estate Agencies/Brokerages	Coldwell Banker, Weichert, Colliers	Strong	Low-rise/Mid-rise office	Consumer finance district
Clubs and Associations	AAA, Lions Club, Rotary, Alumni Association, Boy Scouts,	Moderate	Low-rise/Mid-rise office	N/a

Source: ESRI Business Analyst, InfoUSA, RCLCO

POTENTIAL CASINO-RELATED DEVELOPMENT

DEVELOPMENT RATIOS IN PENN NATIONAL CASE STUDIES

LAND USE	DEVELOPMENT RATIO	PNG PROGRAM (Total Seats)	DEVELOPMENT IMPLICATIONS
HOTEL			
	8.0 (Keys/100 Seats)	3,690	300 Keys
FOOD			
Restaurants	0.25 (Rest./100 Seats)	3,690	9 Restaurants
Restaurant Seats	40 (Rest. Seats/100 Seats)	3,690	1,480 Restaurant Seats
LIFESTYLE RETAIL			
Total SF	1,600 (SF/100 Seats)	3,690	59,000 SF

The above chart summarizes the typical ratio of related development found in comparable urban and urbanizing casino sites.

“Lifestyle Retail” includes boutiques, gifts, food/beverage, and apparel stores.

SOURCE: RCLCO

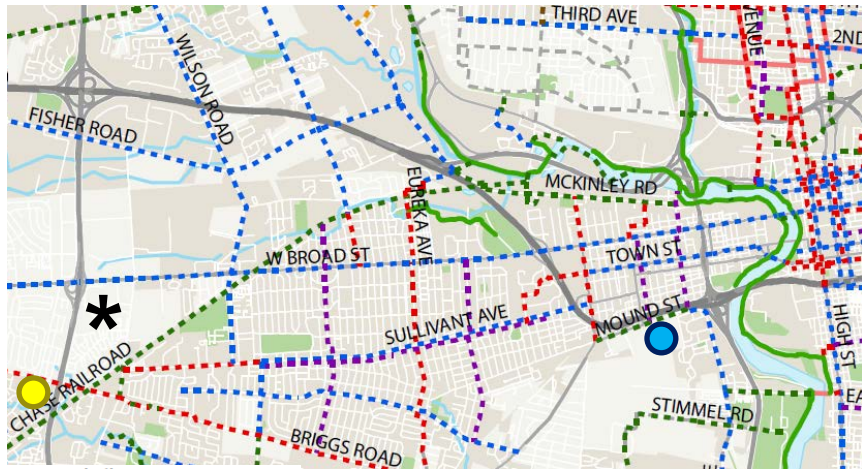
MARKET FORCES THAT MAY BE AT PLAY

OTHER POTENTIAL DEMAND DRIVERS

Central Ohio Greenways Project

- ▶ Rails-to-Trails project connecting Cincinnati to Cleveland via Camp Chase Rail
- ▶ Opportunities to connect to Greenway and program for its users

West Broad Complete Street



Proposed Bikeways

- Shared Use Path
- Bike Lane
- Bike Boulevard
- Signed Shared Roadway

- * Westland Mall
- AP 23
- Cooper Stadium

AP23

- ▶ Multi-sport, multi-purpose athletic and wellness facility that caters to AAU (Amateur Athletic Union)
- ▶ 235,000 SF facility located in former Meijer store to the south of Study Area
- ▶ Off-season basketball, volleyball, indoor track, soccer, mixed martial arts competitions
- ▶ 2000-3000 visitors expected each weekend



Cooper Park

- ▶ Half-mile racetrack and automotive research center (47 acre site)
- ▶ Rezoning for redevelopment unanimously approved in June 2011
- ▶ \$40 million investment, in partnership with Jeff Gordon Racing
- ▶ Project will support 300 new full and part-time jobs for Franklinton
- ▶ Anticipated to host 16-20 races per year and other events, such as snowboarding and BMX biking expositions and a rodeo



AGENDA

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Preliminary Findings

Barriers to Redevelopment

Roadmap to Reinvestment

▶ Questions and Answers

Breakout Sessions

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BREAKOUT GROUPS

Three Topics:

1. What are your aspirations for Weston?
2. What could go wrong here?
3. What would your “mission statement” for Weston be?

MEETING MINUTES

SUBJECT:

Weston Public Meeting

DATE:

July 14, 2011

ATTENDEES:

See sign-in sheet

MEETING NOTES:

The following notes are transcriptions of comments made by public meeting participants before the meeting and during the break-out discussions.

ASPIRATIONS

Improve Hague Ave north/south from Trabuerd to Briggs Rd.

High-class hotels

More police protection

Adult education

Something better at the Westland Mall site

Fewer taco trucks

More stability with the housing market

Help food trucks become sit-down restaurant

Small biz incubator support

More shops of higher/middle end OR outlet shopping

Stable jobs

Retail shops with department stores

No vacancies

Sidewalks

Restaurants and entertainment - movie theaters, regional or family owned

Higher home ownership

Development standards that create identity (streetscapes, street lighting, improve underpass)

Improvement on ramps for 270

Pedestrian bridge across W. Broad

Respectability to neighborhood for shopping and dining and from others in Columbus

Sustained/long-term growth

Penn National to be a good neighbor

Improvements in traffic and access

Reflect the conservative values of those who live here

Timeline - investment/improvements happen quickly

End result is a viable economic area and a safe neighborhood

Opportunity for locally-owned / small business ownership

Affordable rents

Active/promotional activities to attract new consumers

Growth (economic) opportunities

Safety

Family entertainment

Cultural inclusion

Electric Charging Stations

Having a good reason for visitors to come and homeowners to stay here

Have a nice blend of things for visitors

See investment in social services and education for present immigrants who live here

MEMORANDUM

Increase in property values

CONCERNS

Safety
Sidewalks
Jobs
Lighting
Security
More crime/prostitution/drugs
More pawn shops
More instability from gambling addictions
Traffic congestion
Branding/image - too heavy on the gambling
Neighborhood won't get its fair share of casino revenue
Taking money from people who don't have it
Teaches children wrong values
Casino closes along with other businesses
The west side continues to be ignored
Crime (prostitution) increases
Undesirable retail development
Insufficient infrastructure
We become like Atlantic City
Increase in gambling addiction
All development occurs on Georgesville, and not on W. Broad
Redevelopment is focused on casino-goers only and not long-term needs/wants of locals
Not determining the right mix of retail that meet wants of visitors and residents
Appropriate zoning: business near residential
Duplication of retail that is in nearby areas - Hilliard, Grove City, etc. - because it can't be sustained
Repeat City Center - overbuilt space
Rents too high
Lack of ongoing support/investment after casino complete
Traffic jams
Increase in crime
SO successful it negatively affects the rest of Columbus
Dead zone around casino
Need to consider the age groups in the area
Lack of support or safety net for those who have addictions
Lack of traffic control
Strip clubs, undesirable elements
Increase of crime, gang activity
Attract corruption
Close pocket of development that does not include residents

WHEN I SHOP OUTSIDE OF THE NEIGHBORHOOD I GO TO:

Deals
Dublin
Easton (3)
Factory Outlets
Gove City (2)
Grandview for dining, coffee shops, atmosphere
Half price books
Harry & David's
Hilliard

MEMORANDUM

Jeffersonville (2)
Marshalls
Mill Run
Office Max
Old Navy
Penney's (2)
Pet smart
Sam's Club (2)
Shoe stores
Staples
TJ Maxx
Tuttle Mall (3)
Wal-Mart
Whole Foods

WHEN I SHOP IN THE NEIGHBORHOOD, I SHOP HERE:

Bath & Body Works
Big Lots
Chase Bank
Dollar Gen
Dollartree
Family Dollar
Gas stations
Home Depot (2)
Kohls (3)
Kroger (7)
Odd Lots (2)
Sears (3)
Staples (2)
Target (5)

We don't need any more thrift stores, dollar stores, tattoo parlors, drinking bars, or adult book stores
We need good stores on this side of town. I do not shop this side of town. I shop Hilliard, Grove City, Meijers, Kroger, Home Depot, Lowes, Kohls', Target.

THE CASINO WILL BE GREAT FOR THE NEIGHBORHOOD IF

Tax dollars stay in the community
Weston actually becomes another Easton
Reduces the blight, foreclosed homes
Hires from the community - brings jobs
Actively promotes and strengthens the community
Improves infrastructure, streets, street lighting, sidewalks bikepaths, parks
Employment
Great sidewalks
bike paths
Nightlife, dancing
It didn't open
Get rid of bums
It improved the quality of shops and businesses close by
Keep all proceeds on the Westside for use in county areas and city areas

I AM CONCERNED ABOUT THE CASINO BECAUSE:

Traffic
Crime

MEMORANDUM

Crime/gang activity
Local employment
Decline in property values

I WISH THE NEIGHBORHOOD HAD MORE

Parks (2)
Westside needs
Nice restaurants
Therapy Pool for seniors or people with arthritis
Playgrounds
Kids in the neighborhood
Grocery store
Homeowners and less vacant housing
Pet parks
Police patrol (2)
Jobs (2)
Greenscape
Bike/multi-use paths
Walkability
Coffee shops
Green space

Weston Area Redevelopment Study Public Meeting #2

Central Ohio Community Improvement Corporation | October 12, 2011



AGENDA

Background and Objectives

The Community's Vision

What Could Happen Here?

Strategic Reinvestment Opportunities

Questions and Answers

Next Steps

BACKGROUND AND OBJECTIVES

WHAT DOES A MARKET STUDY TELL US?

The **Market Analysis** will investigate the demand for various uses within the Study Area

The **Redevelopment Strategy** will identify a roadmap for reinvestment based on

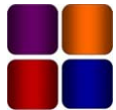
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- b. Policy levers
- c. Necessary strategies/implementation tools
- d. Assemblage opportunities
- e. Location

BACKGROUND AND OBJECTIVES



RCLCO – Lead Consultant

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- Tammy Shoham
- Joyce Chao

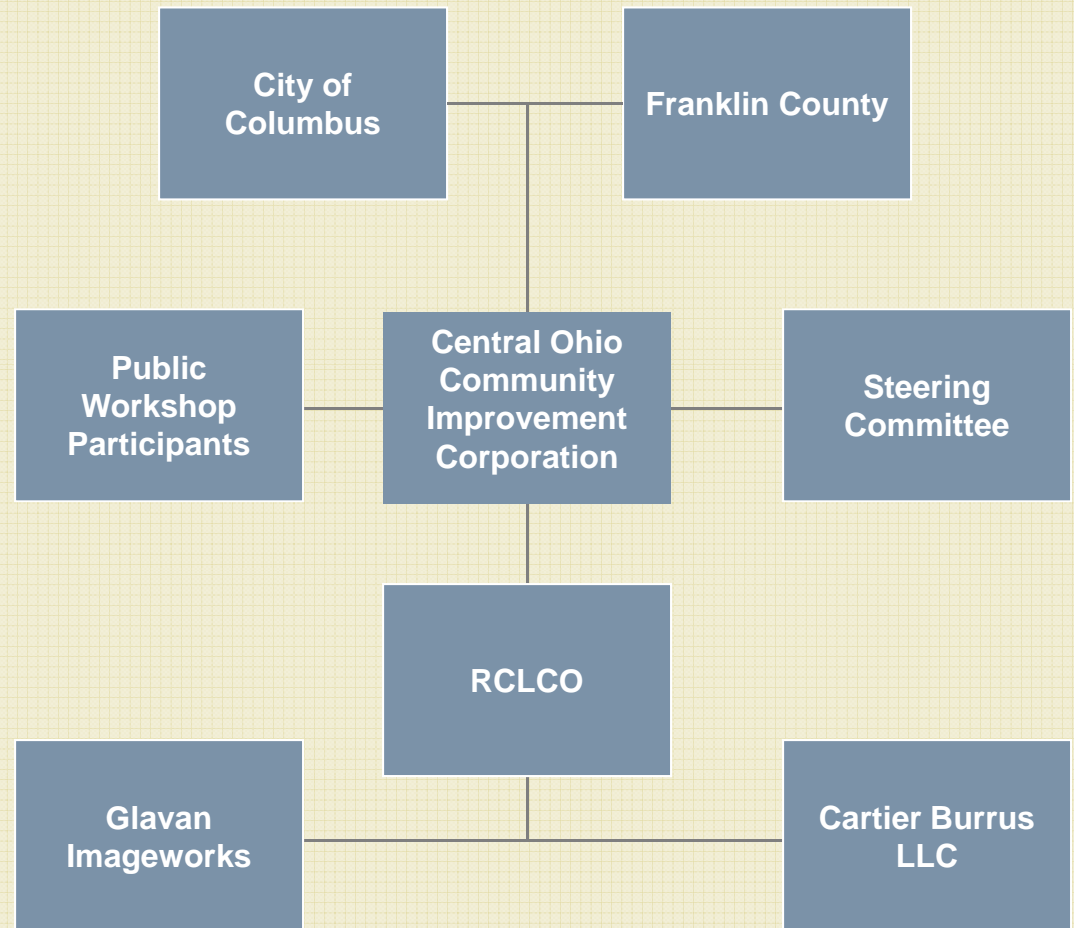


Cartier Burrus, LLC– Outreach



Glavan Imageworks

- Jeff Glavan
- Alana Thompson



AGENDA

Background and Objectives



The Community's Vision

What Could Happen Here?

Strategic Reinvestment Opportunities

Questions and Answers

Next Steps

WE ASKED FOR YOUR THOUGHTS... AND HUNDREDS OF YOU TOLD US!



PUBLIC OUTREACH PROCESS June 2011- October 2011

<u>Outreach Tool</u>	<u># of People</u>
July 14, 2011 Public Meeting	167
Interviews with Developers, Property Owners, Community	20
Direct Mailing	50
Online Communications	
Facebook	70
Weston Vision	100+
Email	784+
TOTAL PARTICIPATION	1,100+

WE ASKED FOR YOUR THOUGHTS...

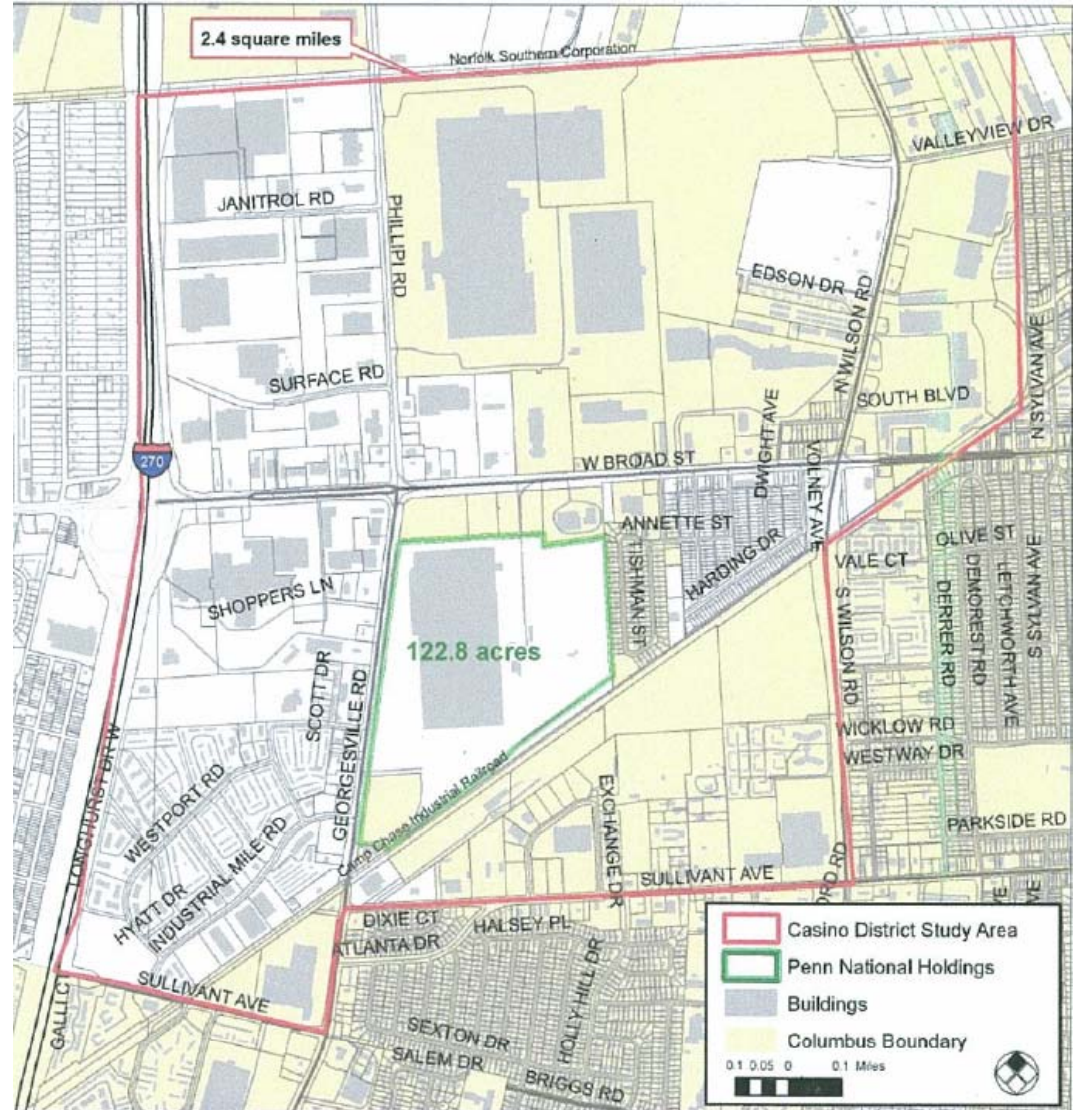
AND HUNDREDS OF YOU TOLD US!

Aspirations

- Stable Jobs
- Improved Housing Opportunities
- Better Retail Environment
- Opportunities for Local Businesses
- More Sophisticated Appearance
- Walkability
- Green Places

Fears

- Safety and Security
- Undesirable Retail
- Same Old, Same Old
- Lack of Ongoing Investment
- The Casino is an Unknown



YOU HELPED SHAPE THE STRATEGY AND CREATED A MISSION STATEMENT FOR THE PROJECT

MISSION STATEMENT

To create and maintain an integrated, progressive, prosperous, safe, and walkable community that provides opportunities for economic growth

WE HEARD YOUR ASPIRATIONS AND CONCERNS YOUR INPUT HELPED TO SHAPE OUR STRATEGY

OUTREACH

INPUT

- Pitted your expressed shopping preferences against spending data
- Spoke with property owners and developers to understand market strengths, weaknesses, and performance metrics

- Tested and refined redevelopment strategies with local developers
- Identified development pipeline and potential synergies

- City and County involvement throughout
- Identified further opportunities for collaboration with private and public sector

RESULTS

Economic and Market Analysis

Redevelopment Trajectories

Implementation Strategy, crafted with the City and County, to make the vision that you articulated happen

AGENDA

Background and Objectives

The Community's Vision

▶ What Could Happen Here?

Strategic Reinvestment Opportunities

Questions and Answers

Next Steps

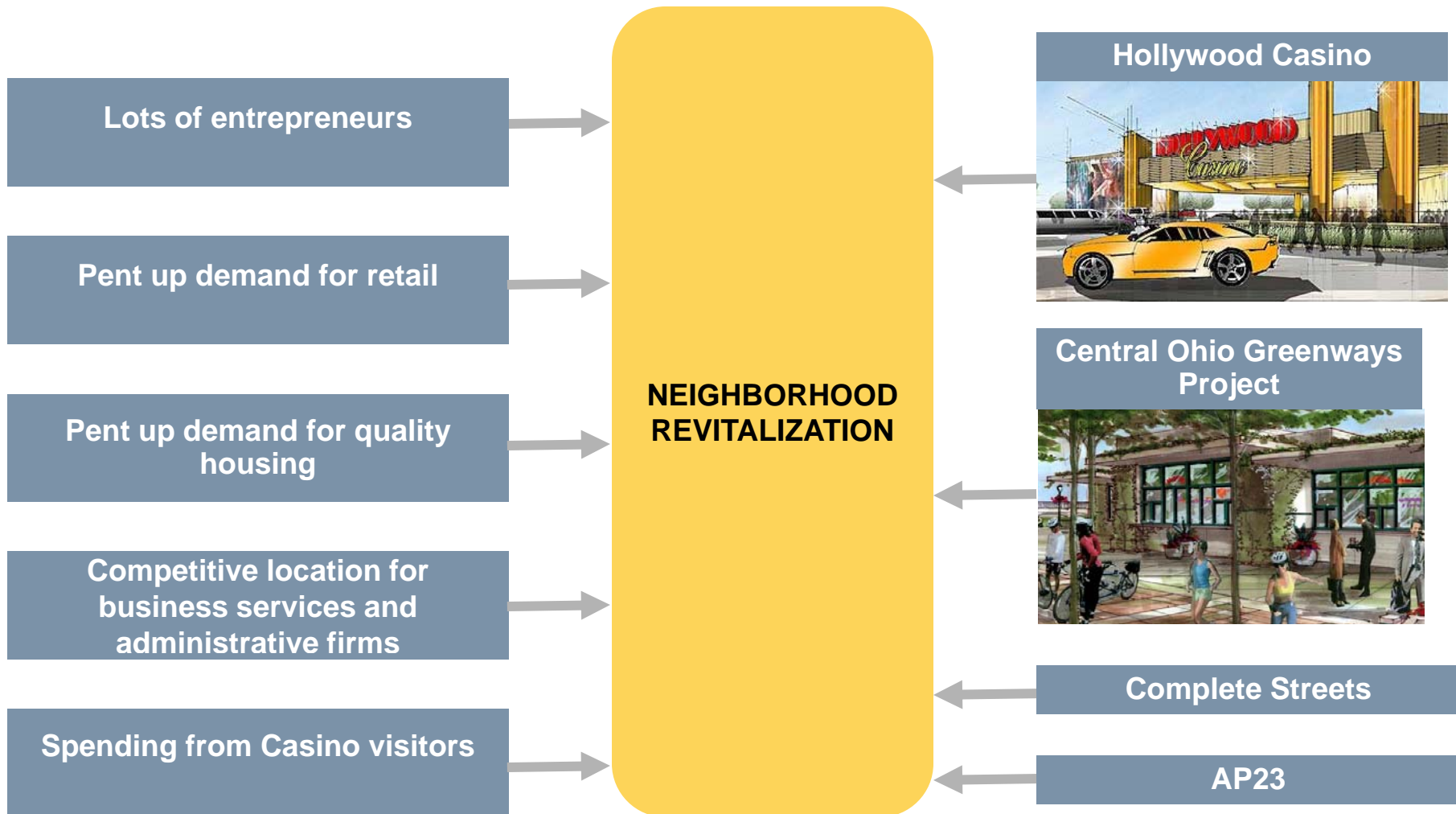
THE ECONOMICS OF REVITALIZATION

MISPERCEPTION AND MISCOMMUNICATION

Myth	Reality
West Broad Street is no longer a retail environment	The neighborhood itself is leaking tens of millions of dollars annually
The West Side isn't a strong housing market	Home prices and sales near the study area are stronger than most know – 25% of home sales nearby are at upper price ranges.
The Casino won't do much for surrounding businesses	Family-friendly and local-serving retailers and businesses have grown around Penn National Casinos around nation
West Broad is not an employment destination	There are over 3,200 family-wage non-retail jobs currently in the area
Existing stores are low-value and low-impact	West Broad Street actually functions as a retail and small business incubator

THE ECONOMICS OF REVITALIZATION

FORCES THAT WILL SHAPE THE FUTURE OF WEST BROAD



SOME BUSINESSES GROW AROUND CASINOS

GROWTH SURROUNDING PENN NATL CASINOS

SUMMARY OF URBAN CASINO BUSINESS GROWTH SEGMENTS PENN NATIONAL CASINOS, VARIOUS MARKETS, USA (pre vs. post recession, 2000's)

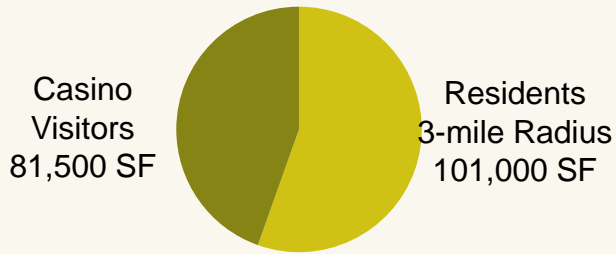
BUSINESS CATEGORIES	EXAMPLES	GROWTH POTENTIAL (FROM CASE STUDIES)
Full service restaurants	Ruby Tuesday, Pizzeria Uno, Panera, Buffalo Wild Wings	★ ★ ★
Automotive servicing, including gasoline	Fuel, Texaco, Meineke, Jiffy Lube	★ ★ ★
Craft and game stores, including hobbies/toys	Michael's, GameStop, Sam Ash	★ ★
Mid-market general merchandise/auto stores	Anna's Linens, Sears Outlet, Bed Bath Beyond, Pep Boys	★ ★
Flower stores, fresh flowers	FTD, Various	N/A
Consumer Lending	Various	★ ★
Consumer Financial Planning	Ameriprise, Prudential, Schwab	★ ★
Real Estate Agencies/Brokerages	Coldwell Banker, Weichert, Colliers	★ ★
Clubs and Associations	AAA, Lions Club, Rotary, Alumni Association, Boy Scouts	★

Source: ESRI Business Analyst, InfoUSA, RCLCO

THE ECONOMICS OF REVITALIZATION

FORCES THAT WILL SHAPE THE FUTURE OF WEST BROAD

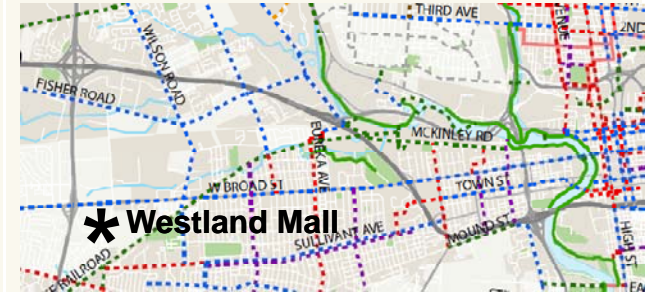
RETAIL DEMAND



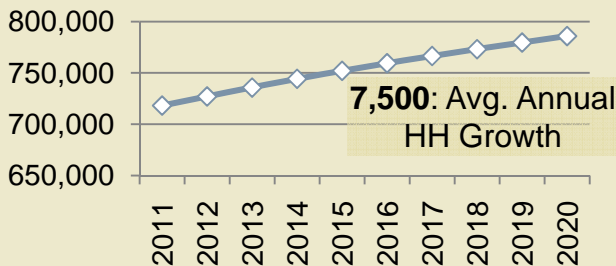
10-YEAR HOUSING DEMAND



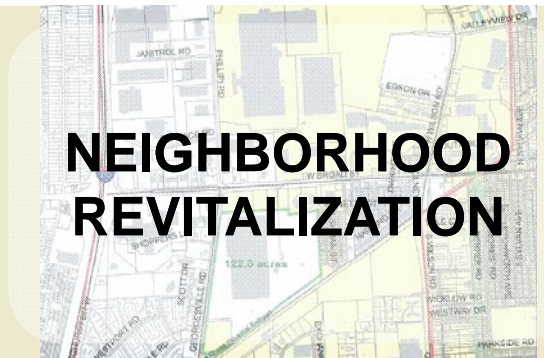
COMPLETE STREETS



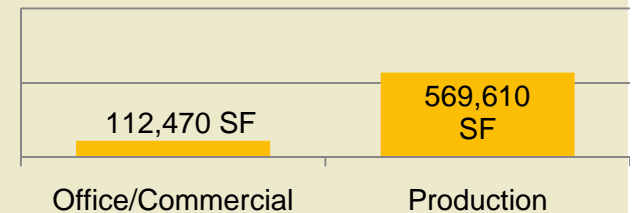
COLUMBUS MSA HOUSEHOLDS



NEIGHBORHOOD REVITALIZATION



10-YEAR INDUSTRIAL DEMAND (2008-2018)



RETAIL STORE TYPES THAT SURROUND CASINOS

- Full-service restaurants
 - Auto-oriented retail
- Mid-market general merch.
 - Financial Planning
 - Consumer Lending



JOBS

- 3,200** – Non-retail jobs in Study Area (2010)
- 2,500** – Potential new jobs generated by recommended redevelopment strategy

SUMMARY OF DEVELOPMENT OPPORTUNITY

UNCOVERING MARKET OPPORTUNITIES

Development Type (Program)	Near Term (1 – 3 years)	Medium Term (3 – 5 years)	Long Term (5 – 10 Years)
Retail 250,000 SF GLA Restaurant-driven with some lifestyle shops	★ ★	★ ★	★ ★ ★
For Sale Housing 900 units 8-15 du/acre		★	★ ★
Rental Housing 1300 30-50 du/acre	★	★ ★	
Office 35,000 – 40,000 SF Local-serving “retail” office	★ ★	★	★
Hotel w/ conferencing (240 – 300 keys) 45-60 Keys/Acre	★ ★	★ ★	★ ★ ★
Industrial N/A	★ ★	★ ★	★ ★ ★

AGENDA

Background and Objectives

The Community's Vision

What Could Happen Here?

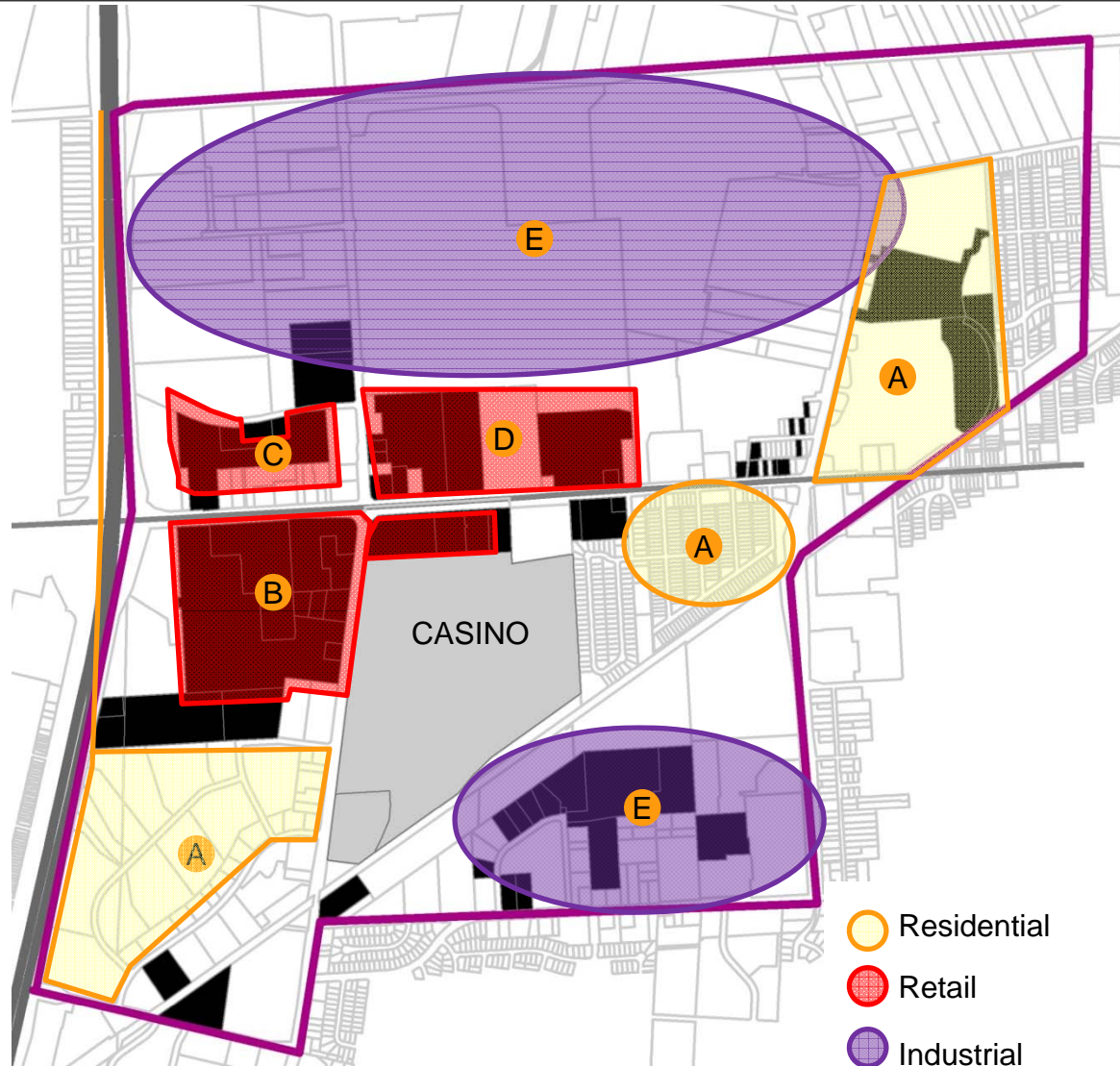
▶ Strategic Reinvestment Opportunities

Questions and Answers

Next Steps

DEVELOPMENT TRAJECTORIES

MIXED USE OPPORTUNITIES



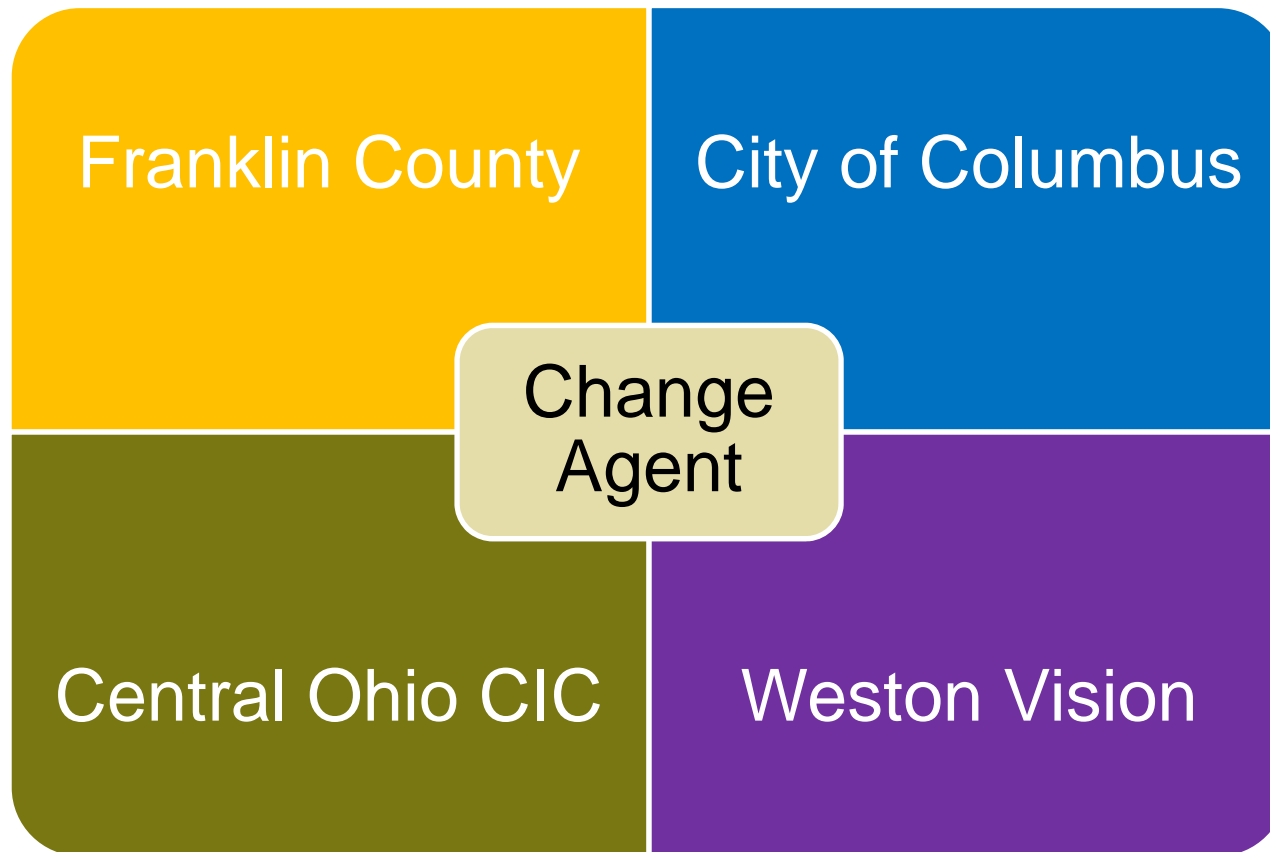
- A. Housing Reinvestment
- B. Destination Retail
- C. Small Business Incubator
- D. Casino Driven Retail
- E. PDR/Workforce Development



[Click here to launch interactive presentation](#)

IMPLEMENTATION

WORKING WITH CITY & COUNTY TO ID FUNDING TOOLS



IMPLEMENTATION

WORKING WITH CITY & COUNTY TO ID FUNDING TOOLS

<u>Existing County/City Incentives</u>	Jurisdiction		Development Trajectory				
	City	County	A	B	C	D	E
Jobs Growth Incentive	○				✓		✓
Job Creation Tax Credit	○						✓
Enterprise Zone	○	○			✓		✓
Community Reinvestment Area	○	○	✓				✓
Capital Improvement Funds	○			✓	✓	✓	✓
Tax Increment Financing	○	○		✓		✓	
Business Development Loan Fund	○			✓		✓	
Working Capital Loan Fund	○				✓		✓
Green Columbus Fund	○		✓	✓	✓	✓	✓
Microenterprise Loan Program		○			✓		✓
Microenterprise Development Training		○			✓		✓
Franklin County Biz Launch Fund	○	○			✓	✓	✓
Facade Improvement Program (Pilot)		○		✓	✓	✓	
Retail Incubator (under consideration)		○			✓		
Workforce Training (under consideration)		○					✓
Demolition Program (Pilot)		○	✓	✓	✓	✓	
Housing Development Program	○		✓				
Rental Housing Production/Preservation (RHPP)	○		✓				
Neighborhood Investment Districts (NIDs)	○		✓				
Joint Economic Development (JED) District	○			✓		✓	

IMPLEMENTATION

WORKING WITH CITY & COUNTY TO ID FUNDING TOOLS

City, County, and State officials are currently discussing additional commitments to the area, including:

- Innovating new investment tools
- Identifying a “champion” for the area
- Investing in local businesses
- Public realm improvements
- Streetscape improvements
- Encouraging additional public-private partnerships
- How much of the casino-related revenues will be available to carry out these plans

AGENDA

Background and Objectives

The Community's Vision

What Could Happen Here?

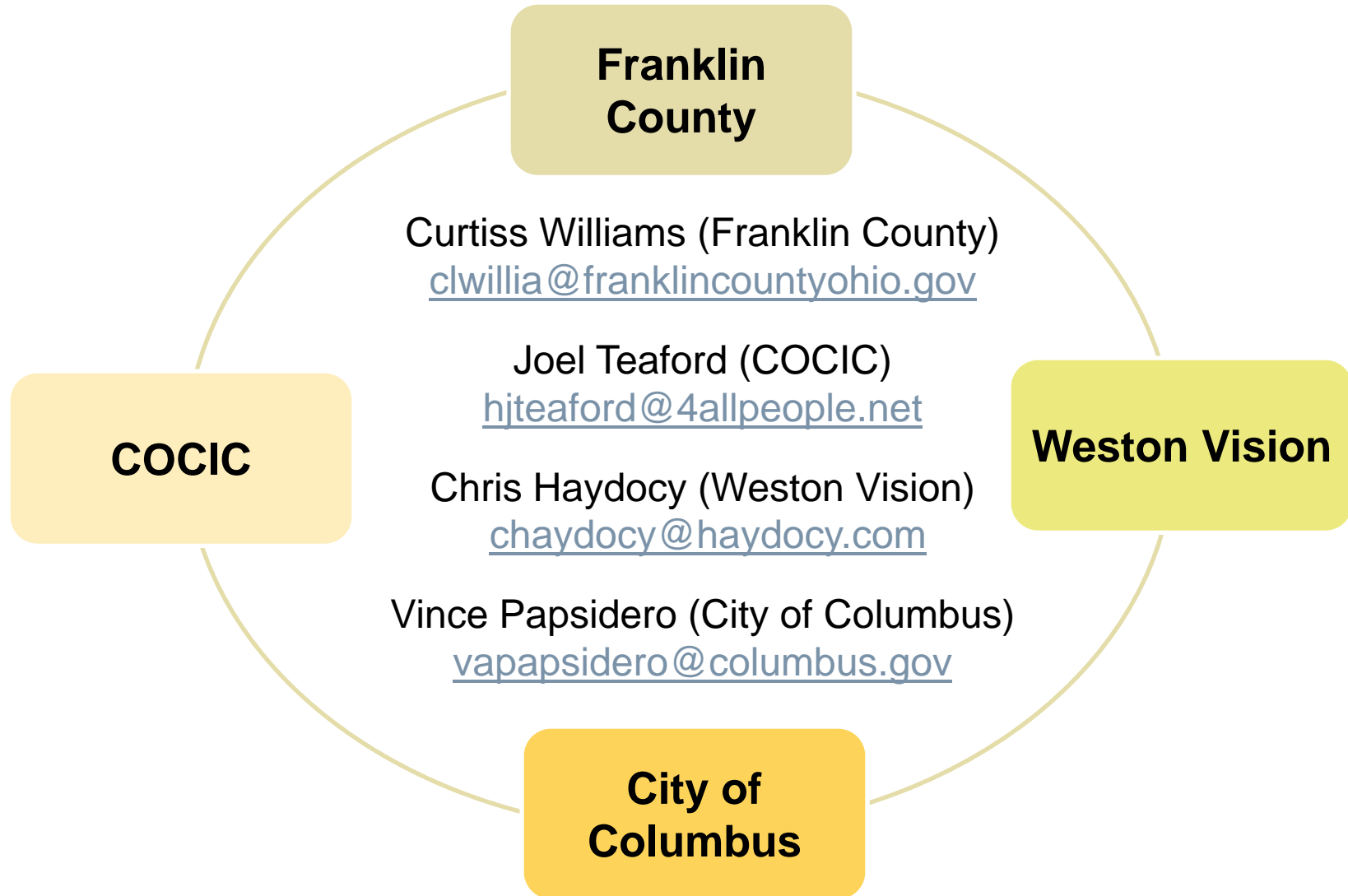
Strategic Reinvestment Opportunities

▶ Questions and Answers

Next Steps

FOR MORE INFORMATION

CONTACTS



FIND US ON FACEBOOK

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.

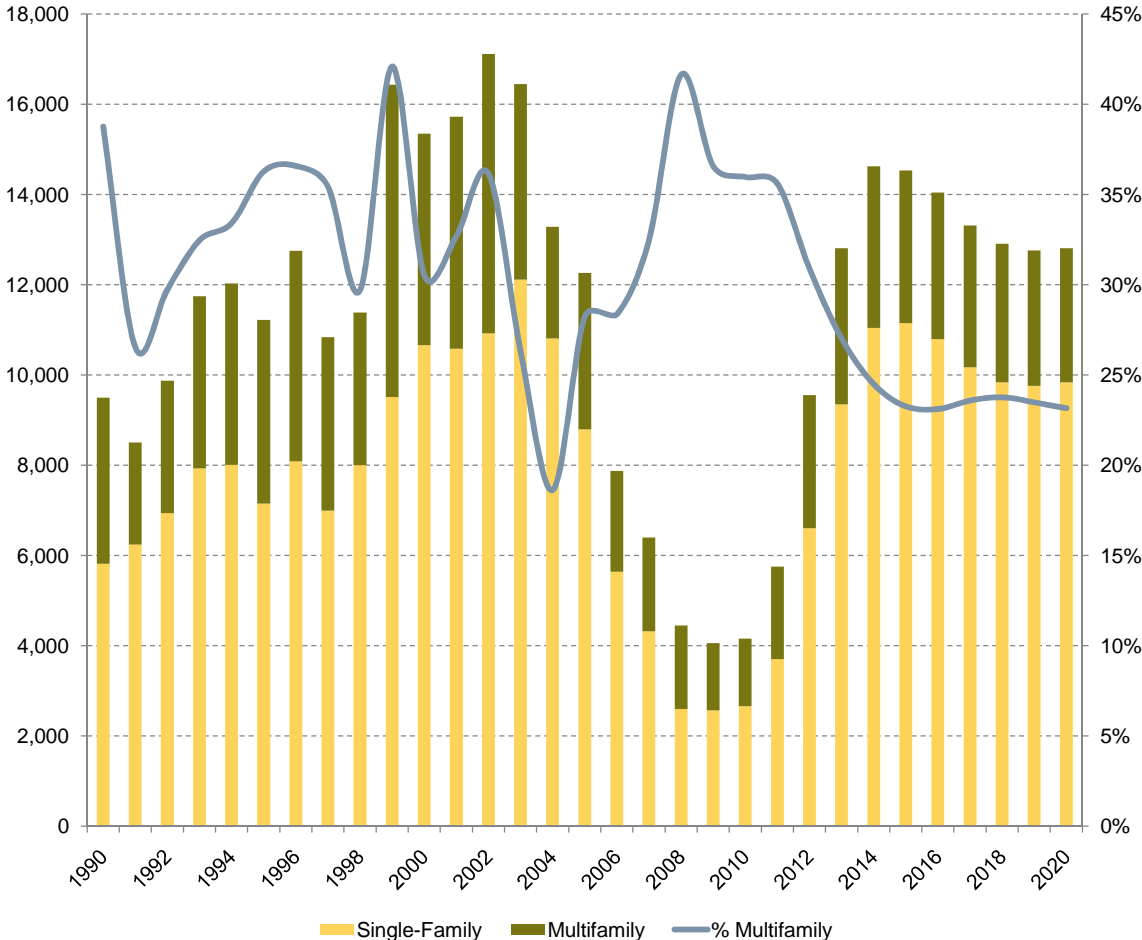
www.facebook.com

Search for:

Central Ohio Community Improvement Corporation

Exhibit I-1

**SINGLE-FAMILY AND MULTIFAMILY BUILDING PERMITS
COLUMBUS MSA
1980 - 2020**

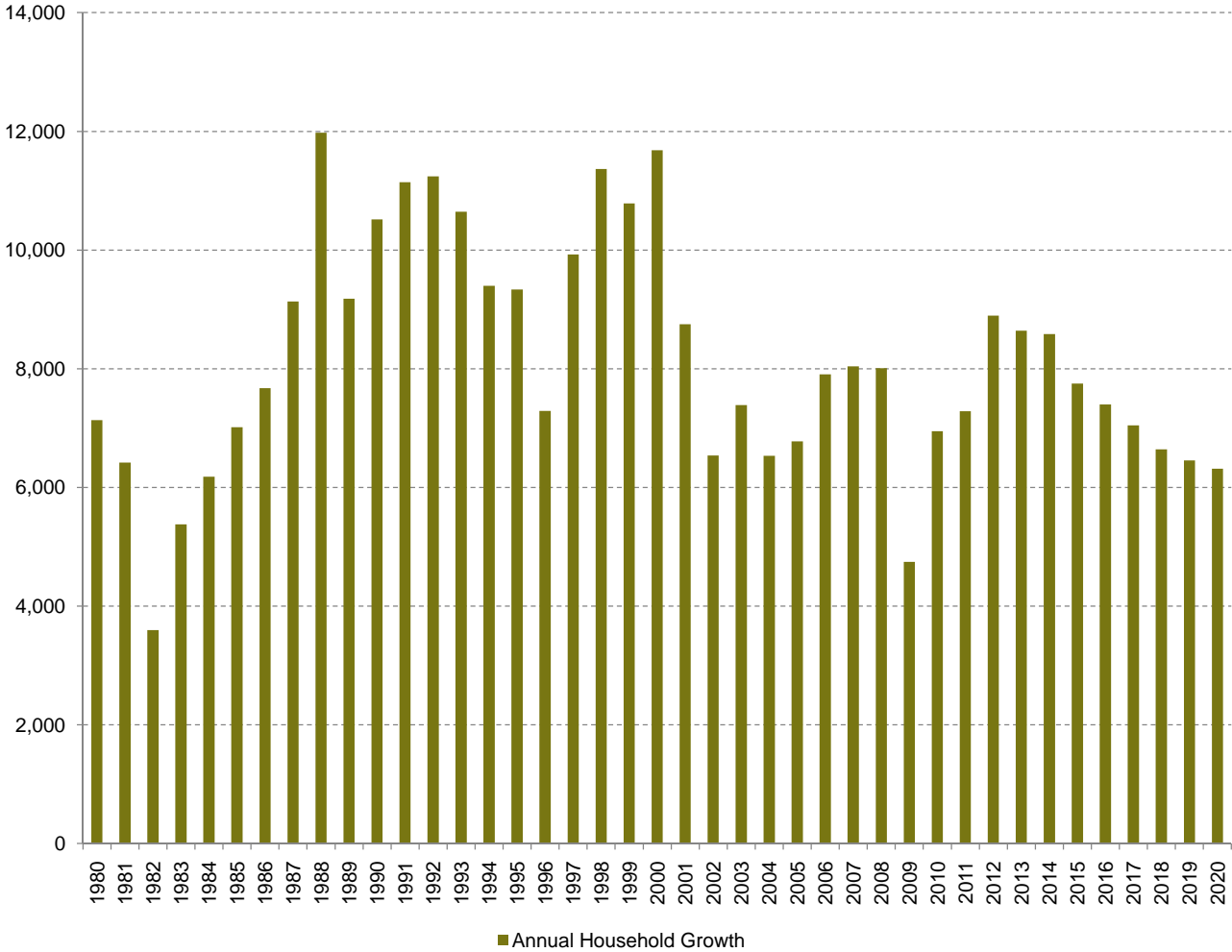


Year	Avg. Annual Permits	SF	%	MF	%
1986 - 1990	11,450	6,220	54%	5,231	46%
1991 - 1995	10,677	7,256	68%	3,421	32%
1996 - 2000	13,354	8,654	65%	4,700	35%
2001 - 2005	14,969	10,648	71%	4,321	29%
2006 - 2010	5,388	3,559	66%	1,830	34%
2011 - 2015	11,457	8,371	73%	3,086	27%
2016 - 2020	13,170	10,085	77%	3,086	23%

SOURCE: Moody's Analytics

Exhibit I-2

**HOUSEHOLD GROWTH
COLUMBUS MSA
1980 - 2020**



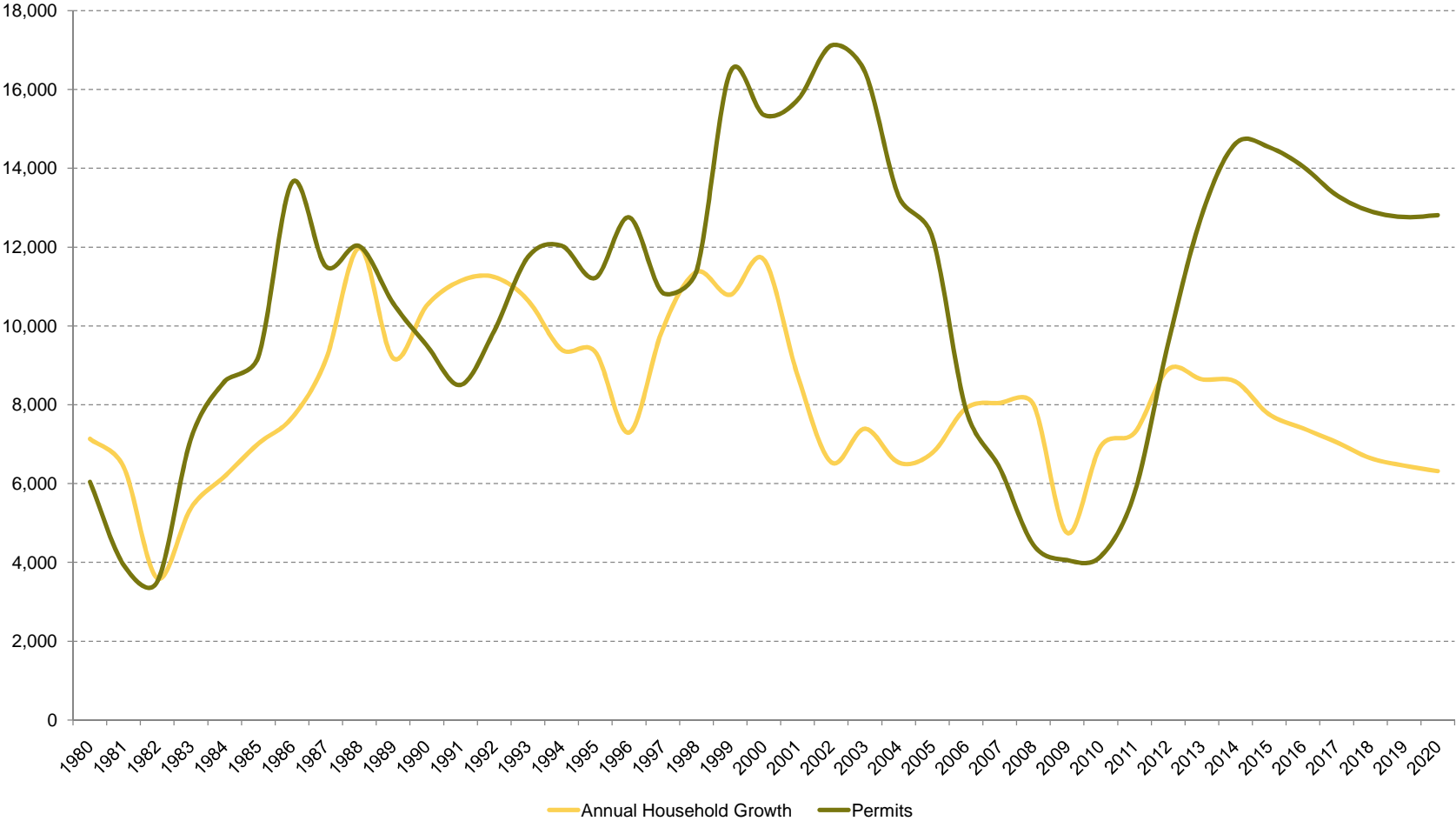
Year	Total Households	CAGR
1980	459,398	
1985	487,987	1.21%
1990	536,468	1.91%
1995	588,228	1.86%
2000	639,284	1.68%
2005	675,270	1.10%
2010	710,921	1.03%
2015	752,081	1.13%
2020	785,939	0.88%

Avg. Annual Growth	
1980 - 1990	7,707
1990 - 2000	10,282
2000 - 2010	7,164
2010 - 2020	7,502

SOURCE: Moody's Analytics

Exhibit I-3

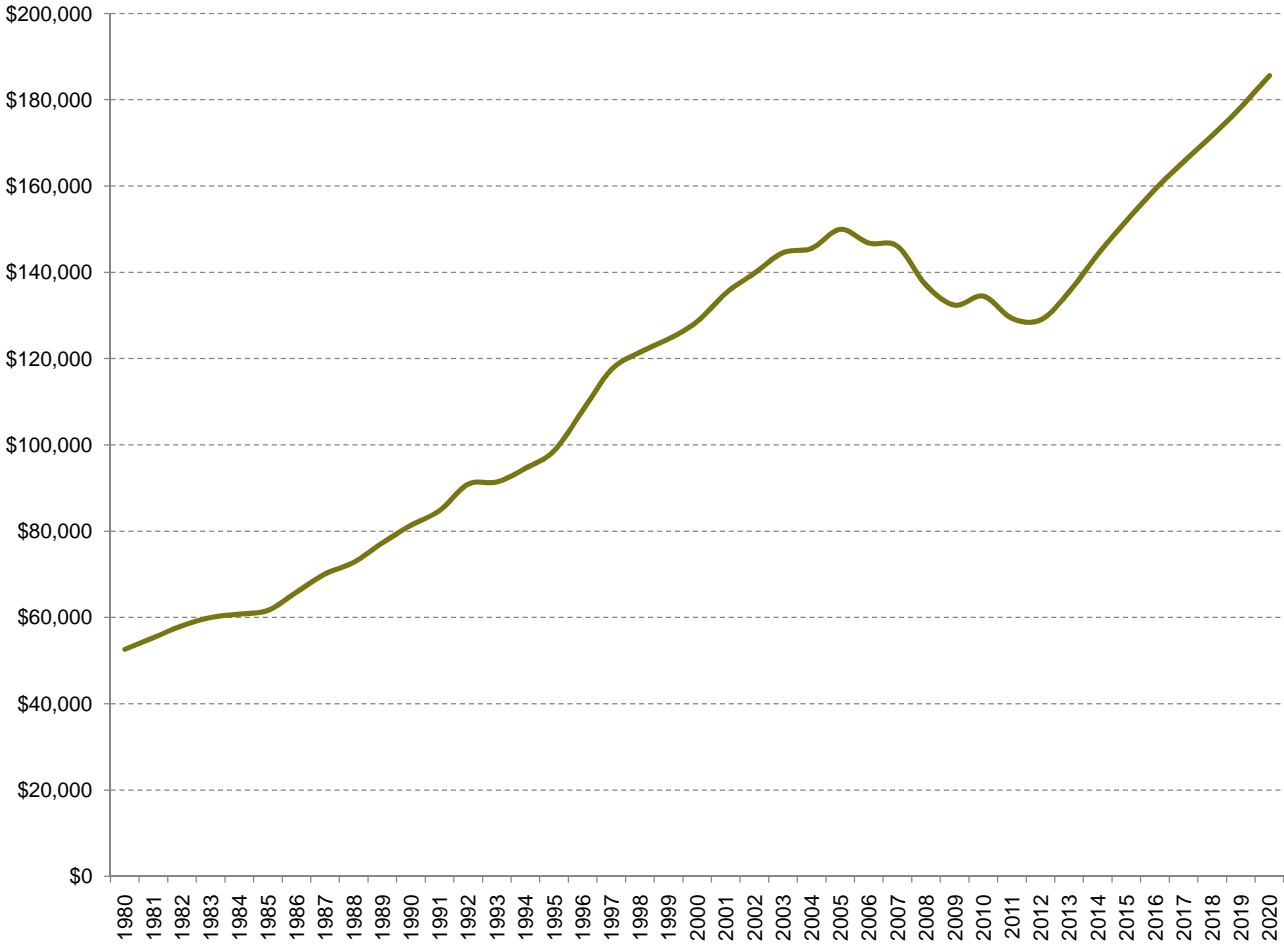
**COMPARISON OF ANNUAL HOUSEHOLD GROWTH AND BUILDING PERMIT ISSUANCE
COLUMBUS MSA
1980 - 2020**



SOURCE: Moody's Analytics

Exhibit I-4

**MEDIAN EXISTING SINGLE-FAMILY HOME PRICE
COLUMBUS MSA
1980 - 2020**



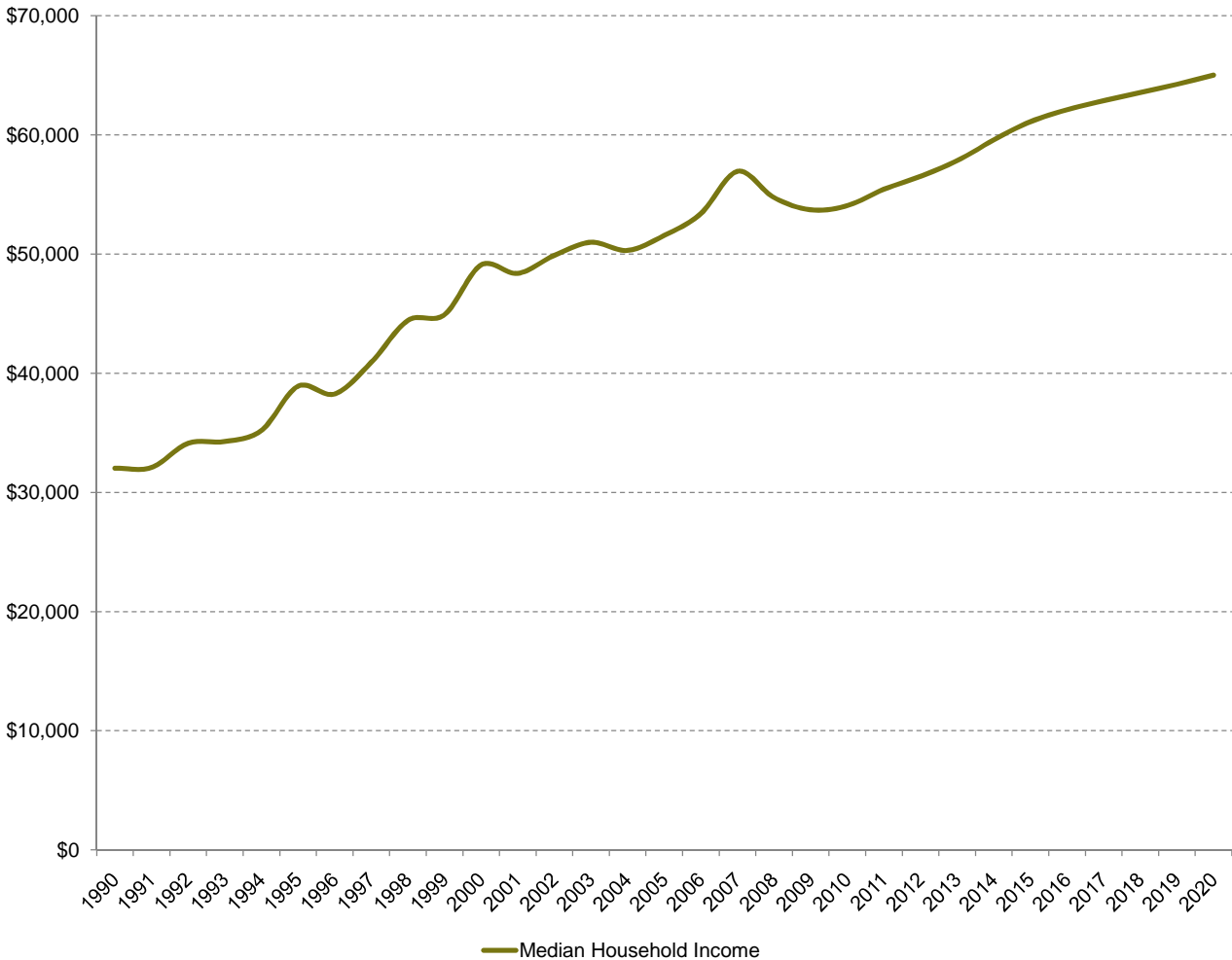
Year	Median Price	CAGR
1980	\$52,630	
1985	\$61,673	3.22%
1990	\$81,379	5.70%
1995	\$98,660	3.93%
2000	\$128,596	5.44%
2005	\$149,973	3.12%
2010	\$134,497	-2.15%
2015	\$151,977	2.47%
2020	\$185,615	4.08%
1980 - 2010		3.18%

— Median Existing Single-Family Home Price (NAR)

SOURCE: Moody's Analytics

Exhibit I-5

**MEDIAN HOUSEHOLD INCOME
COLUMBUS MSA
1980 - 2020**

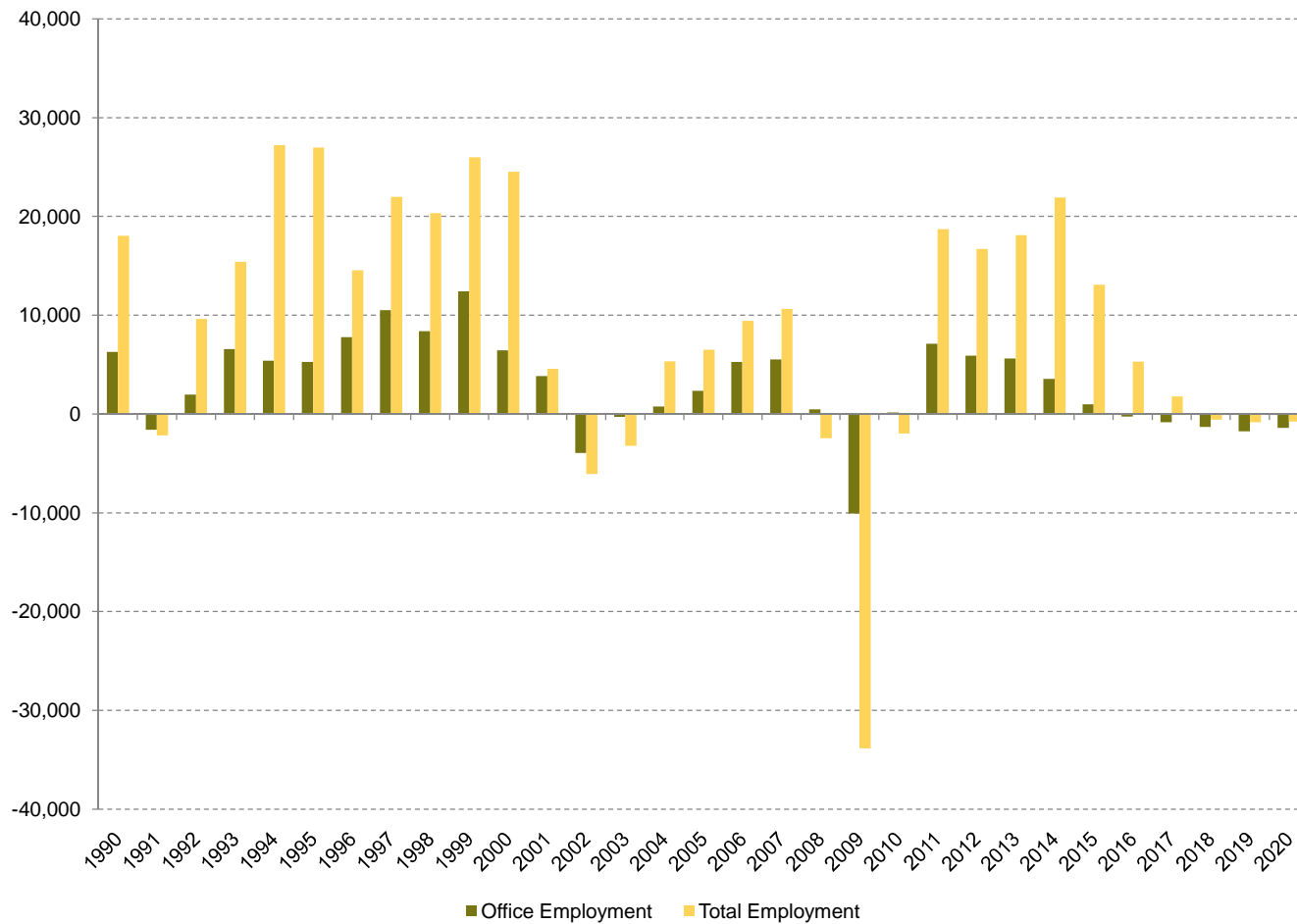


Year	Median Household Income	CAGR
1980	\$18,288	
1985	\$25,922	7.23%
1990	\$32,034	4.32%
1995	\$38,911	3.97%
2000	\$49,082	4.75%
2005	\$51,564	0.99%
2010	\$54,062	0.95%
2015	\$61,115	2.48%
2020	\$65,020	1.25%
1990 - 2010		3.68%
2000-2030		-100.00%

SOURCE: Moody's Analytics

Exhibit I-6

**ANNUAL EMPLOYMENT GROWTH
COLUMBUS MSA
1980 - 2020**



Year	Total Employment	CAGR
1990	730,883	
1995	807,942	2.02%
2000	915,283	2.53%
2005	922,392	0.15%
2010	904,183	-0.40%
2015	992,699	1.89%
2020	997,591	0.10%

Avg. Annual Growth		
1990 - 2000	18,440	
2000 - 2010	-1,110	
2010 - 2020	9,341	

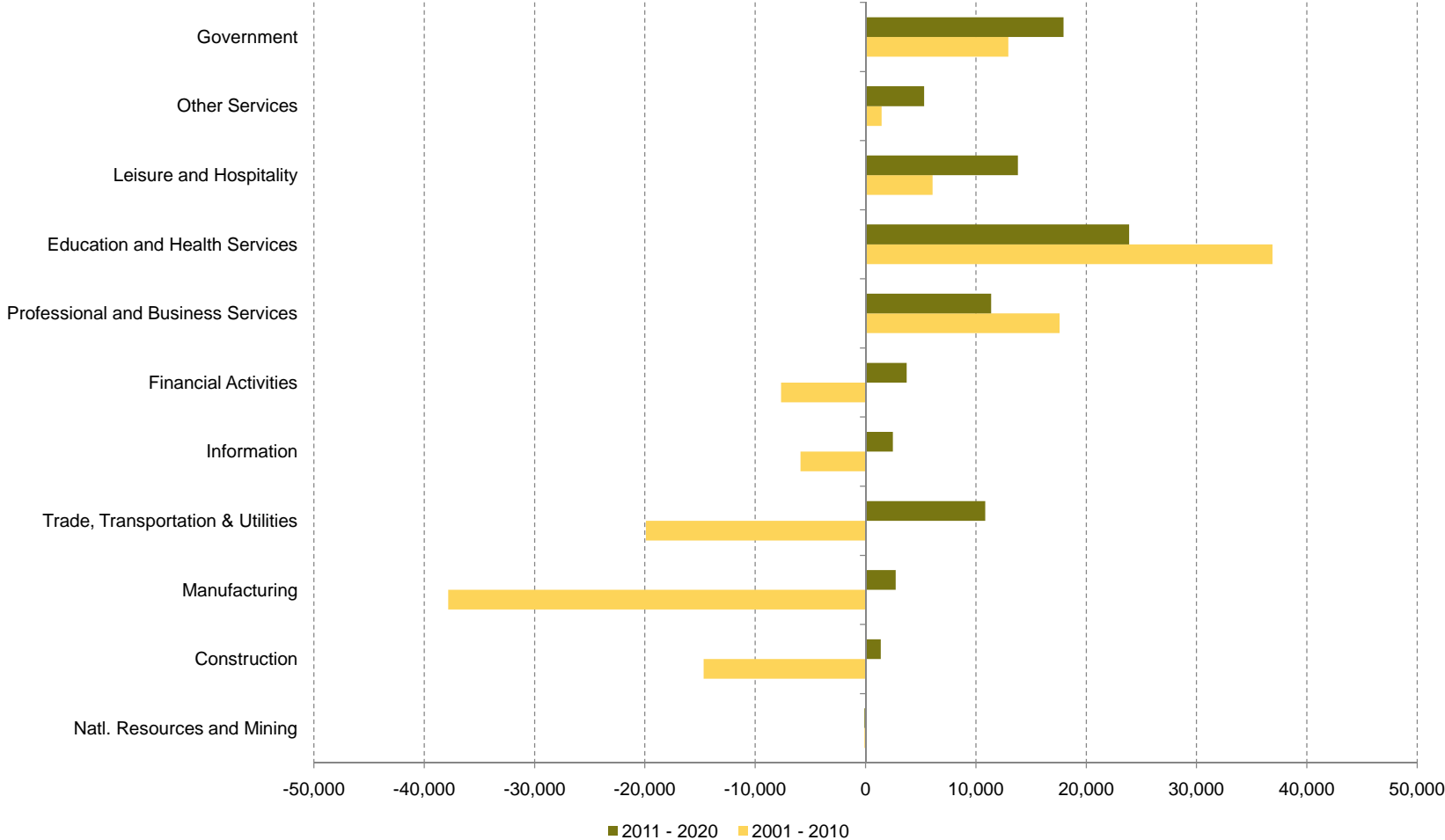
Year	Total Office Employment	CAGR
1990	164,647	
1995	182,268	2.05%
2000	227,782	4.56%
2005	230,498	0.24%
2010	231,835	0.12%
2015	254,980	1.92%
2020	249,417	-0.44%

Avg. Annual Growth		
1990 - 2000	6,313	
2000 - 2010	405	
2010 - 2020	1,758	

SOURCE: Moody's Analytics

Exhibit I-7

**JOB GROWTH BY SECTOR
COLUMBUS MSA
2001 - 2020**



SOURCE: Moody's Analytics

Exhibit I-8

**JOBS TO HOUSEHOLD RATIO
COLUMBUS MSA
2001 - 2020**

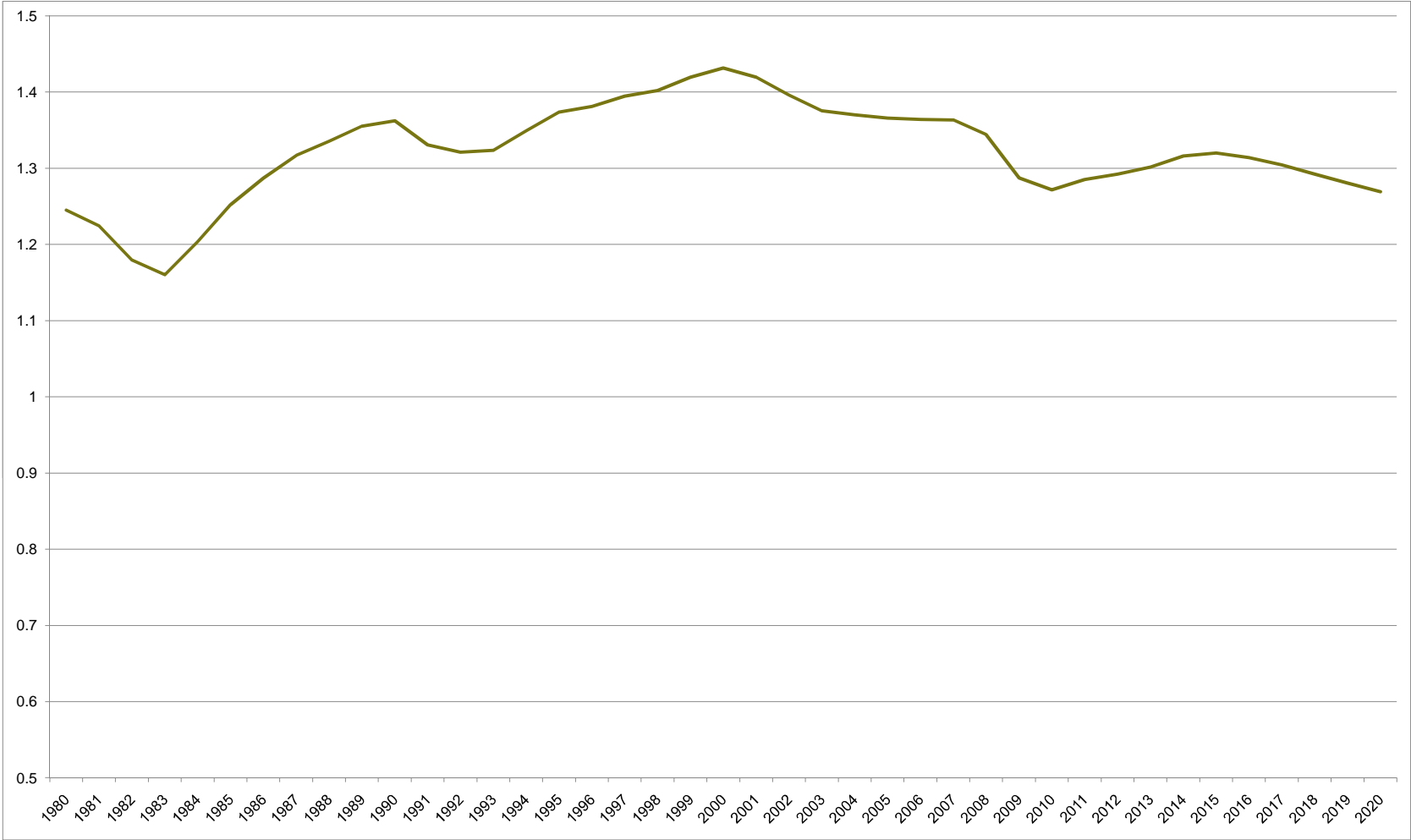


Exhibit I-9

HOUSEHOLD AND ECONOMIC GROWTH SUMMARIES PRIMARY MARKET AREA AND METROPOLITAN AREA 2000 - 2015

Population				Avg. Annual Growth		Annual Growth Rate	
	2000	2010	2015	2000 - 2010	2010 - 2015	2000 - 2010	2010 - 2015
PMA	1,612,694	1,812,382	1,897,988	19,969	17,121	1.17%	0.93%
MSA	1,619,500	1,844,252	1,913,559	22,475	13,861	1.31%	0.74%
Households				Avg. Annual Growth		Annual Growth Rate	
	2000	2010	2015	2000 - 2010	2010 - 2015	2000 - 2010	2010 - 2015
PMA	636,602	720,108	755,739	8,351	7,126	1.24%	0.97%
MSA	639,284	710,921	752,081	7,164	8,232	1.07%	1.13%
Median Income				Avg. Annual Growth		Annual Growth Rate	
	2000	2010	2015	2000 - 2010	2010 - 2015	2000 - 2010	2010 - 2015
PMA	\$44,891	\$58,099	\$65,026	1,321	1,385	2.61%	2.28%
MSA	\$49,082	\$54,062	\$61,115	\$498	\$1,411	0.97%	2.48%
Median Home Value				Avg. Annual Growth		Annual Growth Rate	
	2000	2010	2015	2000 - 2010	2010 - 2015	2000 - 2010	2010 - 2015
PMA	\$118,263	\$142,356	\$155,381	2,409	2,605	1.87%	1.77%
MSA	\$128,596	\$134,497	\$151,977	\$590	\$3,496	0.45%	2.47%
Jobs				Avg. Annual Growth		Annual Growth Rate	
	2000	2010	2015	2000 - 2010	2010 - 2015	2000 - 2010	2010 - 2015
PMA		994,584	N/A	N/A	N/A	N/A	N/A
MSA	915,283	904,183	992,699	-1,110	17,703	-0.12%	1.89%

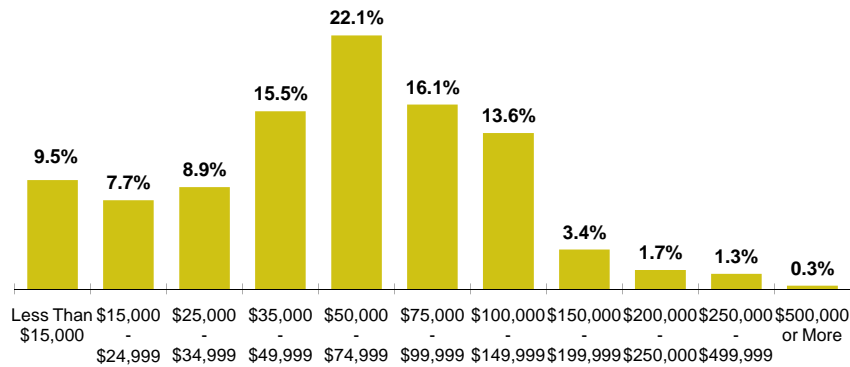
SOURCE: Moody's Analytics (MSA) and ESRI Business Analyst (PMA)

Exhibit I-10

AGE OF HOUSEHOLDER BY INCOME PRIMARY MARKET AREA 2010

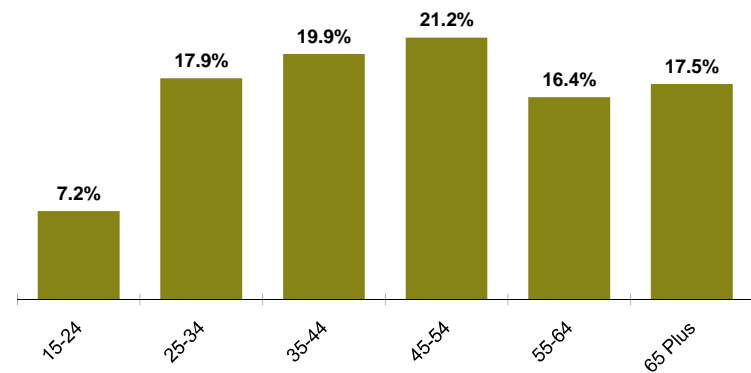
INCOME RANGE	15-24		25-34		35-44		45-54		55-64		65 Plus		TOTAL	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Less Than \$15,000	12,633	24.5%	9,539	7.4%	7,128	5.0%	7,649	5.0%	9,540	8.1%	21,942	17.4%	68,431	9.5%
\$15,000 - \$24,999	6,722	13.0%	9,866	7.6%	6,772	4.7%	6,776	4.4%	7,236	6.1%	18,387	14.6%	55,759	7.7%
\$25,000 - \$34,999	5,860	11.4%	13,607	10.5%	11,022	7.7%	9,067	5.9%	8,919	7.6%	15,472	12.3%	63,947	8.9%
\$35,000 - \$49,999	7,956	15.4%	24,225	18.8%	21,234	14.8%	19,662	12.9%	17,068	14.5%	21,292	16.9%	111,437	15.5%
\$50,000 - \$74,999	9,432	18.3%	34,063	26.4%	36,157	25.2%	34,260	22.4%	25,414	21.5%	19,755	15.7%	159,081	22.1%
\$75,000 - \$99,999	4,063	7.9%	20,867	16.2%	26,915	18.8%	30,743	20.1%	20,657	17.5%	12,404	9.9%	115,649	16.1%
\$100,000 - \$149,999	2,984	5.8%	12,825	9.9%	23,800	16.6%	30,011	19.6%	18,668	15.8%	9,669	7.7%	97,957	13.6%
\$150,000 - \$199,999	1,199	2.3%	2,528	2.0%	5,238	3.7%	7,281	4.8%	5,153	4.4%	3,367	2.7%	24,766	3.4%
\$200,000 - \$250,000	575	1.1%	853	0.7%	2,299	1.6%	3,374	2.2%	2,662	2.3%	2,195	1.7%	11,958	1.7%
\$250,000 - \$499,999	139	0.3%	518	0.4%	2,214	1.5%	3,304	2.2%	2,235	1.9%	1,096	0.9%	9,506	1.3%
\$500,000 or more	23	0.0%	95	0.1%	451	0%	704	0.5%	541	0.5%	218	0%	2,032	0.3%
TOTAL	51,586	100%	128,986	100%	143,230	100%	152,831	100%	118,093	100%	125,797	100%	720,523	100%
Percent of Total	7%		18%		20%		21%		16%		17%		100%	

HOUSEHOLD INCOME DISTRIBUTION



Income Ranges

DISTRIBUTION BY AGE OF HOUSEHOLDER



Age of Householder

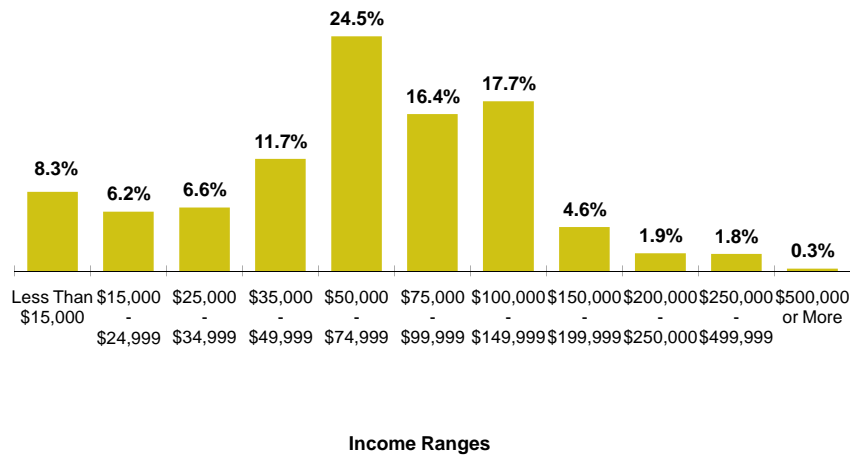
SOURCE: ESRI

Exhibit I-11

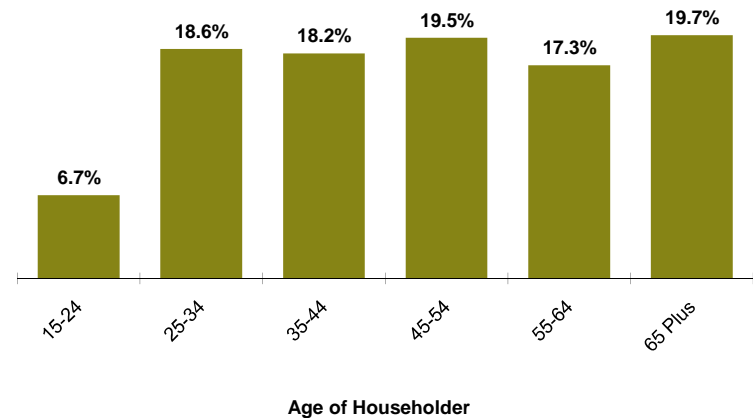
AGE OF HOUSEHOLDER BY INCOME PRIMARY MARKET AREA 2015

INCOME RANGE	15-24		25-34		35-44		45-54		55-64		65 Plus		TOTAL	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Less Than \$15,000	12,005	23.6%	8,962	6.4%	5,472	4.0%	5,574	3.8%	8,659	6.6%	21,898	14.7%	62,570	8.3%
\$15,000 - \$24,999	6,722	13.2%	8,262	5.9%	4,962	3.6%	4,619	3.1%	5,946	4.6%	16,483	11.1%	46,994	6.2%
\$25,000 - \$34,999	5,860	11.5%	10,418	7.4%	7,575	5.5%	5,912	4.0%	7,069	5.4%	13,358	9.0%	50,192	6.6%
\$35,000 - \$49,999	7,956	15.6%	19,240	13.7%	14,740	10.7%	13,085	8.9%	13,703	10.5%	19,951	13.4%	88,675	11.7%
\$50,000 - \$74,999	9,432	18.5%	43,085	30.7%	37,724	27.4%	34,396	23.3%	30,877	23.7%	29,739	20.0%	185,253	24.5%
\$75,000 - \$99,999	4,063	8.0%	24,597	17.5%	25,562	18.6%	28,687	19.5%	23,117	17.7%	17,795	12.0%	123,821	16.4%
\$100,000 - \$149,999	2,984	5.9%	19,907	14.2%	29,073	21.1%	37,257	25.3%	26,425	20.3%	18,306	12.3%	133,952	17.7%
\$150,000 - \$199,999	1,199	2.4%	3,898	2.8%	7,061	5.1%	9,361	6.4%	7,411	5.7%	5,877	3.9%	34,807	4.6%
\$200,000 - \$250,000	575	1.1%	1,080	0.8%	2,426	1.8%	3,536	2.4%	3,270	2.5%	3,099	2.1%	13,986	1.9%
\$250,000 - \$499,999	139	0.3%	852	0.6%	2,803	2.0%	4,328	2.9%	3,377	2.6%	2,028	1.4%	13,527	1.8%
\$500,000 or more	23	0.0%	102	0.1%	366	0%	653	0.4%	545	0.4%	270	0%	1,959	0.3%
TOTAL	50,958	100%	140,403	99%	137,764	100%	147,408	100%	130,399	100%	148,804	100%	755,736	100%
Percent of Total	7%		19%		18%		20%		17%		20%		100%	

HOUSEHOLD INCOME DISTRIBUTION



DISTRIBUTION BY AGE OF HOUSEHOLDER



SOURCE: ESRI

Exhibit I-12

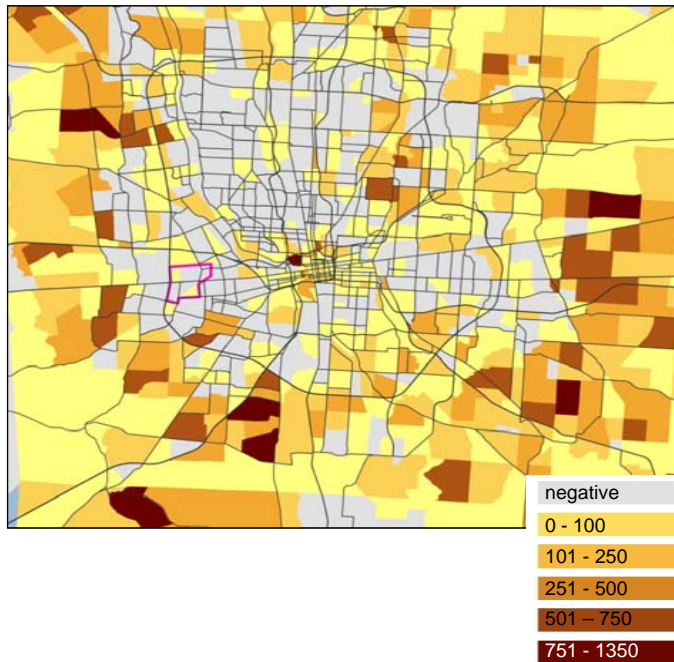
SUMMARY OF KEY INDICATORS STUDY AREA AND RELEVANT SITES

	1-Mile Radius Surrounding:							
	Study Area	Downtown	Arena District	Polaris	Tuttle Crossing	Easton Twn Ctr	Columbus	Franklin Co.
Households (2010)	4,925	4,305	5,288	3,085	3,168	4,316	324,782	474,721
Annualized HH Growth (2010-2015)	0.2%	1.5%	1.2%	2.1%	1.2%	1.5%	0.7%	0.8%
Household Density (HH/acre)	2.6	2.2	2.8	1.6	1.7	2.2	2.4	1.4
Median Income (2010)	\$38,364	\$26,737	\$35,506	\$70,256	\$75,046	\$26,829	\$49,692	\$55,046
Aggregate Spending	\$84,124,586	\$70,703,289	\$96,822,696	\$102,841,123	\$106,402,518	\$71,092,581	\$7,385,615,349	\$12,080,229,192
Spending per Households (2010)	\$17,081	\$16,424	\$18,310	\$33,336	\$33,587	\$16,472	\$22,740	\$25,447
Spending Density (\$/acre)	\$43,815	\$36,825	\$50,428	\$53,563	\$55,418	\$37,027	\$54,434	\$34,761
Median Home Value (2010)	\$92,316	\$184,101	\$161,139	\$195,142	\$180,574	\$184,320	\$116,971	\$131,161
Median Contract Rent (2000)	\$427	\$349	\$476	\$677	\$707	\$349	\$590	\$496
Owner Occupied Housing Units (2010)	31%	17%	16%	54%	45%	18%	43%	49%
Vacant Housing Units	19%	15%	15%	10%	13%	15%	13%	13%
Unemployment Rate (2011)	15%	21%	15%	5%	8%	21%	12%	11%
Acres	1,920	1,920	1,920	1,920	1,920	1,920	135,680	347,520

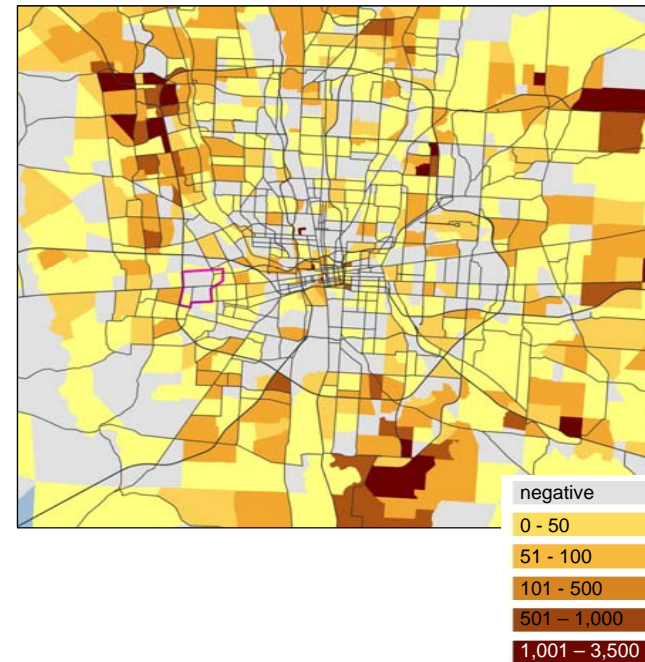
Exhibit I-13

PROJECTED HOUSEHOLD GROWTH AND EMPLOYMENT GROWTH COLUMBUS, OH 2010-2020

Projected Household Growth 2010 - 2020



Projected Employment Growth 2010 - 2020



SOURCE: MORPC

Exhibit II-1

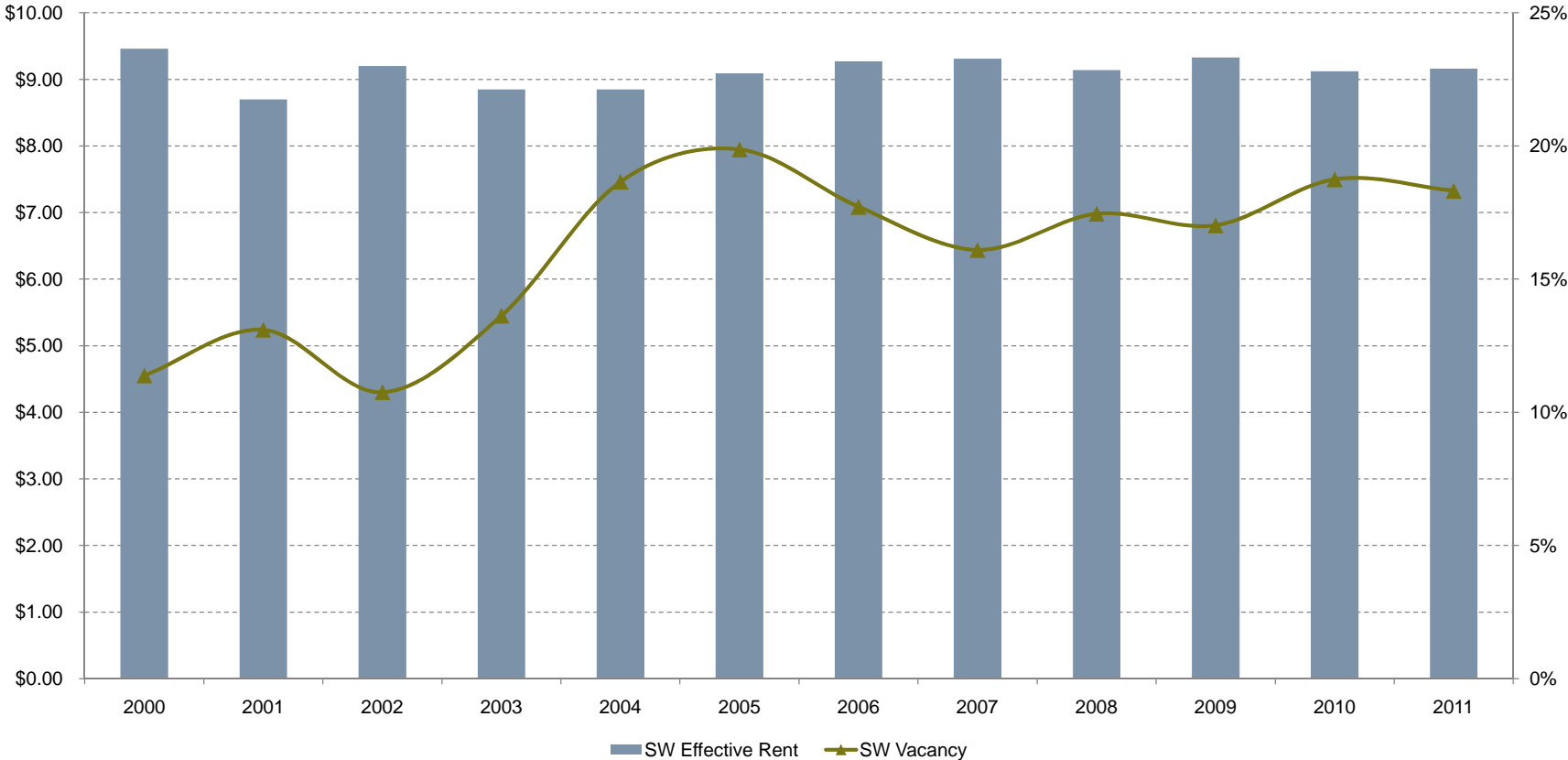
**RETAIL MARKET OVERVIEW STATISTICS
COLUMBUS, OHIO
YEAR END 2010**

Selected Submarkets	Total SF	Vacant SF	Total Vacancy	Net Absorption 2010	Under Construction	Neighborhood Center Asking Rent	Power Center Asking Rent
CBD	986,975	48,093	5%	22,687	0	N/A	N/A
Northeast	15,137,808	1,109,681	7%	132,206	296,000	\$12.04	\$12.85
Northwest	12,883,259	1,189,836	9%	284,699	245,647	\$12.41	\$20.00
Southeast	959,129	1,348,744	14%	-23,711	0	\$10.22	\$19.50
Southwest	6,806,523	1,837,405	27%	-139,791	0	N/A	\$6.11
Columbus Total	56,019,350	6,663,024	12%	274,518	541,647	\$11.05	\$12.50

SOURCE: Collier's

Exhibit II-2

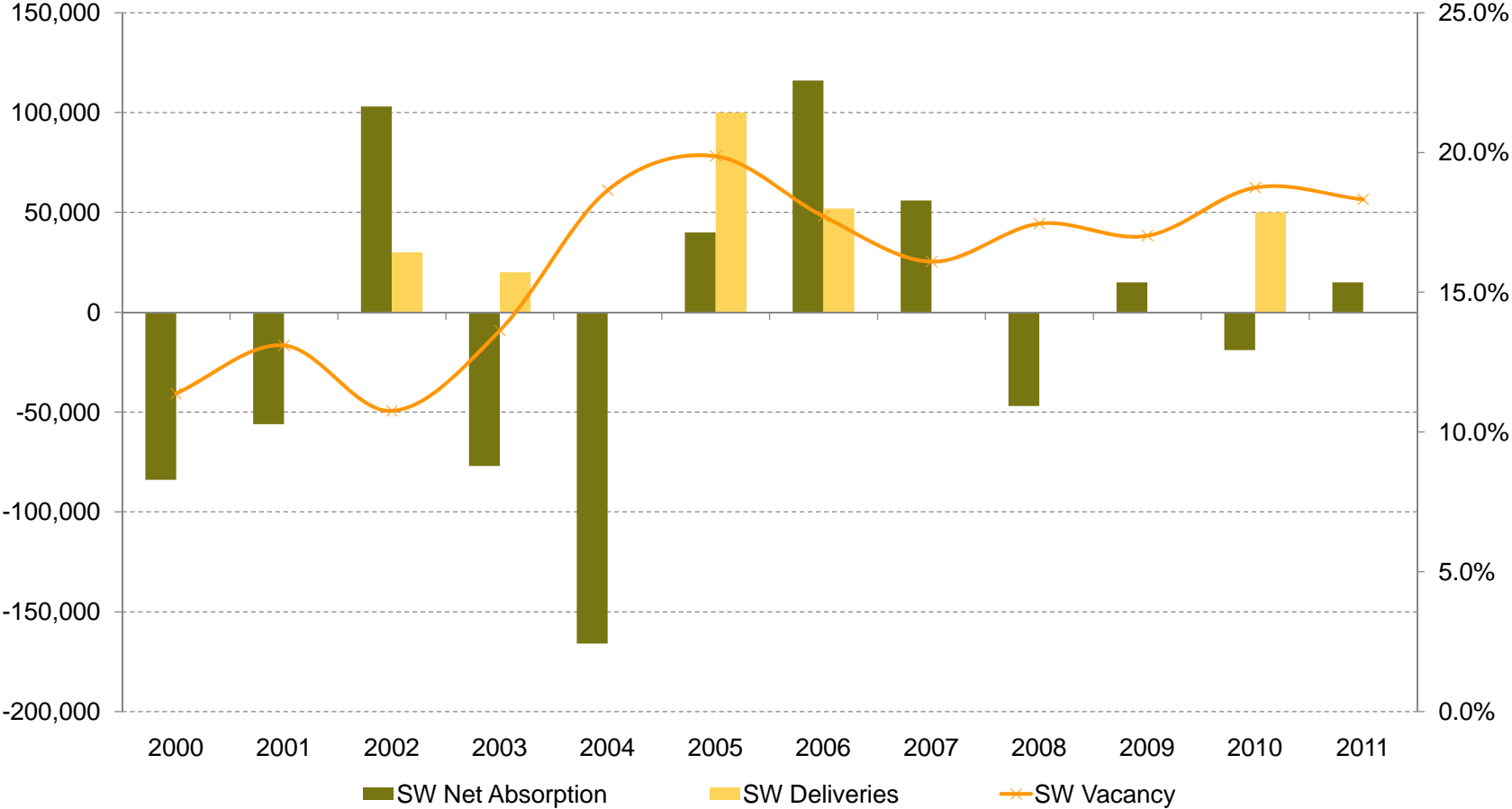
EFFECTIVE RENT AND VACANCY TRENDS SOUTHWEST COLUMBUS, OH SUBMARKETS 1995 - 2015



SOURCE: REIS

Exhibit II-3

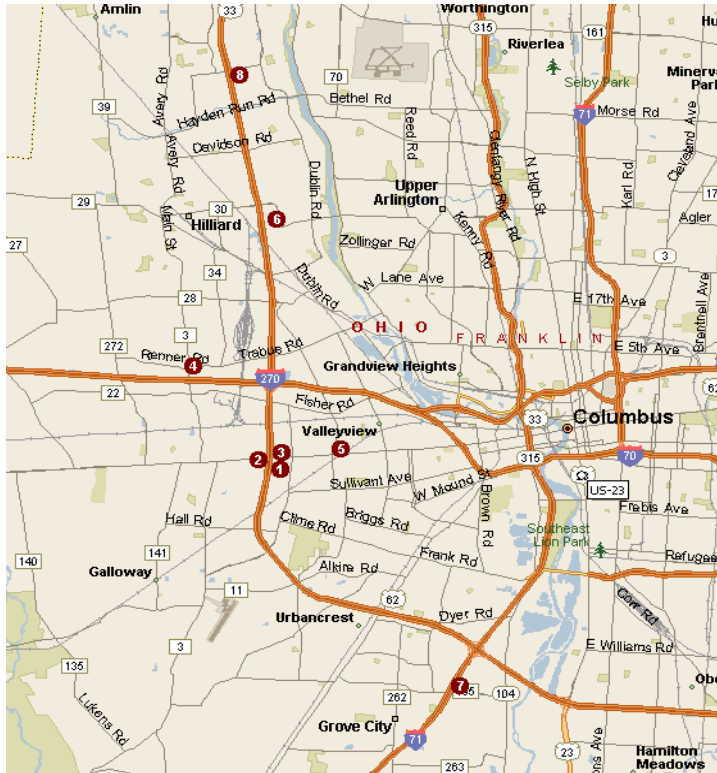
**NET ABSORPTION AND DELIVERIES
SOUTHWEST COLUMBUS, OH SUBMARKET
2000 - 2011**



SOURCE: REIS

Exhibit II-4

COMPETITIVE SHOPPING CENTERS VICINITY OF STUDY AREA 2011



Major Shopping Centers	Year Opened	GLA	Net Average Asking Rent/SF	Vacancy	% Vacant
1 Westland Mall Sears	1969	860,000	\$12 - \$15	550,000	64%
2 Lincoln Village Plaza Giant-Anchored Strip	1960	221,500	\$12.00 (non-anchor)	1,500	1%
3 West Broad Plaza Hobby Lobby, Thrift Store	1987	142,000	\$9.91	39,075	28%
4 Westpointe Plaza Wal-Mart Anchored Strip	1975	476,000	N/A	15,400	3.2%
5 Great Western Shopping Center Big Lots, Shoppers World	1951	660,500	\$5.22	345,500	50.0%
6 Market at Mill Run/Mill Run Square Lowes, Garden Ridge, NTB	1986	187,000	\$9.78	22,000	12%
7a Parkway Center South Power Center Walmart, Bed Bath & Beyond, Petsmart	2004	427,000	\$18.50	N/A	N/A
7b Parkway Center North Power Center Home Depot, Dicks, Best Buy	2004	450,000	\$32.00	115,077	25.6%
8 Tuttle Crossing Super Regional Mall Sears, JC Penneys, Macys	1996	1,127,330	N/A	N/A	N/A

SOURCE: MapPoint; RCLCO

Exhibit II-5

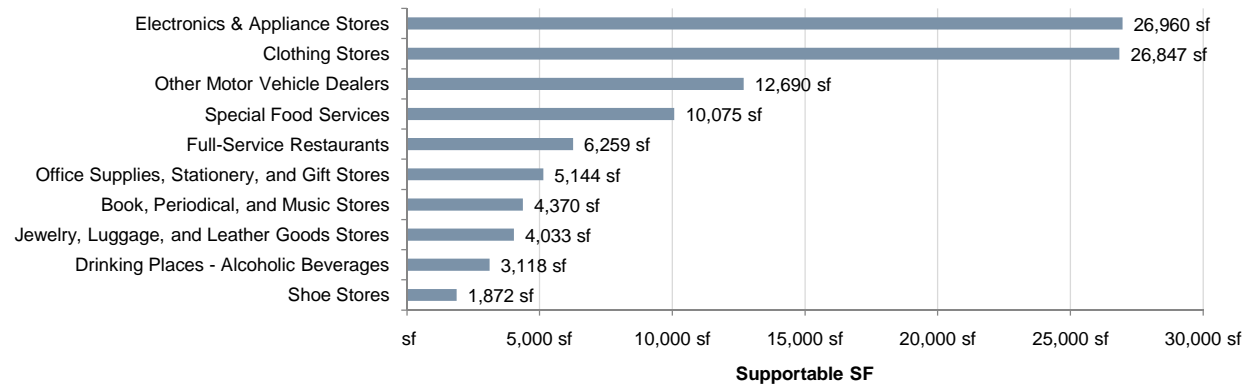
RETAIL DEMAND 3-MILE RADIUS FROM STUDY AREA

Industry Summary	Demand	Supply	Retail Gap	Number of Businesses	Site Selection (0=No, 1=low, 2=moderate, 3=high)	Sales/SF Threshold	SF	Min Store Size	Supportable Stores SF	Stores			
Motor Vehicle & Parts Dealers (NAICS 441)	\$190,723,961.00	\$410,382,539.00	-\$219,658,578	73		0.00%	\$0	250	0	10,000	0	0.0	
Automobile Dealers (NAICS 4411)	\$162,382,767.00	\$379,751,671.00	-\$217,368,904	38	3	100.00%	-\$217,368,904	750	-289,825	10,000	0	0.0	
Other Motor Vehicle Dealers (NAICS 4412)	\$12,810,951.00	\$7,734,839.00	\$5,076,112	4	3	100.00%	\$5,076,112	400	12,690	10,000	12,690	1.3	
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	\$15,530,243.00	\$22,896,029.00	-\$7,365,786	31	3	100.00%	-\$7,365,786	250	-29,463	10,000	0	0.0	
Furniture & Home Furnishings Stores (NAICS 442)	\$23,374,428.00	\$30,244,927.00	-\$6,870,499	30		0.00%	\$0	300	0	0	0	0.0	
Furniture Stores (NAICS 4421)	\$16,653,124.00	\$20,531,015.00	-\$3,877,891	15	3	100.00%	-\$3,877,891	300	-12,926	30,000	0	0.0	
Home Furnishings Stores (NAICS 4422)	\$6,721,304.00	\$9,713,912.00	-\$2,992,608	15	3	100.00%	-\$2,992,608	300	-9,975	20,000	0	0.0	
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	\$30,551,488.00	\$17,071,321.00	\$13,480,167	25	3	100.00%	\$13,480,167	500	26,960	5,000	26,960	5.4	
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$28,986,761.00	\$43,549,014.00	-\$14,563,253	45		0.00%	\$0	300	0	0	0	0.0	
Building Material and Supplies Dealers (NAICS 4441)	\$26,837,982.00	\$39,312,110.00	-\$12,474,128	34	3	100.00%	-\$12,474,128	300	-41,580	70,000	0	0.0	
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	\$2,147,779.00	\$4,236,904.00	-\$2,089,125	11	3	100.00%	-\$2,089,125	300	-6,964	3,000	0	0.0	
Food & Beverage Stores (NAICS 445)	\$151,485,579.00	\$270,573,197.00	-\$119,087,618	80		0.00%	\$0	400	0	0	0	0.0	
Grocery Stores (NAICS 4451)	\$143,014,317.00	\$263,858,125.00	-\$120,843,808	61	0	0.00%	\$0	400	0	20,000	0	0.0	
Specialty Food Stores (NAICS 4452)	\$2,985,546.00	\$1,724,053.00	\$1,261,493	8	2	66.67%	\$840,995	400	2,102	3,000	0	0.0	
Beer, Wine, and Liquor Stores (NAICS 4453)	\$5,485,716.00	\$4,991,019.00	\$494,697	11	2	66.67%	\$329,798	400	824	1,000	0	0.0	
Health & Personal Care Stores (NAICS 446/NAICS 4461)	\$25,444,982.00	\$80,009,916.00	-\$54,564,934	38	1	33.33%	-\$18,188,311	350	-51,967	15,000	0	0.0	
Gasoline Stations (NAICS 447/NAICS 4471)	\$131,572,779.00	\$324,338,306.00	-\$192,765,527	35	0	0.00%	\$0	600	0	1,000	0	0.0	
Clothing and Clothing Accessories Stores (NAICS 448)	\$31,626,824.00	\$15,879,920.00	\$15,746,904	27		0.00%	\$0	450	0	0	0	0.0	
Clothing Stores (NAICS 4481)	\$24,736,036.00	\$12,654,711.00	\$12,081,325	18	3	100.00%	\$12,081,325	450	26,847	3,000	26,847	8.9	
Shoe Stores (NAICS 4482)	\$2,968,119.00	\$2,125,582.00	\$842,537	5	3	100.00%	\$842,537	450	1,872	1,000	1,872	1.9	
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$3,922,669.00	\$1,099,627.00	\$2,823,042	4	3	100.00%	\$2,823,042	700	4,033	500	4,033	8.1	
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$12,199,707.00	\$11,217,145.00	\$982,562	23		0.00%	\$0	500	0	0	0	0.0	
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$6,135,891.00	\$8,103,263.00	-\$1,967,372	16	3	100.00%	-\$1,967,372	450	-4,372	1,000	0	0.0	
Book, Periodical, and Music Stores (NAICS 4512)	\$6,063,816.00	\$3,113,882.00	\$2,949,934	7	2	66.67%	\$1,966,623	450	4,370	2,000	4,370	2.2	
General Merchandise Stores (NAICS 452)	\$127,449,352.00	\$239,241,088.00	-\$111,791,736	30		0.00%	\$0	350	0	0	0	0.0	
Department Stores Excluding Leased Depts. (NAICS 4521)	\$54,630,811.00	\$130,634,632.00	-\$76,003,821	14	1	33.33%	-\$25,334,607	350	-72,385	30,000	0	0.0	
Other General Merchandise Stores (NAICS 4529)	\$72,818,541.00	\$108,606,456.00	-\$35,787,915	16	1	33.33%	-\$11,929,305	350	-34,084	30,000	0	0.0	
Miscellaneous Store Retailers (NAICS 453)	\$19,651,368.00	\$26,058,594.00	-\$6,407,226	63	1	33.33%	-\$2,135,742	350	-6,102	30,000	0	0.0	
Florists (NAICS 4531)	\$1,521,542.00	\$1,807,429.00	-\$285,887	15	1	33.33%	-\$95,296	300	-318	500	0	0.0	
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$7,543,655.00	\$4,071,785.00	\$3,471,870	9	2	66.67%	\$2,314,580	450	5,144	2,000	5,144	2.6	
Used Merchandise Stores (NAICS 4533)	\$2,340,143.00	\$2,548,630.00	-\$208,487	11	3	100.00%	-\$208,487	250	-834	1,000	0	0.0	
Other Miscellaneous Store Retailers (NAICS 4539)	\$8,246,028.00	\$17,630,750.00	-\$9,384,722	28	1	33.33%	-\$3,128,241	200	-15,641	1,000	0	0.0	
Nonstore Retailers (NAICS 454)	\$22,772,256.00	\$3,773,780.00	\$18,998,476	5	0	0.00%	\$0	200	0	-	0	0.0	
Electronic Shopping and Mail-Order Houses (NAICS 4541)	\$12,358,848.00	\$2,680,905.00	\$9,677,943	2	0	0.00%	\$0	200	0	-	0	0.0	
Vending Machine Operators (NAICS 4542)	\$6,585,982.00	\$439,023.00	\$6,146,959	1	0	0.00%	\$0	200	0	-	0	0.0	
Direct Selling Establishments (NAICS 4543)	\$3,827,426.00	\$653,852.00	\$3,173,574	2	0	0.00%	\$0	200	0	-	0	0.0	
Food Services & Drinking Places (NAICS 722)	\$139,754,642.00	\$148,137,419.00	-\$8,382,777	181		0.00%	\$0	550	0	0	0	0.0	
Full-Service Restaurants (NAICS 7221)	\$56,475,864.00	\$53,033,338.00	\$3,442,526	81	3	100.00%	\$3,442,526	550	6,259	3,500	6,259	1.8	
Limited-Service Eating Places (NAICS 7222)	\$68,486,744.00	\$87,532,028.00	-\$19,045,284	79	3	100.00%	-\$19,045,284	550	-34,628	2,500	0	0.0	
Special Food Services (NAICS 7223)	\$10,689,114.00	\$5,651,561.00	\$5,037,553	3	3	100.00%	\$5,037,553	500	10,075	10,000	10,075	1.0	
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$4,102,920.00	\$1,920,492.00	\$2,182,428	18	3	100.00%	\$2,182,428	700	3,118	1,000	3,118	3.1	
			\$107,870,102								Total	101,369	36

Exhibit II-6

UNMET RETAIL DEMAND 3-MILE RADIUS FROM STUDY AREA

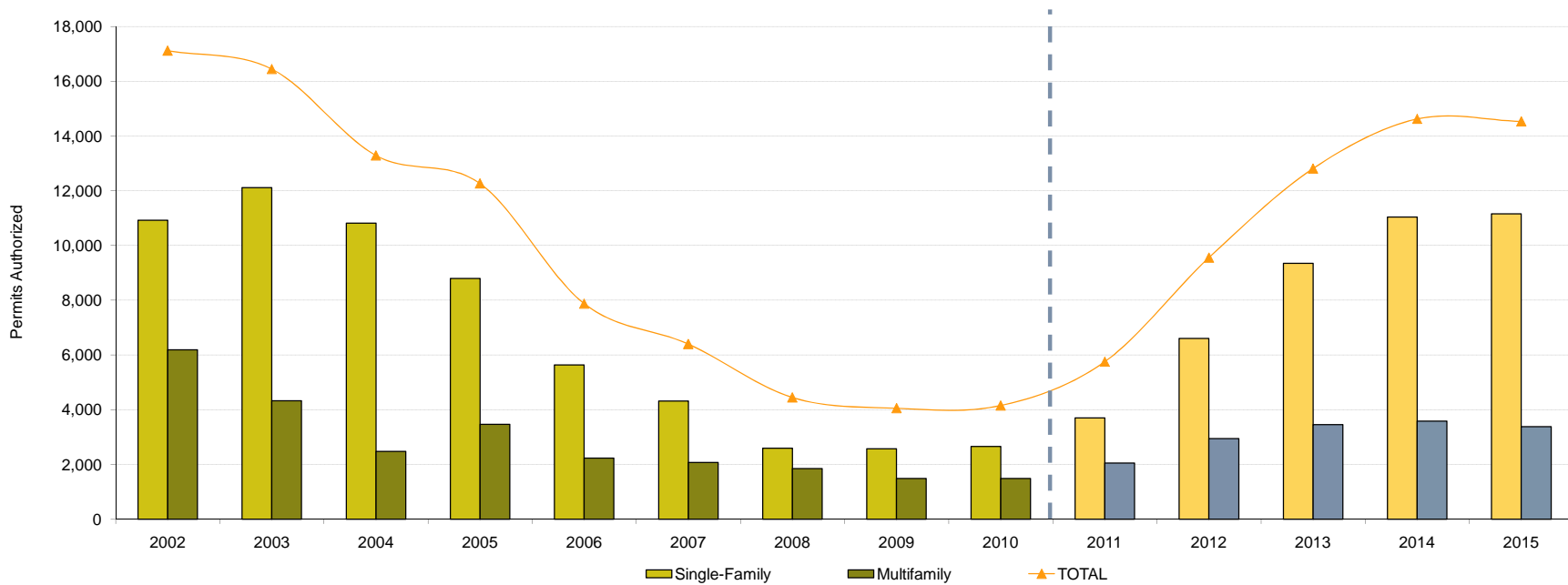
Unmet Retail Demand from PMA Households (3mi Radius)			
Retail Category	Name	Supportable SF	# of Stores
Shoe Stores (NAICS 4482)	Shoe Stores	1,872 sf	2
Drinking Places - Alcoholic Beverages (NAICS 7224)	Drinking Places - Alcoholic Beverages	3,118 sf	3
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	Jewelry, Luggage, and Leather Goods Stores	4,033 sf	8
Book, Periodical, and Music Stores (NAICS 4512)	Book, Periodical, and Music Stores	4,370 sf	2
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	Office Supplies, Stationery, and Gift Stores	5,144 sf	3
Full-Service Restaurants (NAICS 7221)	Full-Service Restaurants	6,259 sf	2
Special Food Services (NAICS 7223)	Special Food Services	10,075 sf	1
Other Motor Vehicle Dealers (NAICS 4412)	Other Motor Vehicle Dealers	12,690 sf	1
Clothing Stores (NAICS 4481)	Clothing Stores	26,847 sf	9
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	Electronics & Appliance Stores	26,960 sf	5
Total		101,369	36



SOURCE: ESRI Business Analyst; RCLCO

Exhibit III-1
RESIDENTIAL BUILDING PERMIT TRENDS
COLUMBUS, OH
2002 - 2015

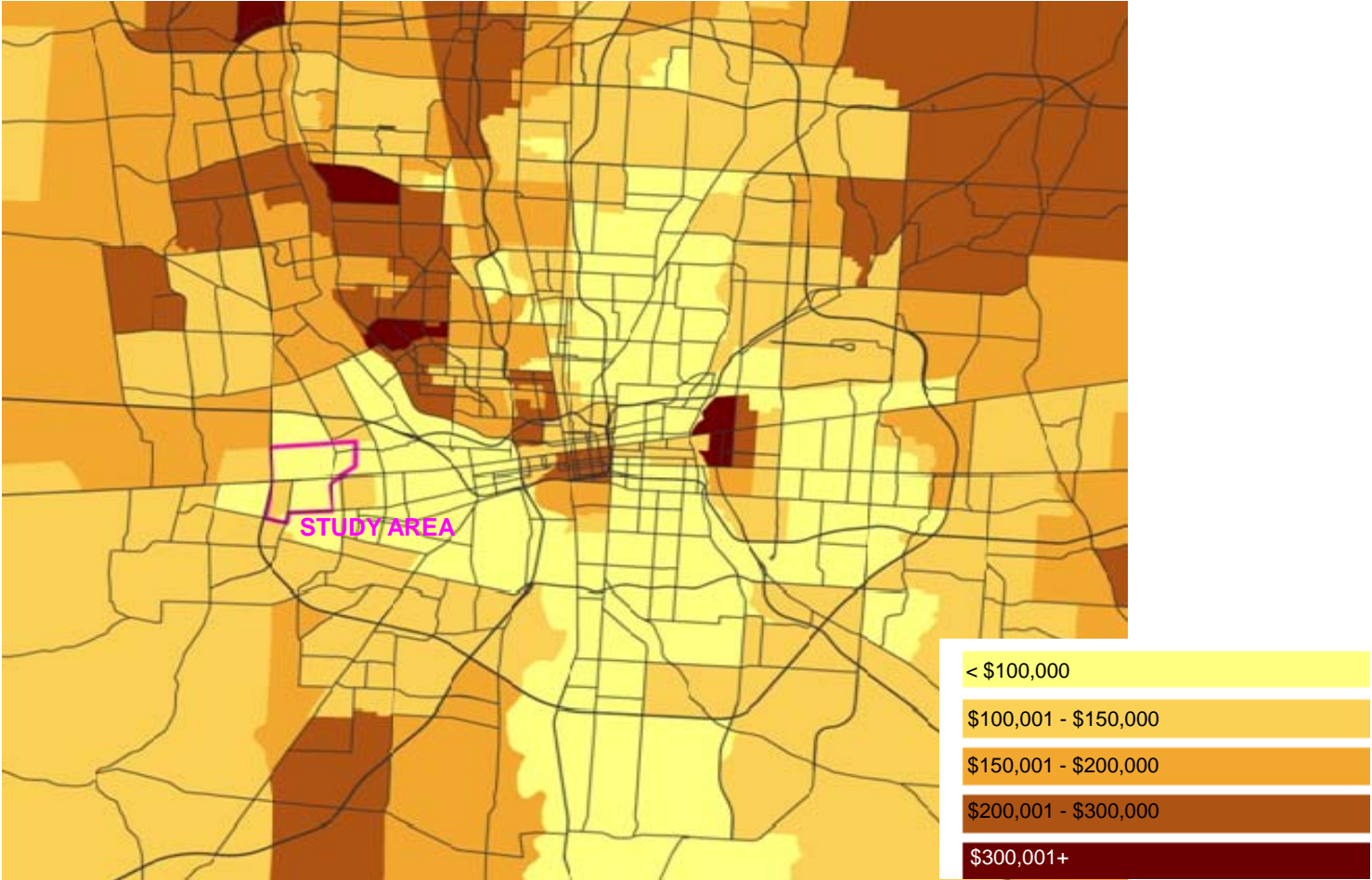
TYPE	2002	2003	2004	2005	2006	2007	2008	2009	2010	FORECASTED				
	2011	2012	2013	2014	2015									
PERMITS AUTHORIZED														
Single-Family	10,926	12,117	10,814	8,799	5,641	4,322	2,596	2,574	2,661	3,707	6,605	9,349	11,043	11,152
Multifamily	6,189	4,330	2,476	3,464	2,235	2,080	1,853	1,485	1,495	2,049	2,951	3,463	3,583	3,381
TOTAL	17,115	16,447	13,290	12,263	7,876	6,402	4,449	4,059	4,156	5,756	9,556	12,812	14,626	14,534
PERCENT DISTRIBUTION														
Single-Family	64%	74%	81%	72%	72%	68%	58%	63%	64%	64%	69%	73%	75%	77%
Multifamily	36%	26%	19%	28%	28%	32%	42%	37%	36%	36%	31%	27%	25%	23%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



SOURCE: RCLCO based on data supplied by Economy.com and the US Census Bureau.

Exhibit III-2

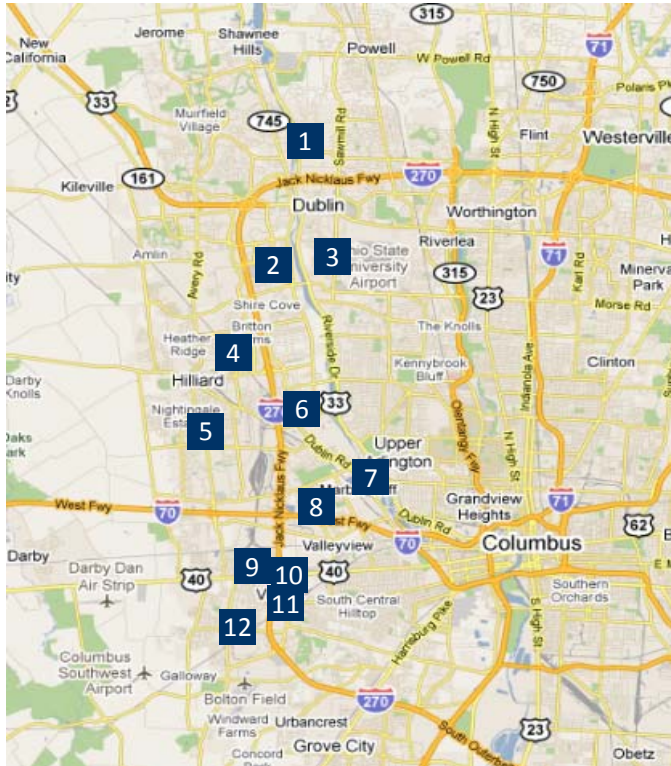
MEDIAN HOME VALUE
COLUMBUS, OH
2010



SOURCE: ESRI Business Analyst

Exhibit III-3

MAP OF SELECT APARTMENT PROJECTS COLUMBUS, DUBLIN, AND HILLIARD



MAP KEY	PROPERTY	\$/SF	
		MIN	MAX
1	Sawmill Commons	\$0.66	\$0.86
2	Karric Place	\$0.72	\$1.55
3	Lakeview Square	\$0.61	\$0.61
4	Hilliard Square	\$0.71	\$0.81
5	Hickory Mill	\$0.82	\$1.70
6	Ridgewood	\$0.84	\$1.63
7	Runaway Bay	\$0.88	\$1.11
8	Twin Creek Apartments	\$0.60	\$0.80
9	Galloway Village Apartments	\$0.65	\$0.94
10	Oakbrook Manor	\$0.40	\$0.72
11	Pleasant Grove Townhomes	\$0.46	\$0.48
12	Windham Ridge	\$0.59	\$0.59

SOURCE: Google; RCLCO

Exhibit III-4

**SUMMARY OF SELECT APARTMENT PROJECTS
COLUMBUS, DUBLIN, AND HILLIARD**

MAP KEY	PROPERTY	TYPE	SIZE (SF)		PRICE		\$/SF	
			MIN	MAX	MIN	MAX	MIN	MAX
1	Sawmill Commons 2555 Summer Dr Dublin, OH	1B/1b	756	756	\$650	\$650	\$0.86	\$0.86
		1B/1b	812	812	\$670	\$670	\$0.83	\$0.83
		1B/1b	812	812	\$690	\$690	\$0.85	\$0.85
		2B/1b	1,013	1013	\$769	\$769	\$0.76	\$0.76
		2B/1b	1,300	1300	\$859	\$859	\$0.66	\$0.66
2	Karric Place 3970 Brelsford Ln Dublin, OH	Studio	325	325	\$505	\$505	\$1.55	\$1.55
		1B/1b	725	725	\$615	\$615	\$0.85	\$0.85
		2B/1b	1,025	1025	\$740	\$740	\$0.72	\$0.72
3	Lakeview Square 5211 Sawmill Road Dublin, OH	TH - 2B/2.5b	1,300	1,300	\$799	\$799	\$0.61	\$0.61
4	Hilliard Square 4674 Leap Ct Hilliard, OH	TH - 1B/1b	720	720	\$575	\$585	\$0.80	\$0.81
		TH - 2B/1b	920	920	\$655	\$655	\$0.71	\$0.71
5	Hickory Mill 2769 Hickory Mill Hilliard, OH	Studio	288	288	\$489	\$489	\$1.70	\$1.70
		Studio	288	288	\$469	\$469	\$1.63	\$1.63
		1B/1b	576	576	\$559	\$559	\$0.97	\$0.97
		2B/1b	864	864	\$709	\$709	\$0.82	\$0.82
6	Ridgewood 3616 Hogans Run Columbus, OH	Studio	288	288	\$469	\$469	\$1.63	\$1.63
		Studio	288	288	\$449	\$449	\$1.56	\$1.56
		Studio	288	288	\$439	\$439	\$1.52	\$1.52
		1B/1b	576	576	\$599	\$599	\$1.04	\$1.04
		2B/1b	864	864	\$749	\$749	\$0.87	\$0.87
		2B/2b	864	864	\$729	\$729	\$0.84	\$0.84
7	Runaway Bay 1480 Runaway Bay Dr Columbus, OH	1B/1b	676	676	\$699	\$749	\$1.03	\$1.11
		1B/1b	840	840	\$745	\$830	\$0.89	\$0.99
		2B/1b	816	816	\$750	\$800	\$0.92	\$0.98
		2B/2b	1,000	1074	\$875	\$955	\$0.88	\$0.89

Exhibit III-4

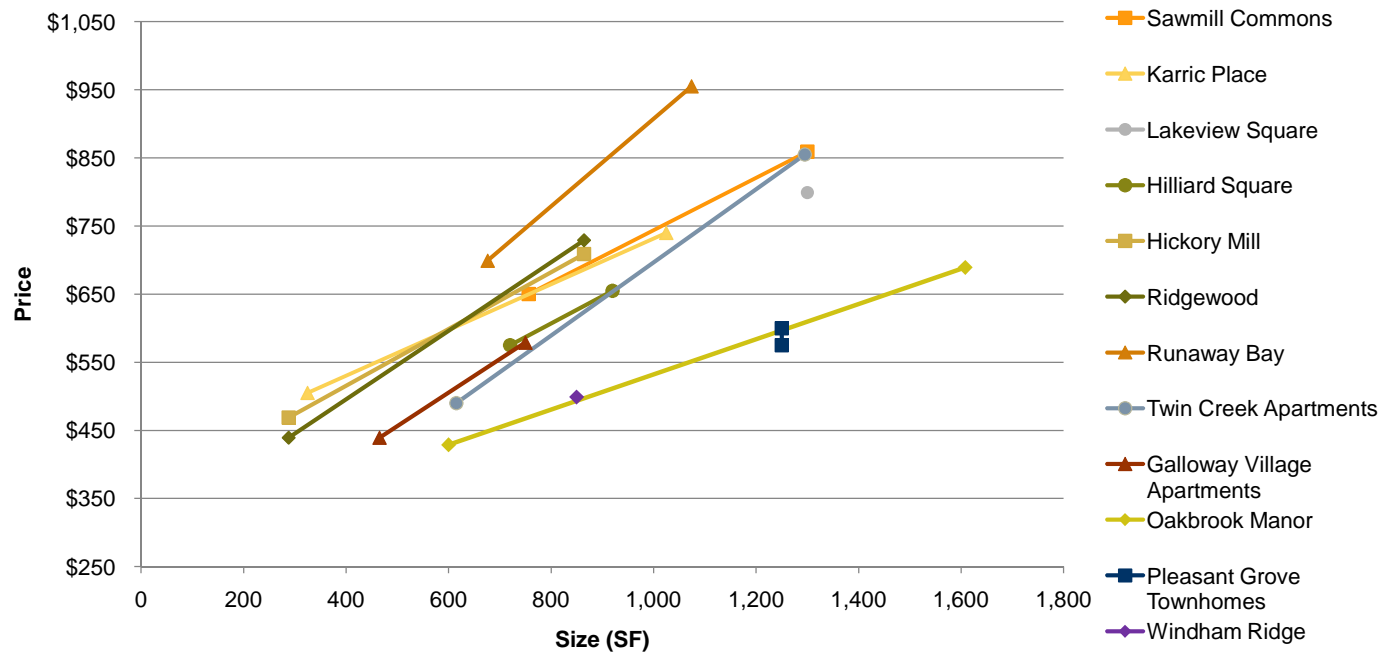
**SUMMARY OF SELECT APARTMENT PROJECTS
COLUMBUS, DUBLIN, AND HILLIARD**

8	Twin Creek Apartments 3400 Twin Creek Drive Columbus, OH	1B/1b	615 - 615	\$490 - \$490	\$0.80 - \$0.80
		2B/1b	864 - 888	\$520 - \$550	\$0.60 - \$0.62
		2B TH	850 - 1065	\$645 - \$675	\$0.76 - \$0.63
		3B TH	1,080 - 1295	\$815 - \$855	\$0.75 - \$0.66
9	Galloway Village Apartments 99 N. Murray Hill Rd Columbus, OH	Studio			
		1B/1b	465 - 550	\$439 - \$479	\$0.94 - \$0.87
		2B/1b	750 - 765	\$489 - \$499	\$0.65 - \$0.65
		2B/1b	750 - 750	\$579 - \$579	\$0.77 - \$0.77
10	Oakbrook Manor 4312 Westport Rd Columbus, OH	1B/1b	600 - 662	\$429 - \$429	\$0.72 - \$0.65
		2B/2b	1,254 - 1254	\$499 - \$499	\$0.40 - \$0.40
		3B/1.5b	1,030 - 1608	\$689 - \$689	\$0.67 - \$0.43
11	Pleasant Grove Townhomes 645 Galli Ct. Columbus, OH	2B/1b	1,250 - 1250	\$575 - \$600	\$0.46 - \$0.48
12	Windham Ridge 1112 Ashberry Village Dr Columbus, OH	TH - 2B/1b	850 - 850	\$499 - \$499	\$0.59 - \$0.59

SOURCE: Rent.com; RCLCO

Exhibit III-5

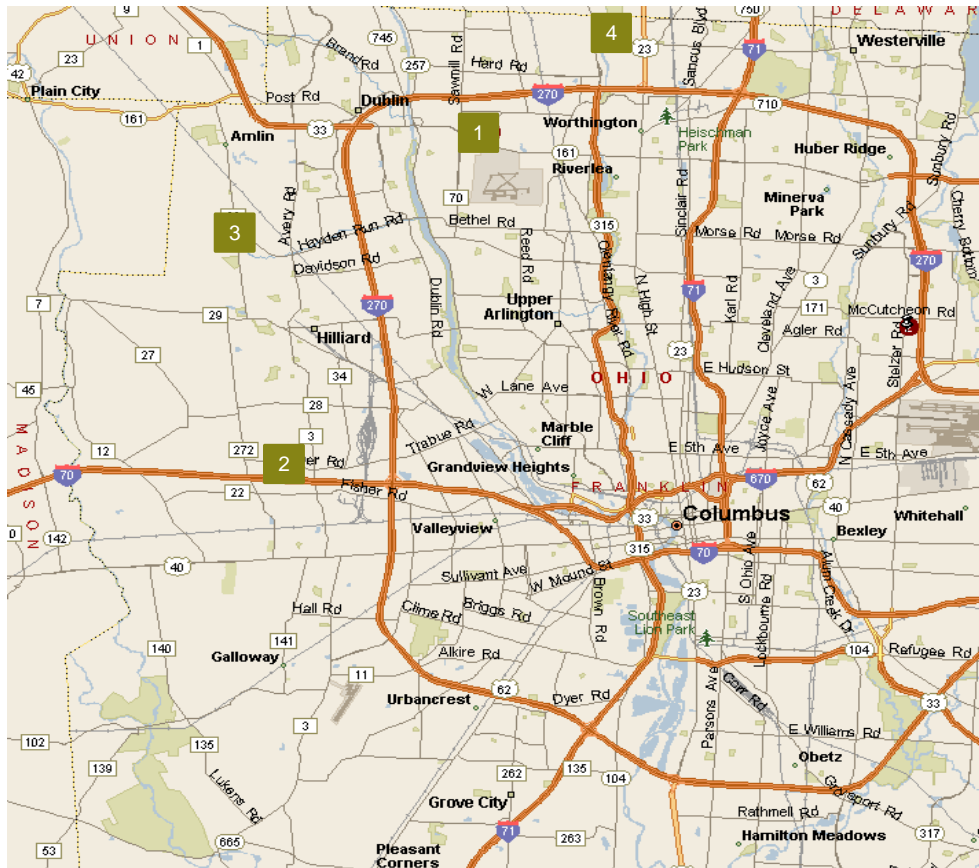
**PRICE TO SIZE COMPARISON
SELECT APARTMENT PROJECTS
COLUMBUS, DUBLIN, AND HILLIARD**



SOURCE: RCLCO

Exhibit III-6

SELECTE TOWNHOME COMPARABLES COLUMBUS, DUBLIN, AND HILLIARD JULY 2011



Property	Avg. P/SF
1 Oak Park	\$147.88
2 Townhomes at Hilliard Run	\$74.81
3 Townhomes at Hayden's Crossing North	\$74.91
4 Traditions at Highbluffs	\$111.67

SOURCE: RCLCO

Exhibit III-7

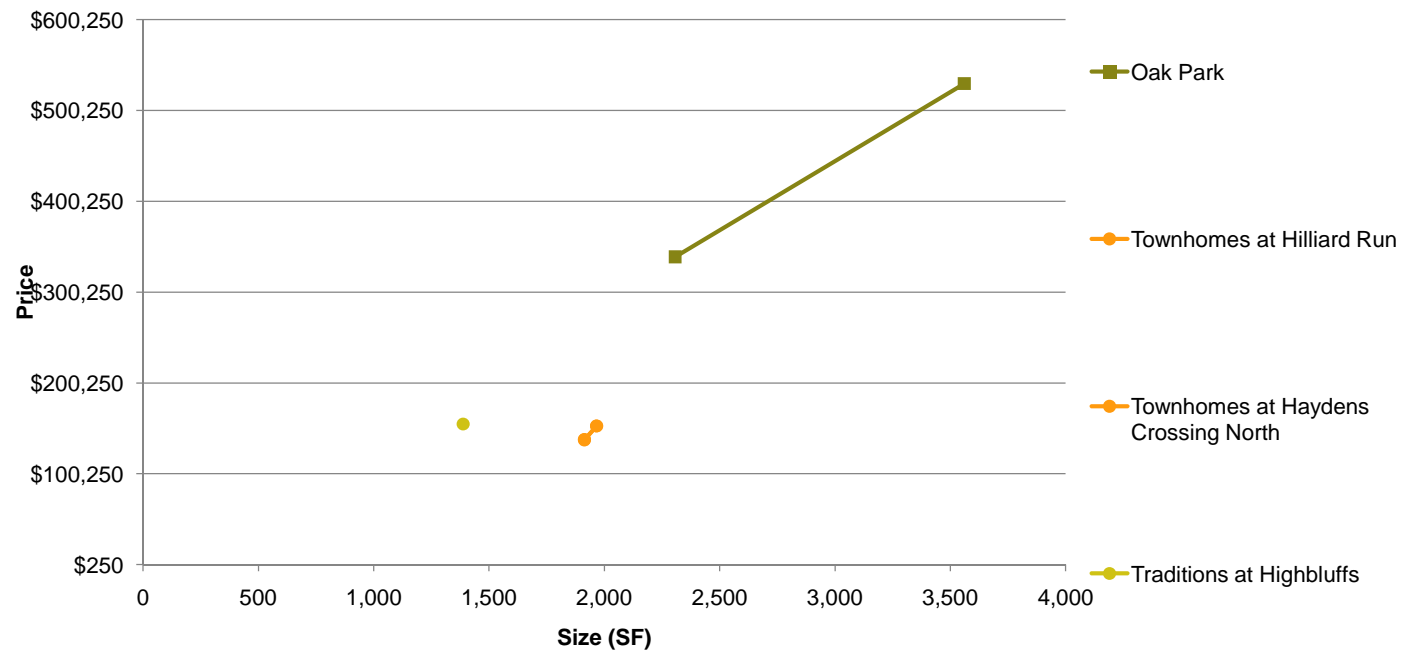
**SELECTED ACTIVELY SELLING TOWNHOME COMPARABLES
COLUMBUS, DUBLIN, AND HILLIARD
JULY 2011**

Property	Developer	Unit Size Range	Unit Price Range	Price/SF Range
1 Oak Park 8001 Meadow Oak Drive Dublin, Ohio 43016	Hallmark Homes	2,307 - 3,561	\$339,000 - \$529,900	\$147 - \$149 \$148
2 Townhomes at Hilliard Run Renner Rd. & Tanglewood Park Blvd. Columbus, OH 43228	Dominion	1,914 - 1,966	\$137,500 - \$152,900	\$72 - \$78 \$75
3 Townhomes at Haydens Crossing North 5150 Cosgray Rd. Dublin, OH 43016	Dominion	1,914 - 1,966	\$137,900 - \$152,900	\$72 - \$78 \$75
4 Traditions at Highbluffs 8340 Linton Blvd. Columbus, OH 43235	Village Communities	1,388 - 1,388	\$155,000 - \$155,000	\$112 - \$112 \$112

SOURCE: RCLCO

Exhibit III-8

**PRICE TO SIZE COMPARISON
SELECT TOWNHOME PROJECTS
COLUMBUS, DUBLIN, AND HILLIARD**



SOURCE: RCLCO

Exhibit III-9

**FOR-SALE DEMAND SUMMARY
WESTON STUDY AREA
JULY 2011**

INCOME RANGE	PRICE RANGE	Demand from Existing HHs	Demand from New HHs	Total For-Sale Demand	% New	New For-Sale Demand
UNDER - \$35,000	UNDER \$135,000	207	26	233	12%	28
\$35,000 - \$50,000	\$135,000 - \$192,000	457	165	622	12%	75
\$50,000 - \$75,000	\$192,000 - \$288,000	1,240	217	1,457	18%	262
\$75,000 - \$100,000	\$288,000 - \$384,000	400	201	601	18%	108
\$100,000 - \$150,000	\$384,000 - \$576,000	108	116	224	18%	40
\$150,000 - AND OVER	\$576,000 - AND OVER	13	27	41	18%	7
Total		2,425	753	3,178		521

SINGLE-FAMILY DETACHED

INCOME RANGE	PRICE RANGE	SFD as % of New	Total SFD Demand	Breakdown by Price	Subject Site Capture	Subject Site Demand
UNDER - \$35,000	UNDER \$135,000	20%	6	2%	25%	1
\$35,000 - \$50,000	\$135,000 - \$192,000	20%	15	6%	25%	4
\$50,000 - \$75,000	\$192,000 - \$288,000	45%	118	47%	20%	24
\$75,000 - \$100,000	\$288,000 - \$384,000	65%	70	28%	10%	7
\$100,000 - \$150,000	\$384,000 - \$576,000	90%	36	14%	5%	2
\$150,000 - AND OVER	\$576,000 - AND OVER	100%	7	3%	0%	0
Total			252			36

TOWNHOMES

INCOME RANGE	PRICE RANGE	TH as % of New	Total TH Demand	Breakdown by Price	Subject Site Capture	Subject Site Demand
UNDER - \$35,000	UNDER \$135,000	70%	20	9%	25%	5
\$35,000 - \$50,000	\$135,000 - \$192,000	70%	52	23%	25%	13
\$50,000 - \$75,000	\$192,000 - \$288,000	45%	118	53%	20%	24
\$75,000 - \$100,000	\$288,000 - \$384,000	30%	32	14%	10%	3
\$100,000 - \$150,000	\$384,000 - \$576,000	5%	2	1%	5%	0
\$150,000 - AND OVER	\$576,000 - AND OVER	0%	0	0%	0%	0
Total			224			40

MULTIFAMILY CONDOMINIUMS

INCOME RANGE	PRICE RANGE	Condos as % of New	Total Condo Demand	Breakdown by Price	Subject Site Capture	Subject Site Demand
UNDER - \$35,000	UNDER \$135,000	10%	3	6%	25%	1
\$35,000 - \$50,000	\$135,000 - \$192,000	10%	7	17%	25%	2
\$50,000 - \$75,000	\$192,000 - \$288,000	10%	26	60%	20%	5
\$75,000 - \$100,000	\$288,000 - \$384,000	5%	5	12%	10%	1
\$100,000 - \$150,000	\$384,000 - \$576,000	5%	2	5%	5%	0
\$150,000 - AND OVER	\$576,000 - AND OVER	0%	0	0%	0%	0
Total			44			8

Total Annual Demand			521			84
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Exhibit III-10 ANNUAL FOR-SALE RESIDENTIAL DEMAND PRIMARY MARKET AREA 2010 - 2015

		Demand from Existing Households											Demand from New Households					
Age and Income		Affordable Home Price		Total HHs	%	% Owners in Turnover	% of Owners Remaining	Demand from Existing Owners	% Renters	% of Renters in Turnover	% of Renters becoming Owners	Total Demand from Renters	Total Demand from Existing HHs	Net New HHs	% Owners	Total Demand from New HHs	Total For-Sale Demand	
25 - 34				19,576										1,182				
UNDER	\$35,000	UNDER	\$135,000	1,996	10%	23%	30%	50%	68	77%	59%	5%	46	114	120	23%	27	141
\$35,000 - \$50,000	\$135,000 - \$192,000	3,633	19%	77%	15%	50%	206	23%	47%	5%	20	226	219	77%	168	394		
\$50,000 - \$75,000	\$192,000 - \$288,000	5,510	28%	69%	22%	70%	596	31%	30%	15%	78	673	333	69%	229	902		
\$75,000 - \$100,000	\$288,000 - \$384,000	3,456	18%	98%	6%	85%	179	2%	0%	35%	0	179	209	98%	204	383		
\$100,000 - \$150,000	\$384,000 - \$576,000	1,945	10%	100%	0%	90%	0	0%	0%	65%	0	0	117	100%	117	117		
\$150,000 - AND OVER	\$576,000 - AND OVER	454	2%	100%	0%	100%	0	0%	0%	80%	0	0	27	100%	27	27		
35 - 54				36,014										-617				
UNDER	\$35,000	UNDER	\$135,000	2,599	7%	57%	6%	50%	46	43%	41%	5%	23	69	-45	57%	-1	68
\$35,000 - \$50,000	\$135,000 - \$192,000	5,571	15%	75%	9%	50%	193	25%	28%	5%	19	213	-95	75%	-3	209		
\$50,000 - \$75,000	\$192,000 - \$288,000	9,596	27%	90%	7%	70%	403	10%	30%	15%	44	447	-164	90%	-7	440		
\$75,000 - \$100,000	\$288,000 - \$384,000	7,917	22%	90%	2%	85%	144	10%	27%	35%	26	220	-136	90%	-2	218		
\$100,000 - \$150,000	\$384,000 - \$576,000	4,762	13%	94%	1%	90%	34	6%	0%	65%	0	34	-82	94%	-1	33		
\$150,000 - AND OVER	\$576,000 - AND OVER	1,717	5%	86%	0%	100%	0	14%	0%	80%	0	0	-29	86%	0	0		
55 - 64				12,972										-202				
UNDER	\$35,000	UNDER	\$135,000	1,168	9%	75%	3%	50%	12	25%	34%	5%	5	17	-18	75%	0	16
\$35,000 - \$50,000	\$135,000 - \$192,000	1,967	15%	90%	2%	50%	17	10%	9%	5%	1	18	-31	90%	0	18		
\$50,000 - \$75,000	\$192,000 - \$288,000	3,003	23%	93%	2%	70%	46	7%	37%	15%	11	57	-47	93%	-1	57		
\$75,000 - \$100,000	\$288,000 - \$384,000	2,111	16%	100%	0%	85%	0	0%	0%	35%	0	0	-33	100%	0	0		
\$100,000 - \$150,000	\$384,000 - \$576,000	1,641	13%	97%	3%	90%	46	3%	100%	65%	27	74	-25	97%	-1	73		
\$150,000 - AND OVER	\$576,000 - AND OVER	753	6%	98%	0%	100%	0	2%	100%	80%	13	13	-12	98%	0	13		
65+				12,994										-830				
UNDER	\$35,000	UNDER	\$135,000	1,642	13%	85%	1%	50%	6	15%	14%	5%	2	8	-105	85%	0	8
\$35,000 - \$50,000	\$135,000 - \$192,000	2,243	17%	97%	0%	50%	1	3%	0%	5%	0	1	-143	97%	0	1		
\$50,000 - \$75,000	\$192,000 - \$288,000	1,953	15%	94%	5%	70%	62	6%	0%	15%	0	62	-125	94%	-4	58		
\$75,000 - \$100,000	\$288,000 - \$384,000	1,317	10%	91%	0%	85%	0	9%	0%	35%	0	0	-84	91%	0	0		
\$100,000 - \$150,000	\$384,000 - \$576,000	958	7%	100%	0%	90%	0	0%	0%	65%	0	0	-61	100%	0	0		
\$150,000 - AND OVER	\$576,000 - AND OVER	589	5%	100%	0%	100%	0	0%	0%	80%	0	0	-38	100%	0	0		
									2,060				366	2,425				
Summary of Demand by Age Group																		
25 - 34				16,994	25%	75%	13%	65%	1,049	25%	44%	8%	143	1,192	1,026	75%	773	1,965
35 - 54				32,162	47%	85%	5%	65%	820	15%	28%	12%	163	983	-551	85%	-14	969
55 - 64				10,643	16%	93%	2%	0%	0	7%	33%	23%	58	58	-165	93%	-2	56
65 - AND OVER				8,702	13%	94%	1%	0%	0	6%	7%	0%	0	0	-556	94%	-4	-4
Total				68,501					1,869				364	2,233	-247		753	2,986
Summary of Demand by Income and Price Band																		
UNDER - \$35,000		UNDER - \$135,000		7,405	11%	56%	6%	50%	132	44%	47%	5%	76	207	1,014		26	233
\$35,000 - \$50,000		\$135,000 - \$192,000		13,414	20%	81%	8%	50%	417	19%	32%	5%	40	457	-149		165	622
\$50,000 - \$75,000		\$192,000 - \$288,000		20,062	29%	85%	9%	70%	1106	15%	29%	15%	134	1,240	-3		217	1,457
\$75,000 - \$100,000		\$288,000 - \$384,000		14,801	22%	93%	3%	85%	324	7%	22%	35%	76	400	-44		201	601
\$100,000 - \$150,000		\$384,000 - \$576,000		9,306	14%	97%	1%	90%	80	3%	13%	65%	27	108	-51		116	224
\$150,000 - AND OVER		\$576,000 - AND OVER		3,513	5%	92%	0%	95%	0	8%	6%	80%	13	13	-51		27	41
Total				68,501									366	2,425	716		753	3,178

1/Assumes a 5% interest rate and 25% of income available for home payment
2/Claritas 2010 estimates for the Primary Market Area
3/US Census Bureau; American Community Survey 2006 - 2008 PUMS data

4/RCLCO estimates based on experience in other markets and the 2007 American Housing Survey
5/RCLCO estimates based on ESRI growth projections for the PMA from 2010 - 2015

Exhibit III-11

**FOR-RENT RESIDENTIAL DEMAND SUMMARY
PROJECT NAME
JANUARY 2011**

INCOME RANGE		PRICE RANGE		Demand from Existing HHs	Demand from New HHs	Total Rental Demand	% of Demand for New MF	New Rental Demand
UNDER	\$35,000	UNDER	\$525	1,569	82	1,651	5%	83
\$35,000 -	\$50,000	\$525 -	\$750	1,175	44	1,220	10%	122
\$50,000 -	\$75,000	\$750 -	\$1,125	1,245	98	1,343	15%	201
\$75,000 -	\$100,000	\$1,125 -	\$1,500	198	3	201	15%	30
\$100,000 -	\$150,000	\$1,500 -	\$2,250	24	0	23	15%	4
\$150,000 -	AND OVER	\$2,250 -	AND OVER	3	0	3	15%	0
Total				2,645	145	2,790		440

RENTAL APARTMENTS

INCOME RANGE		PRICE RANGE		Total New Rental Demand	Breakdown by Price	Subject Site Capture	Subject Site Demand
UNDER	\$35,000	UNDER #	\$525	83	19%	30%	25
\$35,000 -	\$50,000	\$525 -	\$750	122	28%	30%	37
\$50,000 -	\$75,000	\$750 -	\$1,125	201	46%	25%	50
\$75,000 -	\$100,000	\$1,125 -	\$1,500	30	7%	10%	3
\$100,000 -	\$150,000	\$1,500 -	\$2,250	4	1%	10%	0
\$150,000 -	AND OVER	\$2,250 -	AND OVER	0	0%	0%	0
Total				440			115

Total Annual Demand at the Subject Site

115

Exhibit III-12

ANNUAL FOR-RENT RESIDENTIAL DEMAND PRIMARY MARKET AREA 2010 - 2015

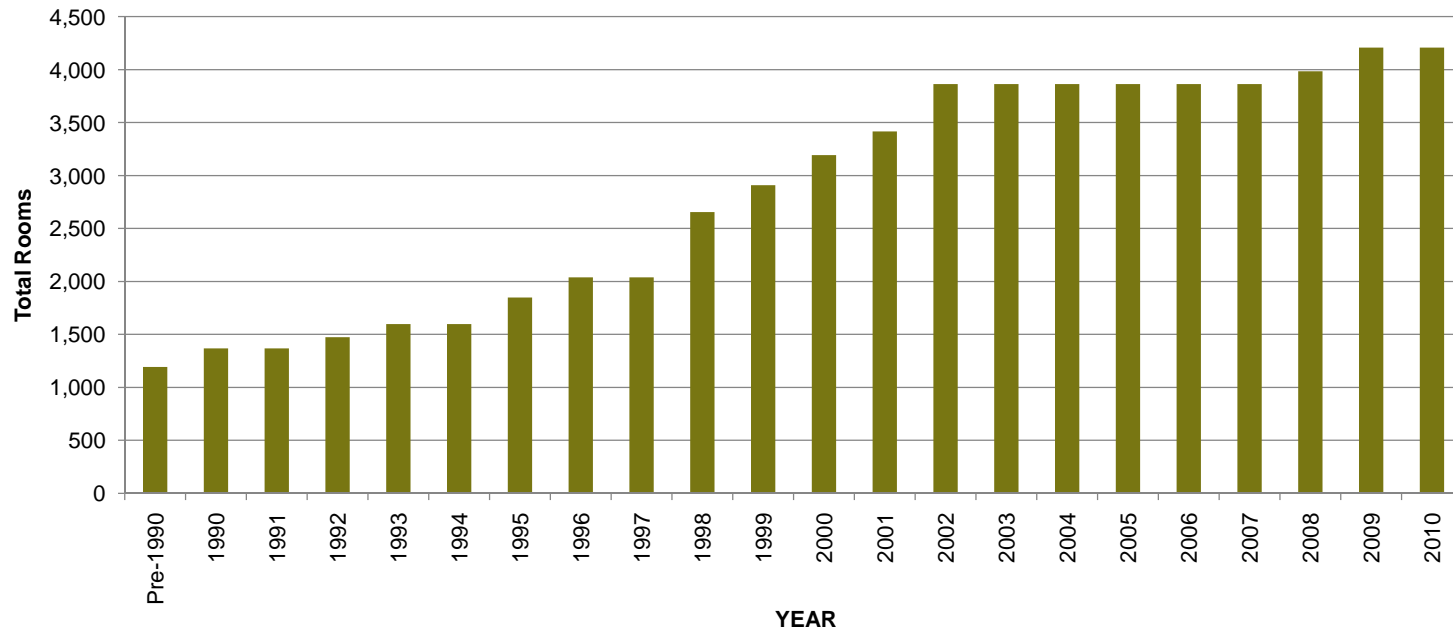
Demand from Existing Households													Demand from New Households			
Age and Income	Affordable Home Price ¹	Total HHs ²	%	% Renters ³	% of Renters in Turnover ³	% of Renters Remaining Renters ⁴	Demand from Existing Renters	% Owners ³	% of Owners in Turnover	% of Owners becoming Renters ⁴	Total Demand from Renters	Total Demand from Existing HHs	New HHs ⁵	% Renters	Total Demand from New HHs	Total Rental Demand
25 - 34		19,576														
UNDER \$35,000	UNDER - \$525	1,996	10%	77%	59%	95%	872	23%	30%	50%	68	940	120	77%	93	1,033
\$35,000 - \$50,000	\$525 - \$750	3,633	19%	23%	47%	95%	375	77%	15%	50%	206	581	219	23%	51	632
\$50,000 - \$75,000	\$750 - \$1,125	5,510	28%	31%	30%	85%	441	69%	22%	30%	255	696	333	31%	104	800
\$75,000 - \$100,000	\$1,125 - \$1,500	3,456	18%	2%	0%	65%	0	98%	6%	15%	32	32	209	2%	5	37
\$100,000 - \$150,000	\$1,500 - \$2,250	1,945	10%	0%	0%	35%	0	100%	0%	10%	0	0	117	0%	0	0
\$150,000 - AND OVER	\$2,250 - AND OVER	454	2%	0%	0%	20%	0	100%	0%	0%	0	0	27	0%	0	0
35 - 54		36,014														
UNDER \$35,000	UNDER - \$525	2,599	7%	43%	41%	95%	436	57%	6%	50%	46	482	-45	43%	-7	475
\$35,000 - \$50,000	\$525 - \$750	5,571	15%	25%	28%	95%	366	75%	9%	50%	193	559	-95	25%	-6	553
\$50,000 - \$75,000	\$750 - \$1,125	9,596	27%	10%	30%	85%	252	90%	7%	30%	173	425	-164	10%	-4	420
\$75,000 - \$100,000	\$1,125 - \$1,500	7,917	22%	10%	27%	65%	141	90%	2%	15%	25	167	-136	10%	-2	164
\$100,000 - \$150,000	\$1,500 - \$2,250	4,762	13%	6%	0%	35%	0	94%	1%	10%	4	4	-82	6%	0	4
\$150,000 - AND OVER	\$2,250 - AND OVER	1,717	5%	14%	0%	20%	0	86%	0%	0%	0	0	-29	14%	0	0
55 - 64		12,972														
UNDER \$35,000	UNDER - \$525	1,168	9%	25%	34%	95%	94	75%	3%	50%	12	106	-18	25%	-1	105
\$35,000 - \$50,000	\$525 - \$750	1,967	15%	10%	9%	95%	17	90%	2%	50%	17	35	-31	10%	0	35
\$50,000 - \$75,000	\$750 - \$1,125	3,003	23%	7%	37%	85%	64	93%	2%	30%	20	84	-47	7%	-1	83
\$75,000 - \$100,000	\$1,125 - \$1,500	2,111	16%	0%	0%	65%	0	100%	0%	15%	0	0	-33	0%	0	0
\$100,000 - \$150,000	\$1,500 - \$2,250	1,641	13%	3%	100%	35%	15	97%	3%	10%	5	20	-25	3%	0	20
\$150,000 - AND OVER	\$2,250 - AND OVER	753	6%	2%	100%	20%	3	98%	0%	0%	0	3	-12	2%	0	3
65+		12,994														
UNDER \$35,000	UNDER - \$525	1,642	13%	15%	14%	95%	34	85%	1%	50%	6	41	-105	15%	-2	39
\$35,000 - \$50,000	\$525 - \$750	2,243	17%	3%	0%	95%	0	97%	0%	50%	1	1	-143	3%	0	1
\$50,000 - \$75,000	\$750 - \$1,125	1,953	15%	6%	0%	85%	0	94%	5%	45%	40	40	-125	6%	0	40
\$75,000 - \$100,000	\$1,125 - \$1,500	1,317	10%	9%	0%	65%	0	91%	0%	50%	0	0	-84	9%	0	0
\$100,000 - \$150,000	\$1,500 - \$2,250	958	7%	0%	0%	35%	0	100%	0%	75%	0	0	-61	0%	0	0
\$150,000 - AND OVER	\$2,250 - AND OVER	589	5%	0%	0%	20%	0	100%	0%	0%	0	0	-38	0%	0	0
Summary of Demand by Age Group																
25 - 34		16,994	25%	25%	44%	92%	1,688	75%	13%	35%	561	2,249	1,026	25%	253	2,502
35 - 54		32,162	47%	15%	28%	88%	1,195	85%	5%	35%	441	1,636	-551	15%	-20	1,616
55 - 64		10,643	16%	7%	33%	77%	194	93%	2%	31%	54	248	-165	7%	-3	245
65 - AND OVER		8,702	13%	6%	7%	77%	28	94%	1%	46%	47	75	-556	6%	-2	72
Total		68,501					3,105				1,103	4,208	-247		227	4,435
Summary of Demand by Income and Price Band																
UNDER \$35,000	UNDER - \$525	7,405	11%	44%	47%	95%	1,437	56%	6%	50%	132	1,569	1,014		82	1,651
\$35,000 - \$50,000	\$525 - \$750	13,414	20%	19%	32%	95%	758	81%	8%	50%	417	1,175	-149		44	1,220
\$50,000 - \$75,000	\$750 - \$1,125	20,062	29%	15%	29%	85%	757	85%	9%	31%	487	1,245	-3		98	1,343
\$75,000 - \$100,000	\$1,125 - \$1,500	14,801	22%	7%	22%	65%	141	93%	3%	15%	57	198	-44		3	201
\$100,000 - \$150,000	\$1,500 - \$2,250	9,306	14%	3%	13%	35%	15	97%	1%	10%	9	24	-51		0	23
\$150,000 - AND OVER	\$2,250 - AND OVER	3,513	5%	8%	6%	20%	3	92%	0%	10%	0	3	-51		0	3
Total		68,501					3,112				1,103	4,214	716		227	4,441

1/Assumes a 5% interest rate and 25% of income available for home payment
2/Claritas 2010 estimates for the Primary Market Area

3/US Census Bureau; American Community Survey 2006 - 2008 PUMS data
4/RCLCO estimates based on experience in other markets and the 2007 American Housing Survey
5/RCLCO estimates based on Claritas growth projections for the PMA from 2010 - 2015

Exhibit IV-1

HOTEL SUPPLY ADDITIONS DUBLIN/I-270 WEST SUBMARKET 1940 - 2010

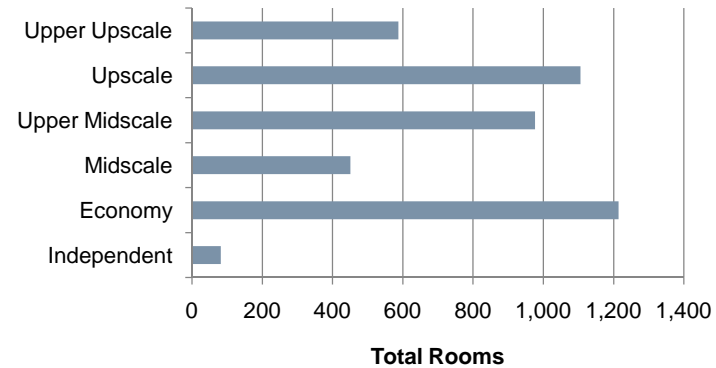
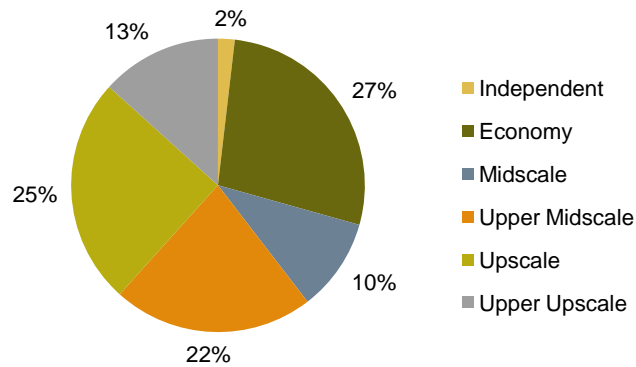


SOURCE: Smith Travel Research; RCLCO

Exhibit IV-2

**HOTEL SUPPLY BY CHAIN SCALE
DUBLIN/I-270 WEST SUBMARKET
JULY 2011**

CHAIN SCALE	TOTAL HOTELS	TOTAL ROOMS	% OF TOTAL
Independent	3	82	2%
Economy	13	1,214	27%
Midscale	7	451	10%
Upper Midscale	10	976	22%
Upscale	9	1,106	25%
Upper Upscale	2	587	13%



SOURCE: Smith Travel Research; RCLCO

Exhibit V-1

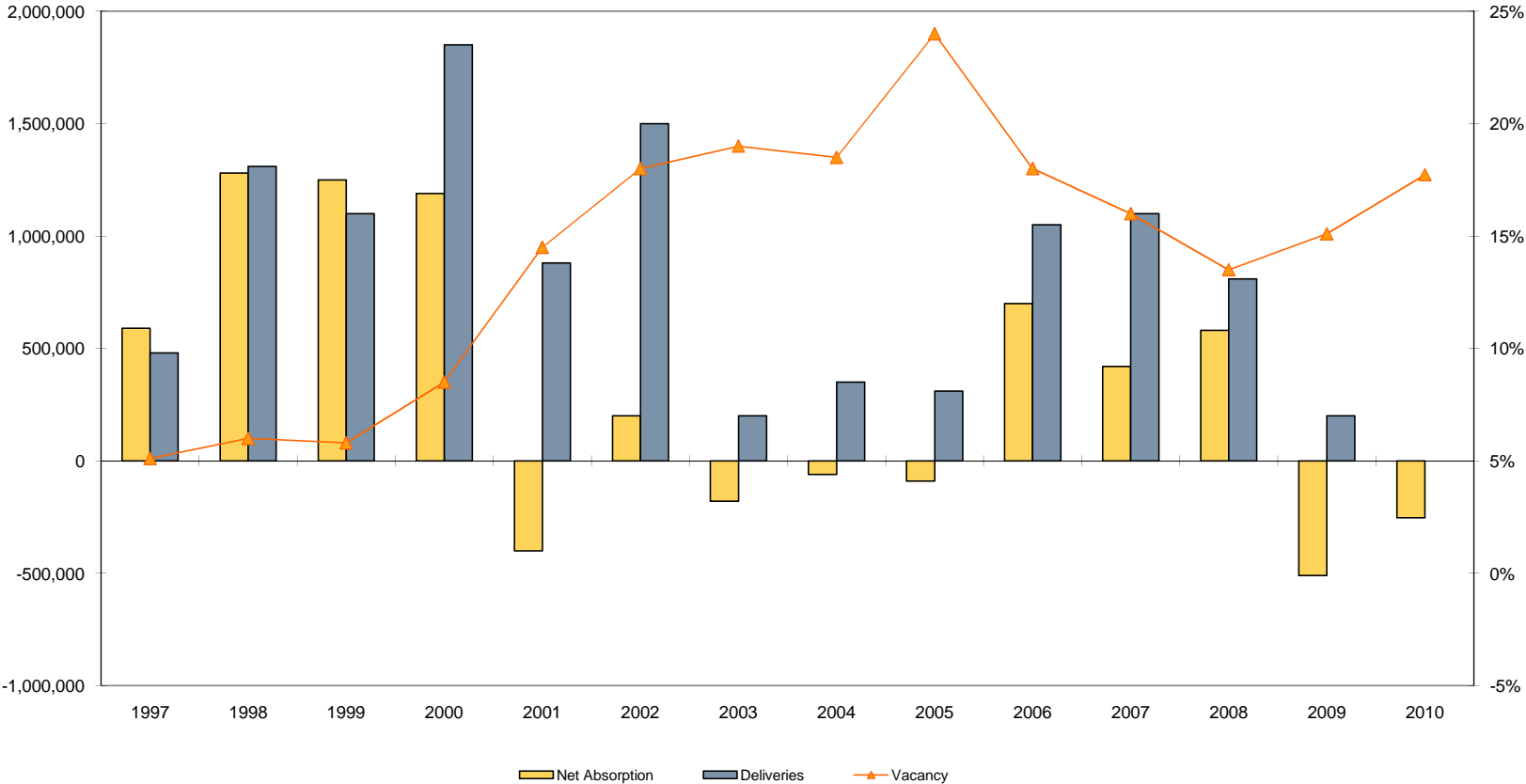
**OFFICE MARKET STATISTICS
COLUMBUS, OHIO
YEAR-END 2010**

Submarket	Total SF	Vacant SF	Total Vacancy	Net Absorption 2010	Under Construction SF	Class A Asking Rent	Class B Asking Rent
CBD	12,353,730	2,027,743	16.4%	-135,404	0	\$19.30	\$15.87
Suburban Total	28,190,947	5,160,628	18.3%	-118,244	90,000	\$18.48	\$14.99
Arlington/Grandview	3,143,458	469,268	14.9%	196,161	90,000	\$17.10	\$16.16
Dublin	7,144,579	1,183,305	16.6%	-218,466	0	\$18.97	\$14.69
Easton	1,789,862	161,647	9.0%	-54,896	0	\$18.70	\$19.50
Hilliard	1,139,324	200,025	17.6%	-48,493	0	\$19.09	\$14.00
Southeast	166,768	88,865	53.3%	2,880	0	N/A	\$12.50
Southwest	82,435	21,050	24.5%	-21,050	0	N/A	N/A
Total	40,544,677	8,394,042	20.7%	-261,527	253,000	\$19.34	\$15.99
Total Class A	17,165,537	2,933,077	17.1%	-168,715	90,000		
Total Class B	15,435,496	3,142,052	20.4%	-189,386	0		
Total Class C	7,943,644	1,113,242	14.0%	104,453	0		

SOURCE: Collier's

Exhibit V-2

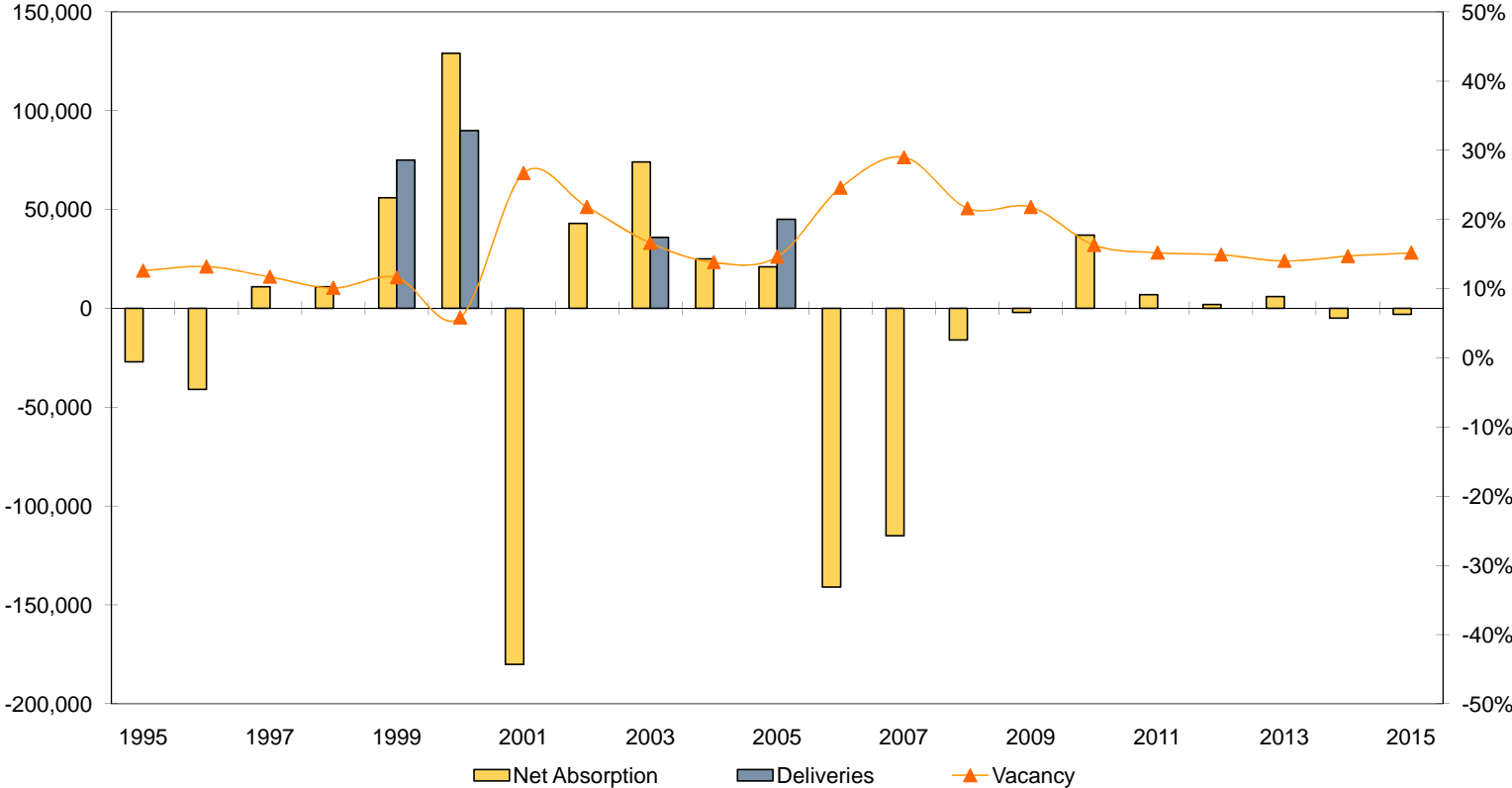
**SUBURBAN OFFICE MARKET ABSORPTION, DELIVERIES, AND VACANCY
COLUMBUS, OHIO
YEAR-END 2010**



SOURCE: Collier's

Exhibit V-3

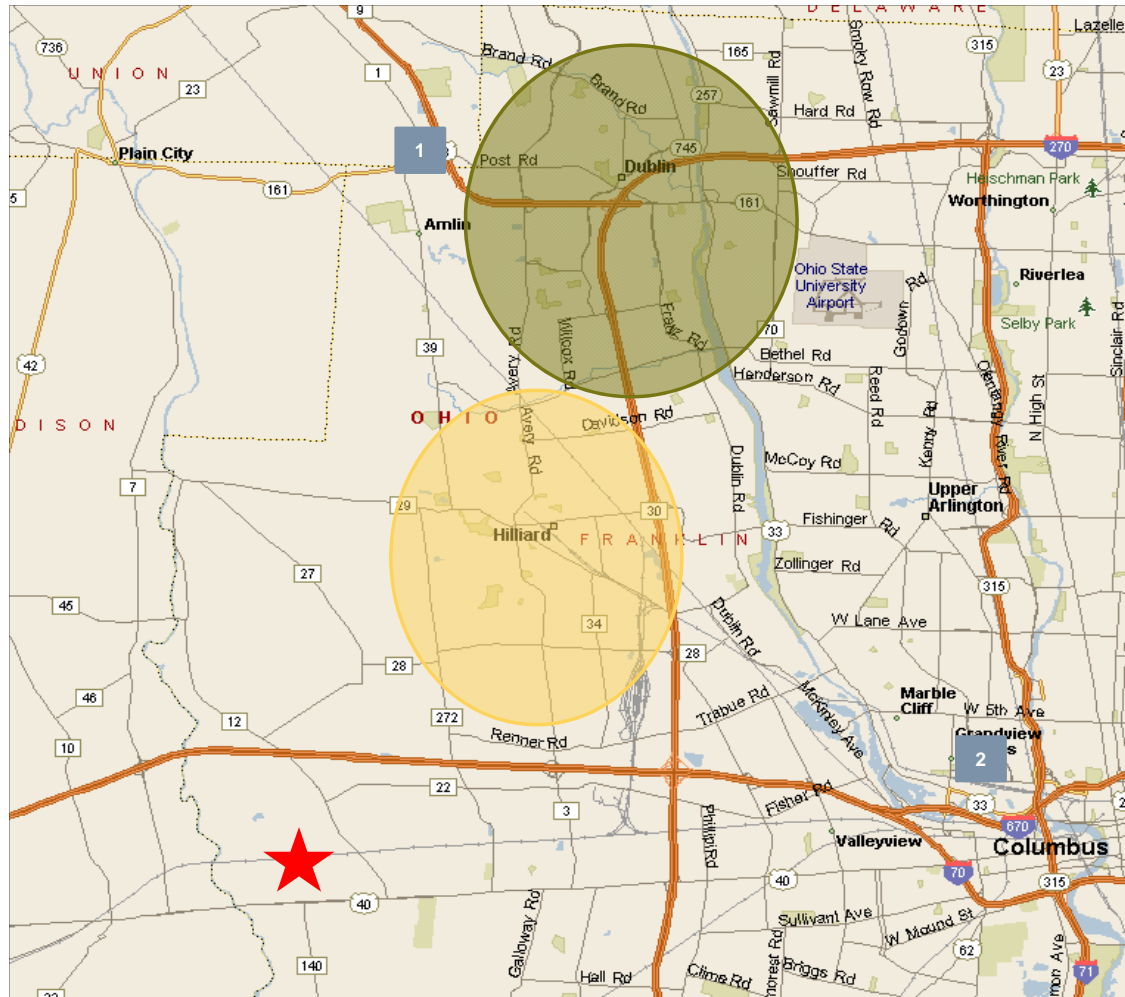
**SOUTHWEST COLUMBUS OFFICE ABSORPTION, DELIVERIES, AND VACANCY
COLUMBUS, OHIO
YEAR-END 2010**



SOURCE: REIS

Exhibit V-4

MAJOR OFFICE CORES NEAR THE PROPOSED BIG DARBY TOWN CENTER COLUMBUS, OHIO YEAR-END 2010



Dublin

Average Class A Asking Rental Rate	18.81
Total Space	7,144,579
Vacant Space	1,183,305
Total Vacancy Rate	13%
Est. Years to Stabilization	8

Hilliard

Average Class A Asking Rental Rate	19.09
Total Space	1,139,324
Vacant Space	200,025
Total Vacancy Rate	17.6%
Est. Years to Stabilization ¹	10

Proposed Major Developments:

- 1** Central Ohio Innovation Center
to add over 1.8M SF of office space/lab space
over long-term build-out
New interchange planned to meet traffic demand
- 2** Grandview Yards
Mixed-Use development to include 1.5 - 2M square
feet of commercial space

¹/Assumes Dublin stabilizes before Hilliard

SOURCE: RCLCO; Grubb & Ellis

Exhibit VI-1

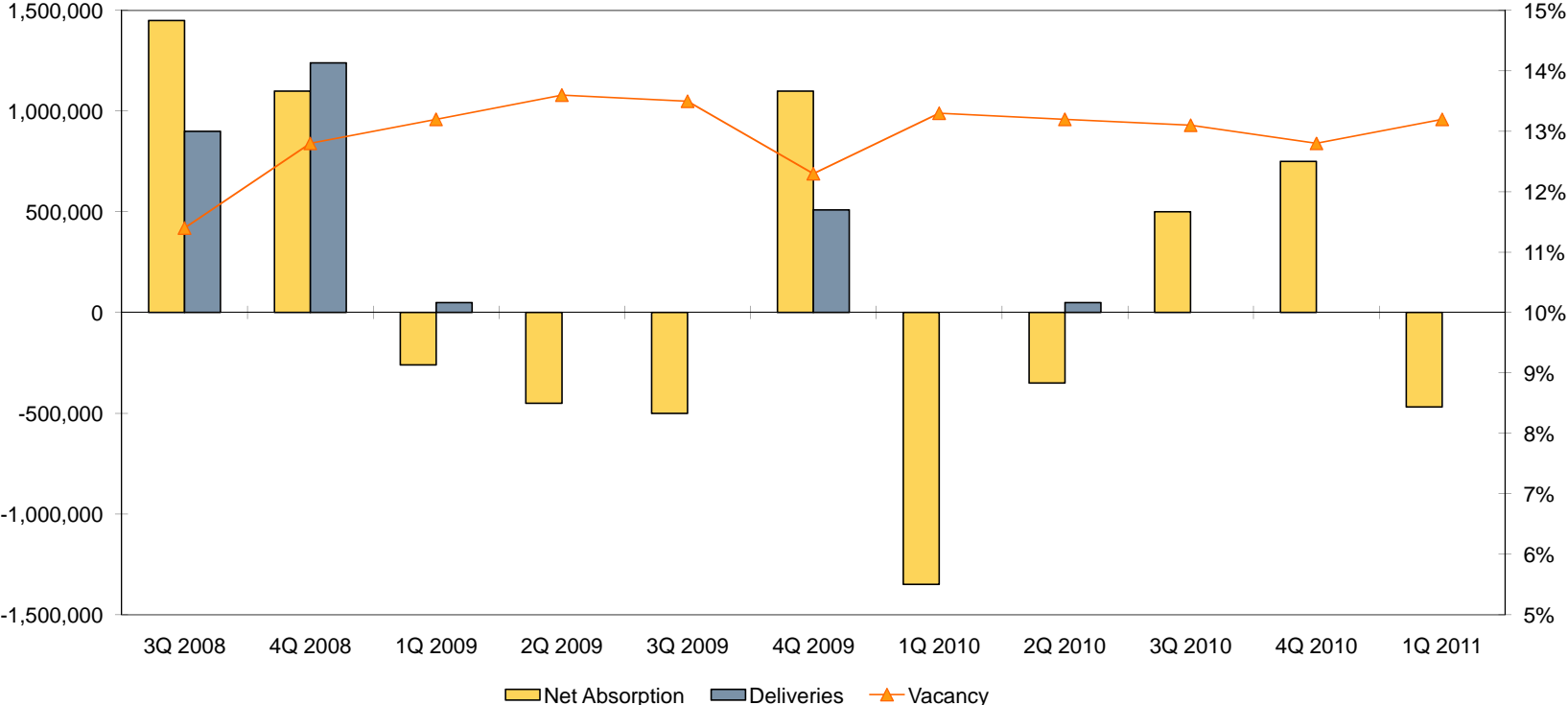
**INDUSTRIAL MARKET STATISTICS
COLUMBUS, OHIO
YEAR-END 2010**

Submarket	Total SF	Vacant SF	Total Vacancy	Net Absorption 2010	Under Construction SF	Warehouse Distribution	R&D/Flex
CBD	5,907,062	1,039,290	17.6%	39,385	0	N/A	\$4.97
East	20,185,366	3,919,951	19.4%	-84,031	523,000	\$2.82	\$5.18
West	35,914,981	5,251,755	14.6%	135,714	0	\$2.35	\$4.26
North	16,933,852	1,539,811	9.1%	28,725	0	\$3.46	\$5.37
Southeast	64,252,530	10,459,928	16.3%	-396,855	0	\$2.82	\$3.02
Southwest	17,651,352	1,453,809	8.2%	-117,548	0	\$2.93	\$4.67
Columbus Total	211,923,599	27,972,230	13.2%	-468,993	1,992,000	\$2.72	\$4.19

SOURCE: Collier's

Exhibit VI-2

**INDUSTRIAL MARKET ABSORPTION, DELIVERIES, AND VACANCY
COLUMBUS, OHIO
YEAR-END 2010**



SOURCE: Collier's

Exhibit VII-1

SUMMARY OF URBAN CASINO BUSINESS GROWTH SEGMENTS PENN NATIONAL CASINOS, VARIOUS MARKETS, USA 2004-2010

NAICS CODE	BUSINESS CATEGORIES	EXAMPLES	GROWTH POTENTIAL (FROM CASE STUDIES)	REAL ESTATE PRODUCT TYPES	BRANDING/THEMING CONCEPTS
722110	Full service restaurants	Ruby Tuesday, Pizzeria Uno, Panera, Buffalo Wild Wings	Very strong	Anchored and unanchored retail, in-line retail	Casino-adjacent dining district
447190	Automotive servicing, including gasoline	Fuel, Texaco, Meineke, Jiffy Lube	Very Strong	Re-use of industrial buildings, unanchored	Auto spa district
451120	Craft and game stores, including hobbies/toys	Michael's, GameStop, Sam Ash	Strong	Anchored and unanchored retail, in-line retail	Family-oriented shopping
452990	Mid-market general merchandise/auto stores	Anna's Linens, Sears Outlet, Bed Bath Beyond, Pep Boys	Strong	Anchor retail, end-cap retail	Family-oriented shopping
453110	Flower stores, fresh flowers	FTD, Various	Strong	In-line retail, ground floor office space	N/a
522191	Consumer Lending	Various	Strong	In-line retail, ground floor office space	Consumer finance district
523930	Consumer Financial Planning	Ameriprise, Prudential, Schwab	Strong	In-line retail, ground floor office space	Consumer finance district
531210	Real Estate Agencies/Brokerages	Coldwell Banker, Weichert, Colliers	Strong	Low-rise/Mid-rise office	Consumer finance district
813410	Clubs and Associations	AAA, Lions Club, Rotary, Alumni Association, Boy Scouts,	Moderate	Low-rise/Mid-rise office	N/a

Exhibit VII-2

CASINO VISITOR SPENDING TRENDS BASED ON AMERICAN GAMING ASSOCIATION STUDY

RATE OF PARTICIPATION IN NON-CASINO ACTIVITIES BY CASINO VISITORS

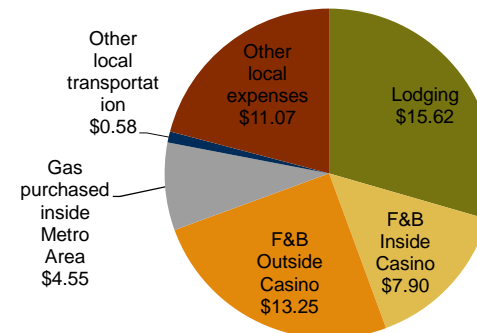
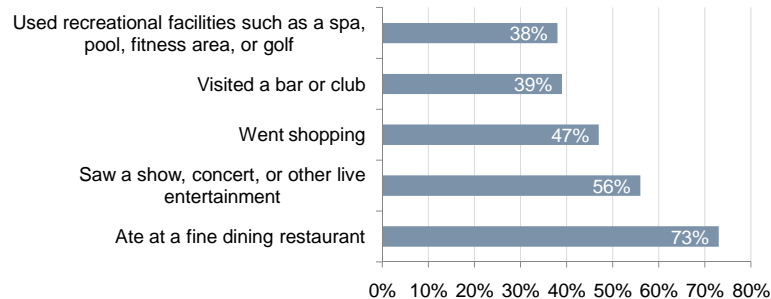
Ate at a fine dining restaurant	73%
Saw a show, concert, or other live entertainment	56%
Went shopping	47%
Visited a bar or club	39%
Used recreational facilities such as a spa, pool, fitness area, or golf	38%

MEAN SPENDING ON NON-GAMBLING

Hotel Accomodations	\$284
Recreational and Spa Facilities	\$183
Watching live entertainment	\$132
Traveling to the casino	\$103
Dining	\$95
Casino Bar	\$59
All non-gambling activities	\$327

ESTIMATED SPENDING PER VISITOR

	BUS VISITORS	NON-BUS VISITORS	TOTAL VISITORS
Lodging	\$16.26	\$5.85	\$15.62
F&B Inside Casino	\$7.48	\$10.65	\$7.90
F&B Outside Casino	\$13.66	\$6.22	\$13.25
Gas purchased inside Metro Area	\$4.88	\$0.00	\$4.55
Other local transportation	\$0.49	\$1.37	\$0.58
Other local expenses	\$11.53	\$4.06	\$11.07
Avg. Spending per day	\$54.30	\$28.15	\$52.97



SOURCE: American Gaming Association, "2011 State of the States"

Exhibit VII-3

**SUMMARY OF CASE STUDY RATIOS
SELECT CASINOS**

CATEGORY	DOVER DOWNS	PECHANGA	PALA	CACHE CREEK	FOXWOODS	MOHEGAN SUN
GAMING						
Slots	2,500	2,000	2,250	2,456	7,451	6,200
Tables	0	126	85	135	388	286
Seats	2,500	2,756	2,760	3,266	9,779	7,916
SF	91,000	N/A	N/A	66,000	340,000	N/A
HOTEL						
Keys	232	522	507	200	1,416 (3 hotels)	1,200
Ratio (Keys/100 seats)	9.3	18.9	18.4	6.1	14.5	15.2
Occupancy Rate	95%	N/A	N/A	N/A	N/A	93%
FOOD						
Outlets	9	8	8	8	27	35
Ratio (Rest./100 Seats)	0.36	0.29	0.29	0.24	0.28	0.44
Seats	700	1,426	N/A	1,030	N/A	3,800
Ratio (Rest. Seats/100 Seats)	28.0	51.7	0.0	31.5	0.0	48.0
RETAIL						
SF	0	0	5,000	5,000	12,000	130,000
Ratio (SF/100 Seats)	0	0	181	153	123	1,642

SOURCE: RCLCO

Exhibit VII-4

**KEY DEVELOPMENT RATIOS BASED ON CASE STUDY ANALYSIS
IMPACT OF CASINO DEVELOPMENT
HOLLYWOOD CASINO; COLUMBUS, OH**

	SLOTS	TABLES	POKER	TOTAL GAMING SEATS
Total Games	3,000	70	30	
Seats/Game	1	6	9	
TOTAL SEATS	3,000	420	270	3,690

LAND USE	DEVELOPMENT RATIO	PNG PROGRAM (Total Seats)	DEVELOPMENT IMPLICATIONS
HOTEL			
	8.0 (Keys/100 Seats)	3,690	300 Keys
FOOD			
Restaurants	0.25 (Rest./100 Seats)	3,690	9 Restaurants
Restaurant Seats	40 (Rest. Seats/100 Seats)	3,690	1,480 Restaurant Seats
LIFESTYLE RETAIL			
Total SF	1,600 (SF/100 Seats)	3,690	59,000 SF