Economic and Market Analysis

3.0

The following chapter presents the economic and market study of the Hamilton Road Corridor. The findings are used to identify opportunities for revitalization and strategies to achieve revitalization goals.

3.1 Demographic and Economic Profile

This section of the report presents demographic and economic profiles for the Hamilton Road Study Area and Primary Market Areas (PMA's). PMAs are defined as the areas from which the preponderance of retail sales originate.

Definition of Study Market Areas

The Hamilton Road Study Area is generally defined as the area bounded by I-70 to the north, Noe Bixby Road down to Refugee Road to the east, Big Walnut Creek to the south, and Courtright Road to the west.

As presented in Chapter 2 Existing Conditions, the Hamilton Road Study Area is a predominantly retail corridor. Retail establishments include both destination retail and convenience retail establishments. Destination retail establishments (e.g. Eastland Mall, Kohl's, etc.) are defined as stores that serve a more regional market area and offer comparative shopping goods, such as apparel, furniture, and jewelry. Convenience retail establishments are defined as stores that serve a more local area and offer daily goods and services, such as groceries, casual dining, and dry cleaning.

Given the corridor's character as a regional and local retail corridor, an understanding of two different PMA is required. This study will evaluate the demographic and economic characteristics of the PMA's for both destination retail (Shoppers Goods) and local serving retail (Convenience Goods).

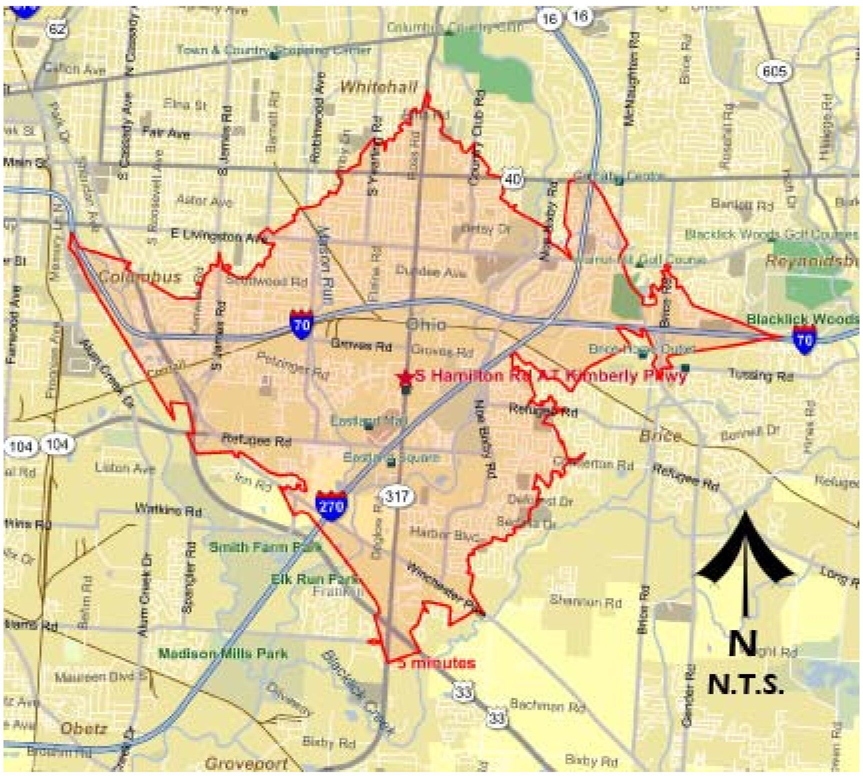
To determine the geographic extent of the PMAs for Shoppers and Convenience Goods, several factors were considered. These factors include geographic boundaries and barriers, drive times, highway access, and location of competitive shopping areas.

Convenience Goods PMA

Based on the evaluation of these market factors, the PMA for the Convenience Goods Market is defined as the area within a five minute drive time from the midpoint of the Hamilton Road Corridor. This represents a geographically smaller PMA than for

Shoppers Goods because similar establishments in close proximity to residential neighborhoods have similar products, so customers are not willing to travel long distances. This PMA excludes the competitive convenience goods shopping area on Brice Road. The PMA extends from the north beyond Carnaby Centre Road, to the south at the intersection of Hamilton Road and Route 33, to the east at Blacklick Woods, and to the west near the intersection of I-70 and E. Livingston Avenue.

Map 3.1: Convenience Goods PMA



Source: ESRI Business Information Solutions

Shoppers Goods PMA

The PMA for the Shoppers Goods Market is larger than the convenience goods PMA because customers are willing to travel longer distances to compare products and purchase desired quality merchandise than they do for Convenience Goods. It is defined as the area within a 15 minute drive time from the midpoint of the Hamilton Road Corridor, and is adjusted to exclude the competitive destinations of Easton, and Polaris. The Shoppers Goods PMA extends from the north just beyond Port Columbus International Airport, to the south at Canal Winchester, to the east at the intersection of I-70 and State Highway 158, to the west at the intersection of I-71 and Greenlawn Avenue.

Map 3.2: Shoppers Goods PMA

Source: ESRI Business Information Solutions

Demographic Profile

Population and Household Profile

As of 2006, the Study Area has a population of 7,543 residents, the Convenience Goods Market Area (CG) has a population of 59,888 residents, and the Shoppers Goods Market Area (SG) has 347,554 residents. Projected annual growth rates for both households and population are approximately 0.6 percent in the Hamilton Road Study Area, 1 percent in the CG, and 1.5 -1.6 percent for the SG [Table 3.1]. The Columbus MSA is growing faster than all other market areas aside from the SG Market Area.

Table 3.1: Population and Household Profile

	Population			*Households*		
	2006	2011	Annual Growth Rate	2006	2011	Annual Growth Rate
Study Area	7,543	7,755	0.60%	3,889	4,010	0.60%
Consumer Goods	59,888	62,728	0.90%	26,367	27,755	1.10%
Shoppers Goods	347,554	374,469	1.50%	141,878	153,136	1.60%
Columbus MSA	1,612,694	1,780,581	1.50%	710,253	766,482	1.60%

Source: U.S. Census, ESRI Business Information Solutions

As a percent of the MSA, the Hamilton Road Study area is very small, representing only 0.4 percent of the Columbus MSA residents.

The population and number of households in the CG is consistent with its nature as a local market area, representing only 3.7 percent of the MSA and 16 percent of the SG. The SG on the other hand, is a fairly large market, representing 20% of the households and population in the Columbus MSA [**Error! Reference source not found.**].

Age Distribution and Income

Residents in the Hamilton Road Study Area are over three years younger than their counterparts in the CG (33.6), and over five years younger than the MSA as a whole (35.3). The median age of residents in both the SG and CG market are close to the median age in the MSA (34-35). The median age for the SG and CG are anticipated to rise in the next five years by approximately 0.4 -0.5 percent annually, consistent with trends in the MSA.

Table 3.2: Age and Income Profile

	Median Age			*Median Income*		
Study Area	2006	2011	Annual Growth Rate	2006	2011	Annual Growth Rate
Study Area	29.4	31	1.10%	$34,631	$39,237	2.66%
Convenience Goods	33.6	34.8	0.40%	$42,509	$47,795	2.49%
Shoppers Goods	34.9	35.6	0.50%	$48,738	$55,942	2.96%
Columbus MSA	35.3	36.2	0.50%	$56,053	$65,774	3.47%

Source: U.S. Census, ESRI Business Information Solutions

The 2006 median incomes in the Hamilton Road Study Area are also lower in the comparable areas of interest. As presented in Table 3.2, the Hamilton Road Study Area median income is $34,631. This is almost $8,000 lower than the CG, and $14,000 lower than the SG. The Study Area is also projected to grow at a slower rate than the larger market areas – projected to increase by only 2.66 percent annually between 2006 and 2011.

Table 3.3: Percentage of Columbus MSA

	Median Age	***Median Income***
Study Area	83.29%	61.78%
Consumer Goods	95.18%	75.84%
Shoppers Goods	98.87%	86.95%
Columbus MSA	100%	100%

Source: BBPC, ESRI Business Information Solutions

When compared to the MSA, the income disparities between the different areas of interest are also clear. The Study Area is only 62 percent of the MSA's median income of $56,053. This is compared to the CG, which is 76 percent of the MSA, and the SG, which is 87 percent of the MSA.

The difference between Hamilton Road's ages and incomes and the age and income of comparable areas of interest are indications of the study area's younger, less affluent character.

Labor Force Characteristics

In terms of economic characteristics, this study examines labor force characteristics, at-place employment, resident and retail expenditures. Figure 3.1 presents a distribution of the labor force in the Convenience Goods and Shoppers Goods Study Areas.

Figure 3.1: Labor Force Distribution

Source: U.S. Census, ESRI Business Information Solutions

The people who reside in the PMA's largely work in the service and retail trade industry. Over 40 percent of the labor force in both the CG and SG PMA are in the service industry, which includes high income industries such as health care, legal and education institutions, and also lower income professions such as automotive services, hotels and lodging, and movies and amusement. Meanwhile, approximately 13 percent are in retail trade. The service sector also includes higher income employment in professions such as finance, insurance, and real estate. Approximately 10% of residents in both CG and SG work in Finance/Insurance/Real Estate, the third largest sector. Labor Force sectors that are less well represented include agriculture/mining (0.1% CG, 0.3% SG), the information sector (2.0% CG, 2.2% SG), and wholesale trade (2.0%, 3.6%).

Given the study area's character as a retail and service oriented area, the labor force characteristics indicate a strong relationship between residents' work experience and the nature of employment opportunities on the corridor.

Economic Profile

At-Place Establishments and Employment

The following table provides a distribution of the at-place employment distribution in the Hamilton Road Study Area, and the Convenience Goods PMA, and the Shoppers Goods PMA.

Table 3.4: At-Place Employment

	Businesses		***Employees***	
	#	Percent	#	Percent
Agriculture & Mining	6	1.1%	72	1.1%
Construction	28	5.3%	192	3.1%
Manufacturing	11	2.1%	562	8.9%
Transportation	24	4.6%	185	2.9%
Communication	11	2.1%	46	0.7%
Electric, Gas, Water, Sanitary Services	0	0.0%	0	0.0%
Wholesale Trade	16	3.0%	271	4.3%
Retail Trade	176	33.5%	2,193	34.9%
Finance, Insurance, Real Estate	51	9.7%	233	3.7%
Services (Hotels, Automotive, Movies, Health, Legal, Education Institutions, Other)	185	35.2%	2,520	40.1%
Government	3	0.6%	11	0.2%
Other	14	2.7%	5	0.1%
Total	525	100.0%	6,290	100.0%

Source: ESRI Business Information Solutions

The at-place establishments and employment sectors in the Hamilton Road Study Area reflect a business and employment composition predominantly in the retail trade and services industries (69 percent of businesses, 75 percent of employees). This underscores the Hamilton Road Corridor as a predominantly retail corridor. The F.I.R.E. industry has the third largest share in the Study Area (10 percent). Aside from the retail establishments, the relatively large proportion of knowledge-based economies in the Hamilton Road Study Area (e.g. Health Care, Legal, Education, and Finance) indicates there is a solid employment base of white-collar workers. There is also a concentrated industrial district near the Hamilton Road Corridor that accounts for a relatively large Manufacturing sector (9 percent) of corridor employees.

Table 3.5: At-Place Employment in the Convenience Goods PMA

	Businesses		*Employees*	
	#	Percent	#	Percent
Agriculture & Mining	18	1.1%	194	1.1%
Construction	89	5.4%	704	4.1%
Manufacturing	49	3.0%	1251	7.3%
Transportation	52	3.2%	734	4.3%
Communication	13	0.8%	36	0.2%
Electric, Gas, Water, Sanitary Services	4	0.2%	9	0.1%
Wholesale Trade	63	3.8%	713	4.2%
Retail Trade	472	28.7%	6272	36.8%
Finance, Insurance, Real Estate	180	11.0%	867	5.1%
Services (Hotels, Automotive, Movies, Health, Legal, Education Institutions, Other)	679	41.4%	6143	36.1%
Government	9	0.5%	107	0.6%
Other	23	1.4%	7	0.0%
Totals	1642	100.0%	17037	100.0%

Source: InfoUSA, ESRI Business Information Solutions

The at-place employment sectors in the PMAs mirror their labor force composition, and underscore the area's large commercial activity [Table 3.5, Table 3.6]. The service industry constitutes 36% of employment in each area. The retail trade sector in the CG PMA is also large, enabled by its labor force but also due to its exceptional location near the junction of I-270 and I-70. The notable difference is that the SG PMA employs a higher percentage of people in government than the CG PMA. This is likely due to the SG PMA encompassing various local jurisdictions and municipalities, as well as State government functions in the downtown area.

Table 3.6: At-Place Employment in the Shoppers Goods PMA

	Businesses		***Employees***	
	#	Percent	#	Percent
Agriculture & Mining	141	1.3%	881	0.6%
Construction	780	7.1%	6584	4.6%
Manufacturing	407	3.7%	12318	8.7%
Transportation	321	2.9%	4930	3.5%
Communication	56	0.5%	221	0.2%
Electric, Gas, Water, Sanitary Services	32	0.3%	251	0.2%
Wholesale Trade	510	4.7%	5249	3.7%
Retail Trade	2,406	22.0%	34,018	24.0%
Finance, Insurance, Real Estate	1112	10.2%	6522	4.6%
Services (Hotels, Automotive, Movies, Health, Legal, Education Institutions, Other)	4,779	43.7%	51349	36.2%
Government	223	2.0%	18774	13.2%
Other	158	1.4%	847	0.6%
Total	10,925	100%	141,944	100%

Source: InfoUSA, ESRI Business Information Solutions

Resident Retail Expenditures

The annual retail expenditure by residents of the primary market area provides a measure of demand for retail goods and services. These expenditure estimates are presented in Table 3.7, and provide the amount of retail expenditures from residents who live in the Shoppers or Convenience Goods PMAs. These columns indicate that households in both PMAs spend the most on automobiles (25.1 percent CG, 28.5 percent SG), gasoline (23.1 percent CG, 24.3 percent SG), and groceries (18.7 percent CG, 14.7 percent SG) in both the CG and SG Markets. Health and Personal Care is also a high expenditure category, as are expenditures on apparel and clothing items. Categories with lower expenditures out of the total include Specialty Food (0.3% CG, 0.4% SG), Books/Periodicals/Music (0.5 percent CG, 1.1 percent SG), and Beer, Wine and Liquor (0.7 percent CG, 0.9 percent SG).

Table 3.7: Resident Retail Expenditures and Convenience Goods PMA

Industry Group	***Conv. Goods PMA***		***Shoppers Goods PMA***	
	Supply (Retail Sales)	Percent of Total (Supply)	Demand (Retail Potential)	Percent of Total (Demand)
Automobile Dealers	$697,213,907	25.1%	$692,415,193	28.5%
Grocery	$642,978,965	23.1%	$590,023,945	24.3%
Gasoline Stations	$520,590,455	18.7%	$358,505,903	14.7%
Health and Personal Care	$268,544,414	9.7%	$138,821,417	5.7%
Clothing	$136,211,556	4.9%	$131,961,623	5.4%
Building Material and Supplies Dealers	$119,058,385	4.3%	$100,409,724	4.1%
Furniture	$73,933,781	2.7%	$77,723,402	3.2%
Auto Parts, Accessories, and Tire	$62,604,495	2.3%	$54,453,791	2.2%
Electronics and Appliance	$58,774,752	2.1%	$103,399,615	4.3%
Sporting Goods/Hobby/Musical Instrument	$51,533,918	1.9%	$38,529,029	1.6%
Home Furnishings	$47,675,802	1.7%	$41,906,747	1.7%
Jewelry, Luggage, and Leather Goods	$21,191,873	0.8%	$15,499,421	0.6%
Lawn and Garden Equipment and Supplies	$19,687,985	0.7%	$10,421,092	0.4%
Beer, Wine and Liquor	$19,444,534	0.7%	$21,566,773	0.9%
Shoes	$16,473,825	0.6%	$19,508,373	0.8%
Books, Periodicals, and Music	$13,334,044	0.5%	$25,636,342	1.1%
Specialty Food	$8,889,549	0.3%	$10,602,761	0.4%
Total	$2,778,142,240	100.0%	$2,431,385,151	100.0%

Source: BBPC, ESRI Business Information Solutions

Community Tapestry Segments

Demographic and economic information presented in previous sections, such as labor force characteristics, median income, age, and spending habits, is used by ESRI to categorize neighborhoods according to a trademarked Community Tapestry classification system.[2] ESRI identifies the dominant Community Tapestry segments that characterize residents in the Hamilton Road Study Area, residents within a 1-mile radius, residents within a 3 mile radius, and the City of Columbus, in Figure 13. The four most prevalent tapestry segments are *Inner City Tenants, Enterprising Professionals, Aspiring Young Families, Young and Restless, and Simple Living*. Descriptions of these segments are presented as follows:

[2] ESRI is a subscription-based market research and analysis service.

Table 3.8: Dominant Community Tapestry Groups Breakdown 2006

Group	Study Area	1 Mile Radius	1 to 3 Mile Radius	City of Columbus
Inner City Tenants	66.2%	53.4%	-	-
Simple Living	16.6%	12.0%	-	-
Young and Restless	8.9%	-	-	6.9%
Aspiring Young Families	-	21.4%	-	9.3%
Great Expectations	-	-	16.3%	-
Rustbelt Traditions	-	-	13.1%	-
Rustbelt Restless	-	-	12.4%	-
Enterprising Professionals	-	-	-	10.6%
Other	8.3%	13.2%	58.2%	73.2%
Total	100.0%	100.0%	100.0%	100.0%

Source: ESRI Business Information Solutions

Inner City Tenants: Representing about 66% of all households in the Hamilton Road Study Area, these neighborhoods are a microcosm of urban diversity. The population is young, with a median age of 28 years and median household income of $31,000. Younger Inner City Tenants residents enjoy the nightlife at bars and clubs and going dancing.[3]

Enterprising Professionals: Young, highly educated working professionals. Single or recently married, they prefer newer neighborhoods with townhouses or apartments and would rather rent than own. Median household income is approximately $65,000. Their lifestyle reflects their youth, mobility, and growing consumer clout.[4]

Aspiring Young Families: Attracted to large, growing metropolitan areas. These residents are mainly young, start-up families, married couples, or single parents with children. Half of them are renters. The median age is 30.4 years, and median household income is $47,200. They enjoy dining out, going to the movies, and sports.[5]

Young and Restless: Change is the constant for Young and Restless residents. The population is young, with a median age of 28.9. The Young and Restless are renters. Many are college graduates; some are still enrolled in college. Median household income is about $38,000.[6]

Simple Living: The median age for this market is 40 years, although a high percentage of the population is 75 years or older. Most residents are retired seniors who live alone or in

[3] ESRI Business Solutions
[4] Id
[5] Id
[6] Id

congregate housing. The majority rent apartments in multiunit buildings. Median household income is $26,700.[7]

The tapestry profiles in the Study Area and the MSA point to a relatively young (under 35 years old), single, and mobile population. This demographic is usually attracted to vibrant downtown living, and urban amenities such as restaurants, bars, and other entertainment venues. These preferences enable the consideration of mixed-use residential and retail developments.

Discussion/Findings

The Hamilton Road Corridor is primarily a commercial corridor whose economy is dominated by retail trade and services. The local employment generally mirrors the residents' work experience, and a large number of these residents can be characterized as young, ethnically diverse, and mobile. Residents along the Corridor are younger and less affluent than residents in surrounding regions (i.e. Convenience Goods PMA, Shoppers Goods PMA, Columbus MSA). Growth prospects along the Hamilton Road Corridor—population and income—area also projected to be slower than surrounding areas. However, the existing employment profile includes a sizeable portion of knowledge-based employment (e.g. finance, health care, legal, education) that may be able to attract higher income residents.

[7] Id

3.2 Retail Market

The retail analysis evaluates the Columbus regional retail market, the character of the study area's retail inventory, and the study area's position within the larger regional context.

Definition of Market Areas (City of Columbus, Study Area)

The regional retail market is roughly defined as equivalent to the City of Columbus. The Convenience Goods PMA and the Shoppers Goods PMA are also evaluated, as is the Hamilton Road Study Area itself.

Regional Characteristics

Inventory

In 2006, the Columbus regional retail market contained 48.7 million square feet of gross leaseable area. This is approximately one-third of the space in the Chicago MSA (114 million square feet) and slightly more than Cincinnati (45.3 million square feet). The total retail inventory in the Columbus region translates into approximately 68.5 square feet per household. This is high compared to Cincinnati (55.4 square feet per household) and Chicago (33.1 square feet per household).

One of the reasons for retail's significance presence in Columbus is the existence of several major regional retail malls. There are five major retail destinations for shopping goods in the area:

1. The Mall at Tuttle Crossing (near Dublin, acting as an anchor for an economically strong area of restaurants, office complexes, and apartments and condominiums;

2. Polaris (north of I-270 along I-71 near Westerville);

3. Easton Town Center (a mixed-use style town center at the junction of I-270, I670, and SR-161);

4. Eastland Mall (located in the Hamilton Road Study Area at the intersection of Hamilton and Refugee Road); and

5. City Center (located downtown). However, City Center is in significant decline, having lost all of its 3 anchor stores and most of its national chain stores. The

mall now has a variety of non retail uses, including meeting space. The City of Columbus, via the Capital Square Urban Redevelopment Corporation, views City Center as a redevelopment site and is actively engaged in an effort to determine new uses for the mall property.

Map 3.3: Retail Hot Spots and Destinations

Retail Destination

1 Mall at Tuttle Crossing
2 Polaris
3 Easton Town Center
4 Eastland Mall
5 City Center

Source: Google Earth, BBPC

Six major commercial corridors that run through the region also contribute significantly to the retail inventory. Establishments on these corridors sell both convenience and shoppers goods. These corridors are Hilliard-Rome (a N-S corridor running west outside I-270), Hamilton Road, Brice Road (a N-S corridor running east outside of I-270), East Main Street (an E-W corridor connecting Downtown Columbus to I-270), Morse Road (an E-W corridor in the NE of Columbus connecting I-71 and I-270, currently undergoing a revitalization process), and East Broad Street (an E-W corridor connecting Downtown Columbus to I-270, north of E. Main Street).

Regional "Hot" Spots

The retail "hot" spots in the regional market include the areas of Powell, Dublin, Hillard, Grove City, Polaris, Westerville, New Albany, and Pinkerington [Map 3.3]. These are located on the fringe of the City of Columbus Region. Three of these areas – Polaris, Grove City, and Hilliard – are situated at the junction between two highways. Given that retail generally follows rooftops, most of these "hot spots" are located in fast-growing areas towards the suburbs beyond I-270 (six out of the eight are located north of I-70).

Rental Rates

Rental rates for new construction in the Columbus region are in line with national standards. There is a large discrepancy between lease rates for new construction and lease rates in declining or weaker markets. Rates in older buildings and weaker markets range from one-third to one-half that of rates for new construction, across all types of retail facilities. In terms of specific store types, big box stores over 80,000 SF have compressed rates between $6.00-$9.00 SF/Year, reflecting creditworthy tenants and the economies of scale from large rental space. Junior big-box stores and small spaces between 1,500 to 10,000 SF command rates ranging from $14.00-$20.00 [Table 3.9].

Table 3.9: Rental Rates by Retail Structures in Columbus Region 2006

Sub Market/Store Type	*Average Asking Rate SF/Year**
Big Boxes-New Construction (+80,000 SF)	$6.00-$9.00
Bix Boxes-Declining Areas (+80,000 SF)	$2.50-$4.50
Junior Big Boxes-New Construction (25,000-40,000 SF)	$14.00-$20.00
Junior Big Boxes-Declining Areas (25,000-40,000 SF)	$6.00-$8.00
Smaller Spaces-New Construction/Strong Markets (1,400-10,000 SF)	$20.00-$30.00
Smaller Spaces-Declining/Weaker Markets (1,400-10,000 SF)	$10.00-$14.00

Source: CBRE, BBPC

Vacancies

Vacancy rates average 14.49 percent for the overall Columbus Region. This is twice as high as the average vacancy rate in Chicago (7.69 percent), and 1.5 times as high as Cincinnati (9.44 percent).[8] This suggests there may be an overabundance of retail space in the Columbus region, as alluded to in the inventory analysis. As expected, vacancy

[8] Integra Realty Report 2007

rates are likely to be lower for new construction in growing areas, and lower in the five Shoppers Goods retail destinations.

Pipeline Development

Despite the relatively high vacancy rate, there is currently a total of 2.8 million square feet of retail space under construction in the regional market. This represents a 6 percent addition to the current inventory. Most of this construction is likely taking place in the region's "hot" spots for regional retail (see Regional "Hot Spots"). These "hot spots" tend to be suburban, towards the fringe of the region, and away from the City's center.

Given that most new retail development is taking place in the suburbs, it will most likely take the form of power centers and lifestyle centers consistent with the big-box, automobile oriented nature of suburban development. Developers will likely continue to focus on new growth areas and have less incentive to build or redevelop in infill locations. This trend presents significant challenges for places like Hamilton Road competing for new retail.

Absorption

The Columbus region's projected net annual absorption rate of retail space between 2007-2009 is 570,000 square feet.[9] This is a significant decrease from the annual net absorption between 2003-2006 of 800,000 square feet.10 The retail market in the Columbus region is expected to slow down, a result of market saturation coinciding with slow anticipated job and resulting population growth. Assuming a target 7 percent vacancy rate, it would take 10 to 11 years to absorb existing vacant and new space.[11] This is particularly long compared with Chicago (6 years) and Cincinnati (2 years).[12] This absorption period suggests that retail vacancy rates are unlikely to decline in the near future potentially curbing development of new retail.

Study Area Evaluation

Inventory

Consistent with its character as a retail corridor, the Hamilton Road Study Area has numerous retail establishments (162). The number of convenience and shoppers goods

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[9] Integra Realty Report 2007
[10] CBRE 1Q 2007
[11] Approximately 6.25 million SF needs to be absorbed at 570,000 SF per yr. (11 years to balance)
[12] Integra Realty Report 2007

establishments are fairly evenly split (72 SG stores, 90 CG stores). This reflects its orientation towards serving both local (CG) and regional (SG) areas.

The preponderance of convenience goods establishments are situated along the Corridor, while shoppers goods establishments are largely located in Eastland Mall. Eastland Mall's stature as a "Super Regional Shopping Center"[13] – according to classification by the Urban Land Institute - anchors the retail market along the Corridor. A distribution of the retail establishments is presented in Table 3.10.

Table 3.10: Study Area Retail Characteristics 2006

		Mall		***Corridor***		***Total***	
	Industry Group	#	Percent	#	Percent	#	Percent
Convenience Goods	Sporting Goods/Hobby/Musical Instrument	0	0%	1	1%	1	1%
	Building Material and Supplies Dealers	0	0%	1	1%	1	1%
	Electronics & Appliance Stores	2	3%	0	0%	2	1%
	Assorted Merchandise (large)	3	4%	3	3%	6	4%
	Book, Periodical, Music, Office Supplies	3	4%	4	4%	7	4%
	Furniture and Home Furnishings	6	8%	5	6%	11	7%
	Eating/Drinking Establishments (Sit Down)	0	0%	11	12%	11	7%
	Jewelry, Luggage, and Leather Goods	13	18%	0	0%	13	8%
	Clothing and Shoes	21	29%	3	3%	24	15%
	Subtotal	48	67%	28	31%	76	47%
Shoppers Goods	Groceries	0	0%	1	1%	1	1%
	Assorted Merchandise (Small)	0	0%	2	2%	2	1%
	Gasoline Stations	0	0%	4	4%	4	2%
	Auto Parts, Accessories, and Tire	1	1%	5	6%	6	4%
	Banks	0	0%	7	8%	7	4%
	Eating/Drinking Establishments (Fast)	7	10%	10	11%	17	10%
	Health & Personal Care	12	17%	7	8%	19	12%
	Miscellaneous	4	6%	26	29%	30	19%
	Subtotal	24	33%	62	69%	86	53%
	Total	72	100%	90	100%	162	100%

Source: BBPC, ESRI Business Information Solutions

A significant share of the shoppers goods establishments are clothing stores and jewelry/leather/luggage stores found in Eastland Mall (49 percent of SG), and dining establishments scattered along the Corridor. The clothing and jewelry/leather/luggage stores offer similar merchandise and cater to shoppers with specific interests, known as a "horizontal cluster". This presents the opportunity to conduct coordinated advertising,

[13] Urban Land Institute

market the shopping niches to a targeted regional audience who appreciate opportunities to compare similar products in a variety of stores, and recruit additional retailers offering similar products.

The preponderance of Convenience Goods establishments are fast-food dining establishments, health and personal care, and miscellaneous shops (77 percent of CG).

Rental Rates and Vacancies

Lease rates in the study area for small format retail range between $7.00 to $12.00 per square foot per year, triple net. This applies almost exclusively to smaller space establishments. This is roughly half as expensive as average rental rates in the Columbus region, represented both an indication of declining quality and an opportunity to recruit non-conventional, niche tenants.

Vacancy rates in the study area average between 15 to 20 percent. This is about twice as high as vacancy rates in the Columbus region.

Retail Sales by Source (Shoppers and Convenience Goods)

Based on discussions with Hamilton Road Study Area business owners and industry knowledge, retail sales were estimated for the retail establishments on the corridor. Given the character of the CG and SG Market Areas and the location of competitive facilities, it has been assumed that approximately 50 to 80 percent of retail sales of shoppers and convenience goods are derived from residents living within a Primary Market Area (PMA). The percentage depends on each retail category. Categories which draw people regionally due to the presence of Eastland Mall – particularly ‘Clothing’ and ‘Jewelry, Luggage, and Leather Goods’ – have a smaller PMA because a larger share of sales is derived from consumers outside the immediate area. Table 3.11 and Table 3.12 provide this distribution of sales by source.

Table 3.11: Shoppers Goods Retail Sales by Source 2006

Category	*Total*	*% of Total*	*Sales from PMA*	*% from PMA*
Automobile Dealers	$0	0%	$0	n/a
Furniture and Home Furnishings	$11,138,840	6%	$7,797,188	70%
Electronics & Appliances	$3,762,128	2%	$3,009,702	80%
Building Material and Supplies Dealers	$1,415,778	1%	$1,132,622	80%
Lawn/Garden Equipment & Supplies	$945,778	1%	$283,733	30%
Clothing	$109,020,497	62%	$54,510,249	50%
Jewelry, Luggage, and Leather Goods	$36,701,506	21%	$14,680,603	40%
Sporting Goods/ Hobby/ Musical Instruments	$945,778	1%	$756,622	80%
Books, Periodicals, and Music	$4,229,806	2%	$3,383,845	80%
Eating/Drinking Establishments (Sit Down)	$8,251,595	5%	$5,776,117	70%
Total	$176,411,705	100%	$91,330,680	52%

Source: BBPC, ULI Dollars and Cents

Retail sales by source in the Shoppers Goods Market indicate that clothing and apparel are a particularly dominant retail category, comprising over 60 percent of the Shoppers Goods retail sales in the study area for a total of $109 million annually. Jewelry, Luggage, and Leather Goods comprise approximately 20 percent of the total retail sales, and combined with the clothing category make up over 80 percent of Shoppers Goods sales. This is attributed to the retail establishments found in Eastland Mall.

Table 3.12: Convenience Goods Retail Sales by Source 2006

Category	*Total*	*% of Total Sales*	*Sales from PMA*	*% from PMA*
Auto Parts, Accessories, and Tires	$2,540,215	4%	$1,778,151	70%
Groceries	$13,465,200	20%	$12,118,680	90%
Specialty Food	$0	0%	$0	n/a
Beer, Wine, and Liquor	$0	0%	$0	n/a
Health & Personal Care	$7,522,642	11%	$6,018,113	80%
Eating & Drinking Est. (Fast Food)	$44,772,800	66%	$22,386,400	50%
Total	$68,300,857	100%	$42,301,344	62%

Source: BBPC, ULI Dollars and Cents

Eating and Drinking Establishments (fast food) represent the largest share of total retail sales in the Convenience Goods Market, comprising approximately 65 percent of total convenience goods retail sales. Notably absent are any sales in specialty food – representing an opportunity for establishing a new retail niche.

Retail Capture Rates (Shoppers and Convenience Goods)

To determine and evaluate conditions of the Hamilton Road Corridor and to establish a baseline understanding of the magnitude of the potential for retail development, market capture rates in the PMA were determined for each retail category. Market capture rates are a measure of the percentage of trade area expenditures by the PMA residents that are "captured" by Study Area retail establishments. Total sales (supply) made to residents in the PMA divided by the total expenditures (demand) made by residents of that PMA results in a percentage that is referred to as a capture rate. Those sales not captured represent the net leakage of retail purchases, the amount of expenditures residents spend outside of the corridor. Table 3.13 and Table 3.14 presents the results of the market capture rate analysis.

Table 3.13: Shoppers Goods Retail Establishments Capture Rates 2006

Category	*Retail Sales to the PMA*	*Retail Expenditure from PMA*	*Capture Rate*
Automobile Dealers	$0	$692,415,193	0.0%
Furniture and Home Furnishings	$7,797,188	$119,630,149	6.5%
Electronics & Appliances	$3,009,702	$103,399,615	2.9%
Building Material and Supplies Dealers	$1,132,622	$100,409,724	1.1%
Lawn and Garden Equipment and Supplies	$283,733	$10,421,092	2.7%
Clothing and Shoes	$54,510,249	$151,469,996	36.0%
Jewelry, Luggage, and Leather Goods	$14,680,603	$15,499,421	94.7%
Sporting Goods/Hobby/Musical Instruments	$756,622	$38,529,029	2.0%
Books, Periodicals, and Music	$3,383,845	$25,636,342	13.2%
Eating/Drinking Establishments (Sit Down)	$5,776,117	$498,836,583	1.2%
Total	$91,330,680	$1,756,247,144	5.2%

Source: BBPC, ULI Dollars and Cents

The comparison of sales to the local market area and total retail expenditure by residents in the local market area reveal that Shopping Goods establishments in the Primary Trade Area are capturing 5.2 percent of the total local market area expenditure. This capture rate is consistent with the idea that Shoppers Goods serve a regional market, and underscores the regional "pull" of Eastland Mall. Consistent with findings in the retail sales by source, the capture rate for Jewelry/Luggage/Leather Goods and Clothing and Shoes are particularly high (94.7 percent and 36 percent, respectively). This represents a competitive advantage in the area, and may enable coordinated marketing opportunities to further promote expenditures in this category.

The low capture rates in electronics and appliances, books/periodicals/music, and sporting goods represent categories where opportunity exists. While purchases in the

Shoppers Goods category are less dependable and regular than convenience goods purchases (i.e. groceries or video rentals) existing establishments in this category could capture additional retail expenditure in the PMA by adding products to their merchandise mix that the market segments in the PMA need. The strength and attractive demographics in the Shoppers Goods Market would also support an increase in total sales as well as recruitment of additional retailers in this category.

Table 3.14: Convenience Goods Retail Establishments Capture Rates 2006

Category	*Retail Sales to the PMA*	*Retail Expenditure from PMA*	*Capture Rate*
Auto Parts, Accessories, and Tires	$1,778,151	$8,401,835	21.2%
Groceries	$12,118,680	$94,671,465	12.8%
Specialty Food	$0	$0	0.0%
Beer, Wine, and Liquor	$0	$0	0.0%
Health & Personal Care	$6,018,113	$22,914,541	26.3%
Eating / Drinking Establishments (Fast Food)	$22,386,400	$78,113,598	28.7%
Total	$42,301,344	$208,506,069	20.3%

Source: BBPC, ULI Dollars and Cents

The capture rate for the convenience goods study area is 20.3 percent. This comparatively larger capture rate than that found in the Shoppers Goods Study Area is consistent with the idea that convenience goods service a local market. However, given that the market area for Convenience Goods is defined as a five minute drive time, this 23 percent capture rate represents an opportunity for growth in the convenience goods market that will better serve the PMA residents.

The highest capture rates are found in fast food eating and drinking establishments (28.7 percent) and health and personal care (26.3 percent). In contrast, there is a capture rate of 10 percent - or retail outflow of $85 million in groceries - a category where sales are dictated less by local buyer preferences and more by proximity and convenience. There is ample opportunity for this category to increase sales to the local market area, through a combination of marketing, improving access, improving performance in existing stores, and/or encouraging development of new stores.

Discussion/Findings (SWOC)

The major advantage of the Hamilton Road Corridor Retail Market is that it is already a well-developed area ripe for redevelopment. It is a regional north-south corridor that experiences high traffic counts, and has good infrastructure and transportation access. There is ample and free existing parking for retail properties on the corridor, which may be attractive to retail recruitment. The low rents and operating costs for existing buildings may attract small business entrepreneurs in scattered sites.

Several of the strip malls are completely vacant, and thus present no constraints on new development opportunities. Undertaking redevelopment at these sites presents the opportunity for a higher income stream for developers/property owners.

The demographics in the Shoppers Goods Market Area are likely to be attractive to new retail development, with projected population and household growth equal to the Columbus MSA and projected incomes of $55,000 by 2011. Furthermore, the community tapestry includes market segments such as *Enterprising Professionals* and *Young and Restless* who have the disposable income and consumer clout to support new development. There are also signs of new residential and community development taking place near the corridor, bringing in new residents who can provide support for retail establishments.

While benefits include support for new development from to a built-in consumer base and low development costs, there are several drawbacks. Most importantly, the Columbus regional retail market is oversupplied with Shoppers and Convenience Goods, and competition for customers is keen. Hamilton Road has an older property stock, where many of them are near their life cycle end, and the corridor lacks high-end retail, dining options, and overall amenities/positive image to attract new customers and tenants alike. Many of these qualities can be found in most newer retail “hot spots” as mentioned earlier, which presents a challenge for tenant recruitment. Finally, while several strip malls are ripe for redevelopment, high occupancy rates in many other strip malls on the corridor provides little incentive to redevelop.

Table 3.15: Retail Strengths, Weaknesses, Opportunities, Challenges

Strengths	*Weaknesses*	*Opportunities*	*Challenges*
• Lower rents • Good Access • High Traffic Counts • New residential/ community development • Incentive to redevelop key opportunity sites (higher income stream) • Ample Parking	• Properties near life cycle end • Significant Competition (Shoppers and Convenience Goods) in proximate and/or within easy access (I-70) • Lower incomes of immediate population	• Redevelop key opportunity sites (Eastland Square) • Establish corridor “identity” • Attract unique, low-rent, non-credit tenants • Amenities/Features • Timing • Availability of development incentives, etc. • Recruit tenants that offer high value	• Attracting regional draw tenants given corridor specific weaknesses and regional oversupply • Attract customers given oversupply in PMA and SMA

Revitalization Opportunities

Given these advantages and weaknesses, taking an incremental approach to revitalize Hamilton Road retail establishments will help set the stage for more long term revitalization strategies. Additional details of retail related revitalization strategies, as well as synthesis with other strategies and required public and private sector roles and responsibilities will be presented in the Revitalization Strategy and Action Plan chapters.

Short-Term Approach

The following represents short-term retail related revitalization opportunities. The timeframe for undertaking and realizing these opportunities is considered to be one to three years.

1. Invest in cosmetic improvements such as façade and pedestrian improvements, lighting, streetscape, etc. to improve the corridor’s image to potential tenants and customers alike.

2. Enhance marketing and market image of the corridor. This may require a coordinated effort among retail establishments, brokers, and public entities such as the City’s Economic Development Division. Such efforts can include festivals or events that highlight the uniqueness of Hamilton Road’s retail establishments. (e.g. Taste of Hamilton Road, Artwalk, etc.)

3. Target and consolidate redevelopment in locations ripe for redevelopment (such as Eastland Square). Such clustering helps to congregate retail consumers and enables them to shop for various items on one trip. This also creates “destinations” allowing for larger and more visible development. Tenants in consolidated facilities also create more financial stability and will be incentivized to improve storefronts, merchandise, etc. Clustering retail development will also contribute to a corridor “identity” that is increasingly important to shoppers who desire a shopping experience.

4. Develop a recruitment strategy for both existing and new tenants. This strategy should be realistic and flexible to attract unique low-rent, non-credit independent tenants to existing retail space varying in type and size. The strategy should look towards recruiting convenience goods tenants that cater to the PMA with low capture rates (e.g. food and beverage stores, specialty food stores, groceries). Overall tenant selection should focus on tenants who offer high value in cultivating an “identity” for the Corridor (e.g. ethnic restaurants, furniture “row”) which helps cement the Corridor as a destination for shoppers. The recruitment strategy should address potential synergies between existing and new businesses along the Corridor.

Long-Term Approach

Longer term opportunities also exist in cultivating retail to attract shoppers goods and entertainment-oriented tenants to the Hamilton Road Corridor. The timeframe for undertaking and realizing these opportunities is considered to be three to five years.

1. Assemble parcels of land in key locations by engaging its property owners. Property owners may choose to sell their parcels or relinquish the development rights but retain a stake in its future appreciation. Land assembly is crucial to implementing retail consolidation, and packaging various parcels together makes it attractive for a developer to acquire and undertake new development.

2. Assuming consolidated development plans and a “destination” factor, recruit shoppers goods and entertainment oriented tenants that are unaffected by local demographic and economic conditions. The tenants may be able to draw more people from the Shoppers Goods PMA or further, areas more affluent and experiencing faster population growth. This may enable landowners’ ability to raise rates and serve to enhance property values.

3. Employ mixed-use revitalization strategies in clustered key locations. A mixed use development format enables a higher capture rate for both shoppers and convenience goods because of the presence of on-site amenities. A mixed use development meets more of a shoppers' needs on-site (e.g. groceries, drugs, furniture) than scattered businesses along a corridor.

3.3 Office Market

The Office Market Analysis evaluates the performance of the Columbus regional office market, as well as the study area's existing office space.

Definition of Market Areas

The Hamilton Roads regional office market is defined as the Columbus Metropolitan Statistical Area, which consists of the City of Columbus and its suburbs. These include office clusters in Worthington, Upper Arlington, Polaris, Westerville, and Easton. The regional office market analysis is divided into an analysis of the CBD (Central Business District) and the suburban market of Columbus.

CBD Suburban Market Characteristics

Inventory

Table 3.16: Columbus Regional Office Space Inventory 2006

	Inventory (SF)	*Percent of Total*
Total	33.5 million	100%
Columbus CBD	12.7 million	37.9%
Suburban	20.8 million	62.1%
Worthington	5 million	14.9%
Arlington	2.6 million	7.8%
Polaris	2 million	6.0%
Westerville	3.3 million	9.9%
Easton	2.2 million	6.6%

Source: BBPC, CBRE

The Columbus MSA Region has a total of 33.5 million square feet of office space. This is approximately equal to the Cincinnati MSA (33.1 million) and only 15 percent of the office space in the Chicago MSA (219 million square feet).[14] Approximately 60 percent of the total office space in the Columbus Region is located in the suburbs, which includes the fastest growing submarkets (see Regional "Hot" Spots). The submarkets comprise over 75 percent of the suburban office market.

[14] Integra Realty Report 2007

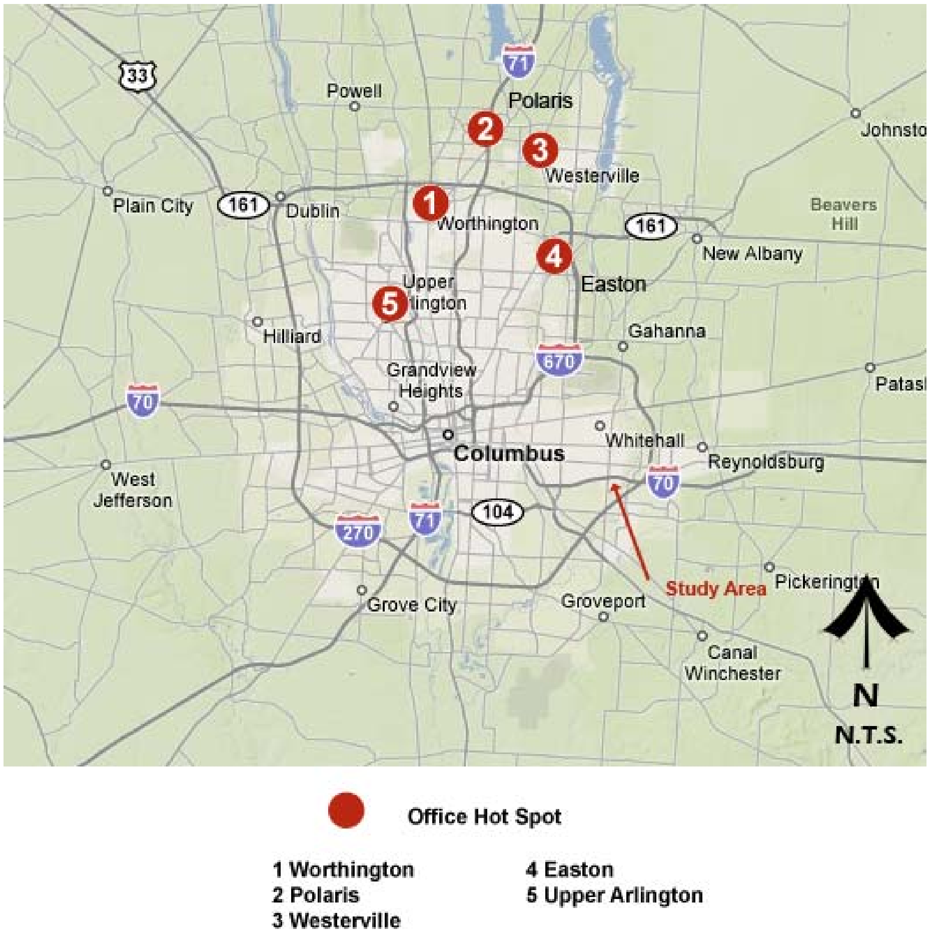
Regional "Hot" Spots

The office market "hot" spots are all located north of Columbus and in the suburban part of the Columbus MSA:

- Worthington—5 million square feet of space, 22% vacant, $17.81 average rental rate
- Polaris—2 million square feet of space, 22% vacant, $19.07 average rental rate
- Westerville—3.3 million square feet of space, 20,000 square feet under construction, 18% vacant, $16.65 average rental rate
- Easton—2.2 million square feet of space, 101,000 square feet under construction, 4.9% vacant, $21.83 average rental rate
- Upper Arlington—2.6 million square feet of space, 180,000 square feet under construction, 12% vacant, $17.87 average rental rate

The Worthington Market is the largest submarket in terms of square footage, with five million SF of office space. Performance in the submarkets closer to the CBD (Upper Arlington and Easton) appear to be strong, with the lowest vacancy rates of all the submarkets and a combined 100,000 to 180,000 square feet of space under construction.

Map 3.4: Office Hot Spots



Source: Google Earth, BBPC

Rental Rates

Table 3.17: Columbus Regional Office Space Rental Rates 2006

	Rental Rates/SF/Year (Class A)
Columbus CBD	$21.10
Suburban	$18.50
Worthington	$17.81
Upper Arlington	$17.87
Polaris	$19.07
Westerville	$16.65
Easton	$21.83

Source: BBPC, Grubb & Ellis Research 4th Quarter Columbus Update

Rents in the Columbus CBD continue to outpace office rents in the suburbs, representing a competitive advantage for suburban Class A space. Average rents for Class A office space in 2006 were $21.10 per square foot in the CBD and $18.50 per square foot in the suburbs (Figure 25). These rents are slightly higher than Class A Office Space in the Cincinnati MSA ($19.29 CBD, $18.17 Suburbs) and lower than Chicago MSA ($36.19 CBD, $24.70 Suburbs)

The Easton submarket has the highest rates in the suburbs of $21.83 per square foot, while the suburb of Westerville has the lowest average lease rates of $16.65.

Vacancies

Average vacancy rates in 2006 for Class A, B, and C space in 2006 were 15.3 percent in the CBD and 16.7 percent in the suburbs. In a national context, this overall is slightly higher than the Chicago MSA (14 percent CBD, 16 percent Suburban) and lower than the Cincinnati MSA (15 percent CBD, 19.6 percent Suburban).[15] Vacancy averages within the five "hot" spot submarkets range from 11 to 22 percent. Rates in the relatively strong Easton submarket are significantly lower than other submarkets (1.9 percent), and this submarket is seeing a relatively large amount of office space under construction (100,000 square feet).

Table 3.18: Regional Office Space Vacancy Rates 2006

	Vacancy Rates
Columbus CBD	15.3%
Suburban	16.7%
Worthington	21.9%
Upper Arlington	11.7%
Polaris	22.0%
Westerville	18.2%
Easton	1.9%

Source: BBPC, Grubb & Ellis Research 4th Quarter Columbus Update

Sources of Market Demand (Employment Growth)

In 2006, the largest employment sectors in the Columbus regional office market were Services (26.7%), Government (16.7%), and Business Services (14.7%) [Table 3.19]. The Services and Business and Professional Services industries are also two of the fastest growing employment sectors in the region, outpacing overall growth in the regional market by 0.5 percent and 1.8 percent, respectively. Financial activities also

[15] CBRE 1Q 2007

constitute 8 percent of 2006 total employment, although its share is planned to decrease through 2011. Altogether, the Services, Business and Professional Services, and Financial Activities employment sectors constitute 50 percent of the employment in the region.

Table 3.19: Columbus Regional Sources of Market Demand

Sector	*Total Employment*	*% of Total*	*2005 - 2006 % Growth*
Services	293,700	26.7	1.2
Business Services	161,700	14.7	2.5
Financial Activities	88,000	8.0	-0.7
Government	183,700	16.7	0.6
Retail Trade	134,200	12.2	-0.6
Wholesale Trade	44,000	4.0	-1.3
Transportation	46,200	4.2	1.3
Manufacturing	96,800	8.8	-0.2
Construction	50,000	4.6	5.4
Total	1,100,000	100	0.7

Source: BBPC, Integra Realty Report 2007, Grubb & Ellis Research 4th Quarter Columbus Update

In 2007, overall employment growth in the Columbus regional office market is projected to grow 2.12 percent annually[16]. This is slightly below the projected average annual CMSA growth rate of 2.37 percent.[17]. This employment growth rate suggests that net absorption of office space in the Columbus market will likely be slower than average, and relatively little of the new construction will be speculative.

Absorption

The Columbus CBD and suburban office markets are projected to absorb 715,000 square feet of office space annually between 2006-2011, with the suburbs anticipated to capture 70 percent (509,000 square feet) of that growth annually leaving the CBD to capture 30 percent (206,000 square feet). The annual absorption rate is on par with the 2003-2006 trends which were 500,000 square feet of annual absorption in the suburban markets. The Chicago MSA is projected to absorb approximately 4 million square feet a year, and the Cincinnati MSA approximately 750,000 square feet annually[18]. The Columbus region's lower absorption rate is consistent with its smaller projected annual employment growth (252,000 employees) over the next five years than Cincinnati (252,300) and Chicago (746,400)[19.]

[16] Integra Realty Report 2007
[17] Id
[18] Id
[19] Id

Assuming a 10% target vacancy rate, it should take approximately 6-7 years to absorb existing vacant and new space across the Columbus MSA. While this is twice the national average (3.7 years), the implications this may have for future vacancy rates and new construction in Columbus will vary with the strength of the submarket (e.g. submarkets with low vacancy rates and high lease rates such as Easton will likely experience a large amount of office development).

Study Area Market Characteristics

Inventory

Table 3.20: Study Area Office Inventory 2006

Building Name	***Square Feet***
Eastland Mall (Adjacent to Food Court)	15,000
Hamilton Conference Center	75,000
Eastland Executive Square	100,000
Eastland Executive Square East	100,000
4545 Logistics Center	50,000
4300 Kimberly	100,000
4200 Kimberly	50,000
Lionmark Corporate Center	400,000
Eastland Professional	50,000
Total	940,000

Source BBPC, CBRE

The office market in the Hamilton Roads Study Area represents a small share of the City and region's inventory – approximately 940,000 square feet, which is 7.4 percent of the Columbus Central Business District and less than 5 percent of the Columbus suburbs. However, this represents a significantly large inventory relative to other land uses in the Study Area and relative to the size of the Study Area.

The landscape of the office market is characterized by small, low rise, and scattered free standing office buildings. Many of them are in scattered, aging, Class C office buildings. This office market is predominantly occupied by small-sized tenants who have minimal space requirements. With the exception of the Lionmark Corporate Center, most of the Office Space is not Class A. Four of the nine major office developments are located near the Eastland Mall (Eastland Mall-Space Adjacent to the Food Court, East Executive Square, Eastland Executive Square East, Eastland Professional), likely due to its status as a destination. Figure 29 lists major office developments on the Corridor.

Rental Rates

Average rents for Class A, B, and C office space are significantly lower than that of the CBD and the suburbs, with asking rents at $7.00 to $9.00 per square foot triple net. This is one-half to one-third of the average rates found in the CBD and suburbs. The rates reflect the older office stock and the lack of Class A office space on the corridor.

Vacancies

The Hamilton Road Corridor has an average vacancy rate of just over 20 percent, higher than the 15 percent vacancy rate in the CBD and 16.7 percent in the suburbs. This reflects the lack of other corporate tenants and quality Class A office space to accommodate them. It also reflects Hamilton Road Corridor's lack of requisite amenities – restaurants, shopping centers, etc. - to attract large tenants.

Larger, multi-tenant office space within the Hamilton Road Corridor exists in the Lionmark Corporate Center and 4300 Kimberly Lane. The Lionmark Corporate Center has averaged a vacancy rate of 28 percent in the past three to four years, and 4300 Kimberly Lane is currently 100% vacant. One of the challenges in the Lionmark Corporate Center is the presence of large floorplates that cannot be subdivided for smaller users. However, the complex is currently pursuing lease deals with non-conventional users, such as private higher education institutions, to secure a long term lease which would have a significantly positive impact on the Corridor. Owners of 4300 Kimberly Lane are debating a property auction.

Discussion/Findings (SWOC)

The advantage of the office market on the Hamilton Road Corridor resides in its locational benefits and site-specific advantages. The Corridor offers exceptional interstate access for commuting workers, with a connection to I-70. Lease rates are one-half to one-third the level found in the CBD and suburbs, with parking ample and free, which may translate into low operating costs for tenants. Flexspace is also available in the Lionmark Corporate Center. While much of the current office inventory outside of the Lionmark may not be Class A, they may represent the ideal location for small-scale tenants on the east side of town seeking lower rates and closer proximity to downtown.

Many of the conditions that give rise to the advantages of the Hamilton Road Office Market, however, may also impede its long-term value enhancement. Job growth in the Columbus region is slow, and most of the office properties on the corridor are deteriorating, obsolete, and near their life-cycle end. The corridor also offers limited amenities to employees. Rising tenant improvement costs (approximately 30 percent increase in 2006) may dissuade landowners to improve their properties. Along with keen regional competition (e.g. Polaris, Easton, etc.), these Corridor-specific weaknesses have been an obstacle in attracting regional tenants.

Although the Hamilton Road Corridor offers interstate access, there is poor local road access. Furthermore, although small-scale tenants are attracted to its location and low rents, there are limited small suites available, as most vacancies are appropriate for large scale users. Most of the office properties tend to be scattered along the Corridor; these individual facilities are less likely to offer upgraded office amenities whose costs and capital improvements can be shared between tenants.

Table 3.21: Office Strengths, Weaknesses, Opportunities, Challenges

Weaknesses	*Challenges*	*Strengths*	*Opportunities*
• Properties near life cycle end • Scattered sites • Limited amenities for employees • Limited small suites • Available (major vacancies appropriate for large scale users) • Poor local road access	• Slower job growth (Columbus MSA) • Attracting regional draw tenants give corridor-specific weaknesses and regional competition (Polaris, Easton, etc.) • Rising tenant improvement costs (2006 – 30% increase)	• Subordinate rents • Good Interstate Access • Ideal location for small scale tenants on east side of town seeking closer proximity to downtown • Free parking • Available flex space (Lionmark)	• Attract non-conventional office users (academies, institutes, vo-tech programs, social services) that serve PMA residents • Collaborate with commercial brokers in finding tenants • Consider strategies to facilitate subdivision of large spaces for smaller tenants • Condominium conversions • Provision of more amenities

Revitalization Strategies

Given these advantages and weaknesses, the Hamilton Road office market offers unique opportunities both in the short term and long term. Additional details of office related revitalization strategies, as well as synthesis with other strategies and required public and private sector roles and responsibilities will be presented in the Revitalization Strategy and Action Plan chapters.

Short Term Approach

1. Invest in cosmetic improvements such as façade and pedestrian improvements, lighting, streetscape, etc. to improve the corridor's image to potential tenants and customers alike.

2. Facilitate subdivision of large office spaces. Given the current difficulty in attracting large tenants, subdividing large spaces will cater to the need of small scale tenants seeking lower rents in smaller spaces and likely increase occupancy rates, particularly in largely or completely vacant office buildings.

3. Enhance marketing efforts, including outreach that highlights opportunities for non-conventional uses such as medical offices, educational institutions and tenants seeking flexspace.

    a. The Hamilton Road Study Area's demographics and comparatively lower rents may be attractive to non-conventional office users that serve the Primary Market Area residents (e.g. academies, institutes, vo-tech programs, social services, etc.) The Divisions of Planning and Economic Development and brokers can work together in soliciting interest and facilitating the dialogue between property owners and end users.

    b. Recruit Medical Office tenants/medical complex. Medical office space generally has 20%-30% higher lease rates/SF than traditional office space. Office space in the Lionmark Corporate Center may also be attractive to medical tenants due to its large scale space, as well as flexspace that can be used for research and development purposes. This will likely require retrofitting the existing space to meet the medical tenants' needs.

Long Term Approach

1. Incorporate office space into mixed-use projects. Office space can be better supported in clustered sites where different uses complement each other (e.g. retail amenities for employees, office space on second floor and retail on ground floor, etc.). Mixed-use, consolidated sites are generally more visible, more accessible (benefiting from being a "destination"), and offer more on-site amenities than scattered office sites. Additional amenities will be better able to attract office users to the location.

2. Property owners of office space may also consider office condominium conversions given that the Corridor caters largely to small-scale office users who may be interested in ownership. Many small scale tenants – such as dentists, attorneys, etc – who are looking to settle long term in an area may be attracted to owning a small office rather than continuous leasing. The office market on the Corridor should be sensitive to the needs of such users and their long-term investment goals.

3.4 Residential Market

The residential apartment market analysis provides an overview of the residential market in the Columbus region and a defined study area, as well as the residential study area's position within the larger regional context.

Our analysis will focus mainly on the rental market in both the Columbus region and the Study Area for two reasons: first, the preponderance of residential uses along the Corridor is rental apartments instead of condominiums; and second the Columbus condominium market—with the exception of some recent activity in downtown Columbus—is currently witnessing little movement across the region, both in new development and resales. Combined with the recent downturn in the national housing market and the tightening of credit, condominium development is unlikely to be a significant revitalization option for the Hamilton Road Corridor.

The residential analysis classifies the apartment inventory in the Columbus region into three distinct categories:

- Luxury—Luxury Apartments are no more than five years old. The units contain amenities such as new hardwood floors, central heat/air, stainless steel or upgraded appliances, high-ceilings, high capacity washer/dryers and built-in unique architectural and design features such as bookshelves, wine racks, etc. Project amenities may include secure access, reserved parking, a swimming pool, workout facility, and conference center. Unit sizes range from 1,000 to 1,200 square feet.

- Good—Good Apartments may run between 10 to 25 years old. The premises are generally well maintained by an-site property management and owners often put capital improvements into the property and the units (e.g. landscaping, new appliances, windows, etc.). Units may have hardwood or carpeted floors and a mixture of old and new appliances (depending on capital improvements). Project amenities may include reserved parking, tennis courts or pools (older than Luxury apartments), on-site laundry, etc. Unit sizes range from 700 to 1,000 square feet.

- Average—Average Apartments are usually over 25 years old. The project may or may not have on-site property management; units may be managed by apartment owners themselves. Units may contain older floors (hardwood or carpeted), older appliances, and ceilings no higher than nine feet, no washer/dryer hookups. Capital improvements are put into units at a slower rate or not at all. Project amenities may include free parking (not reserved), on-site laundry, and storage space. Unit sizes range from 700 to 1,000 square feet.

Definition of Study Areas

Regional Market

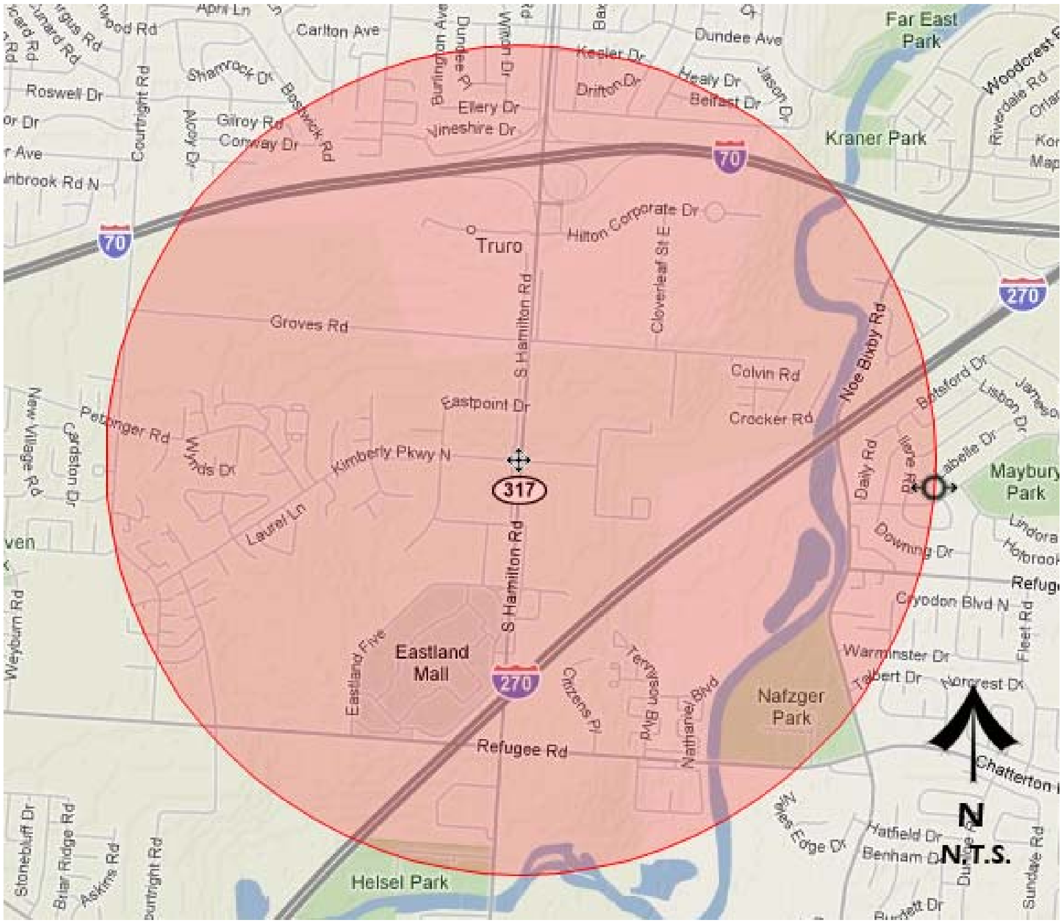
The Columbus regional residential market is defined as the Columbus MSA, which includes both the CBD and the suburbs.

Study Area

The residential market for the Study Area is defined as the 1-mile radius from the intersection of Hamilton Road and Kimberly Parkway. This 1-mile radius runs approximately a quarter-mile north of I-70, a quarter mile south of I-270 to the boundary with Whitehall, westward to Courtright Road, and stretches approximately a quarter mile east of Noe Bixby Road [Map 3.5].

The 1-mile radius covers nearly all the residential neighborhoods in the Hamilton Road Study Area as defined in Section 3.1, as well as some of the neighborhoods above I-70 that are not included in the Hamilton Road Study Area.

Map 3.5: Residential Study Area



Source: BBPC, ESRI Business Information Solutions

Study Area Regional Characteristics

Inventory

In 2006, the Columbus MSA contained a total of 119,121 rental apartment units, which is about 90,000 units less than the Detroit MSA (188,000) and about 9,000 units more than Cincinnati (110,258)[20].

The residential Study Area includes 5,404 housing units, of which 1,217 are single family detached homes (23 percent of total units) and 671 are single family attached or in a structure with only one other unit (12 percent of total units). There are 3,515 apartments in the study area, of which 1,130 are in multifamily structures with 3-4 units (21 percent of

20 Integra Realty Report, 2007. The Detroit and Cleveland MSA are used as benchmarks for comparison for the residential component, due to more similar market conditions and absorption schedules

total units), 1,612 units in a structure with 5-20 units (30 percent) and 773 units in a structure with over 20 units (14 percent).

Table 3.22: 2000 Study Area Housing Units by Structure

	Units	*Percent of Total*
Single Family Detached	1,217	23%
Single Family Attached	671	12%
Apartments		
In 3-4 Unit Structure	1,130	21%
In 5-10 Unit Structure	1,612	30%
In 20+ Unit Structure	773	14%
Total	5,404	100%

Source: U.S. Census, BBPC

The large amount of apartments (65 percent) reflect a predominantly rental market. The quality of the housing stock in the Study Area is generally between "average" to "good", with the vast majority classified as "average". None can be classified as luxury.

The dominant tapestry group classifications mentioned earlier in the demographic and economic Profile - Inner City Tenants, Young and Restless, etc. - are consistent with the more transient and renter profile of the neighborhood. The housing stock generally caters to people seeking high value (average-to-good quality stock) at an affordable price.

Vacancies

The vacancy rate for the Columbus residential market in 2006 was 8.2 percent, which translated into 9,766 vacant units[21]. This is approximately one percent higher than the market in Detroit (7.17 percent), over 2 percent higher than the vacancy rate in Cleveland (6.00 percent) and 2.4 percent higher than the national average of 5.8 percent.

The higher than average vacancy rates presents challenges for the Columbus region. In efforts to attract tenants, landowners are offering significant concessions to prospective residents. Such concessions include the first month free rent, provision of new appliances, and waiver of the application fee.

Based on discussions with local brokers and property owners in the area, the quoted average vacancy rate for apartments in the study area is at least 6 percent, with a 4 percent margin of error. This translates into a vacancy rate ranging between 6 to 10 percent. This is on par with vacancy rates in the Columbus region as a whole (8.2 percent)

[21] Id

Similar to the Columbus region, there are significant concessions being offered to draw tenants in, including features such as free rent for the first month, reduced deposit, new appliances, and waiver of the application fee.[22]

Absorption

Despite the higher than average vacancy rate, the Columbus Region is projected to see a 260 percent increase in its annual absorption for new apartments over the next two years. This is attributable to the national trend of tightening credit combined with housing costs still being significantly higher than the past several years, resulting in more formerly prospective home-buyers now choosing to rent and wait to buy. The Columbus Metro Region experienced an average annual net absorption rate of 248 units between 2003-2006; absorption is expected to increase to 664 units annually between 2007-2009.[23] This is comparable to Cleveland's anticipated annual absorption (635 units) and less than half of Detroit's (1,467).[24]

Assuming a 5 percent target vacancy rate, it will take the Columbus MSA approximately 7 years to absorb existing vacant and new apartment units. The length of the absorption period and the amount of development in the 2007-2010 pipeline suggests that vacancy rates are not likely to drop appreciably over the next three years.

Rental Rates

Rental rates/SF/Month for apartments in the Columbus region are approximately $1.10 per square foot for luxury apartments, $0.70 for good apartments, and $0.66 for average apartments. Assuming apartments are between 1,000 to 1,200 square feet for luxury, and 700 to 1,000 square feet for "good" and "average", this translates into roughly into $1,100 - $1,320 per month for luxury units, $490-$700 per month for good units, and $462-$660 per month for average apartments. Rental rates are also heavily affected by location of the properties, which is higher in downtown, OSU, and near most regional retail "hot spots".

The average rental rate for an "average" quality apartment in the Study Area is $0.60 per square foot per month, which translates into approximately $600 per month for a 1,000 square foot unit. This is 10 percent lower than the regional rental rate for "average" quality apartments.

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[22] Apartments.com
[23] Id
[24] Id

Table 3.23: Columbus Regional Apartment Rental Rates 2006

Property Type	***Size (SF)***	***Price ($)***	***Average Rent/SF/Month***
Luxury	1000 - 1200	$1,100 - $1,320	$1.10
Good	700 – 1000	$490 - $700	$0.70
Average	700 – 1000	$462 - $660	$0.66

Source: BBPC, Apartments.com

Pipeline Development

The Columbus region currently has 3,374 apartment units under construction between 2007-2010, which represents 2.8 percent of the total inventory. This is higher in absolute terms than the pipeline in the Cleveland MSA (2001) and less than the Detroit MSA (3800).[25] This percent under construction of total inventory is less than the national average of 3.7 percent.

There are two notable residential projects currently planned or under development in the Study Area. One is being developed by Maronda Homes, a national residential developer of new home communities. The project is located on a 39-acre tract of undeveloped land bordering the Eastland Mall to its northwest.[26] Assuming a residential zoning of 4 single family homes to an acre, the Maronda Project can potentially bring 126 new single family homes to the residential Study Area (although its development is likely to be staggered over 3-4 years).

Another notable residential project discussed in the Hamilton Road Study Area is the Fort Rapids Holiday Inn, near the intersection of Hamilton Road and I-70. There are 64 condominium units proposed, but the project is currently put on hold until market conditions improve.

Discussion/Findings (SWOC)

The residential market in the Hamilton Road Corridor benefits from its affordability (low rents, free parking), along with good transportation access (good interstate access, well-served by public transit). Predominantly rental housing, it matches the major tapestry segments in or near the study area (e.g. Inner City Tenants, Young and Restless) that are mostly transient, many of whom are seeking value ("average" quality) at an affordable

[25] Id
[26] Franklin County Tax Assessors 2007

price. There are also signs of market support for single family detached housing, as evidenced by Maronda Homes' development plans behind Eastland Mall.

Despite these advantages, much like the weaknesses in the retail and office market the Hamilton Road Corridor offers limited amenities to residents, a characteristic which factors heavily in residential preferences. Also like the office and retail market, many of the residential properties are aging and near their life-cycle end, and nearly all of the housing stock is classified in the "average" category rather than "good". There are no luxury apartments along the Corridor.

The Corridor's niche as an affordable area, along with slow regional job growth and high vacancy rates both in the Study Area and the Columbus region, has resulted in minimal incentive for property owners to substantially invest in upgrading or redeveloping their properties. Few external improvements are being made to the residential stock, and lack of competition from new developments provides even less incentive to do so. The relatively high vacancy levels, limited amenities, and the older nature of the housing stock provides minimal market incentive to undertake new multi-family development. All of this presents a challenge for Hamilton Road's ability to broaden its appeal to the larger market.

Table 3.24: Residential-Apartments Strengths, Weaknesses, Opportunities, Challenges

Weaknesses	***Challenges***	***Strengths***	***Opportunities***
• Properties near life cycle end • Limited Amenities for residents	• Slow regional job growth • High regional vacancy levels • Minimal incentive to upgrade (Lack of competition from new developments, no external improvements) • Minimal market incentive for multi-family development (high vacancy levels, limited amenities)	• Low rents • Good Interstate Access • Public transit • Free parking	• Key opportunity sites for redevelopment • Encourage recruitment of businesses that employ local residents • Encourage mixed use development that includes on-site amenities • Development of senior housing affiliated with faith-based organizations

Revitalization Strategies

Due to the poor conditions in the national housing market and the tightening of credit access, housing market conditions will likely need to improve before Hamilton Road Corridor can see significant private investment and redevelopment. However, the residential component is crucial to the long-term revitalization of the Hamilton Road Corridor. Retail follows rooftops, and these amenities play a large role in positioning office development as well. The following recommendations will set the stage for more long-term revitalization.

New residential development along Hamilton Road should continue to be in the form of apartments targeting young, entry-level professionals as described in the Tapestry Profile. The senior housing market in the Columbus region currently is weak, much like the national housing market. However, seniors and "baby boomers" will be one of the fastest growing demographics in the next five years, and development of senior housing units over the long term will be a crucial opportunity to improve the Hamilton Road housing market.

Additional details of residential related revitalization strategies, as well as synthesis with other strategies and required public and private sector roles and responsibilities will be presented in the Revitalization Strategy and Action Plan chapters.

Approach

1. Invest in cosmetic improvements such as façade and pedestrian improvements, lighting, streetscape, etc. to improve the corridor's image to potential tenants and customers alike.

2. Promote stronger connections to adjacent districts. The Hamilton Road Corridor is currently a predominantly retail corridor with I-70 to the north and I-270 to the south. By making transitions between adjacent districts more seamless, it can promote more connectivity between residents and their environment. It may also enhance the accessibility of neighborhood destinations to attract regional shoppers, which is crucial to the viability of mixed-use developments.

3. Encourage recruitment of businesses that employ local residents.

4. Encourage development of senior housing affiliated with faith-based organizations. The potential to offer an opportunity to realize reduced housing

costs and attract more members to their immediate market area may align with the missions of these organizations.

5. Create policies to encourage residential development to developers, such as strengthening homeownership programs, tax increment financing, upgrading infrastructure, and offering financial incentives such as limited-term property tax abatement.

6. Target key opportunity sites for redevelopment. As outlined in the retail strategies, the Development Department should look into key areas to consolidate retail and residential mixed-use programs, and develop plans to channel development into these areas, which may involve rezoning for mixed use. This will support the desired on-site, mixed-use amenities, as well as new development of “good”-to-“luxury” apartments, that may widen the appeal to demographics outside the immediate PMA.

3.5 Hospitality Market

The hospitality market analysis looks at the performance in the Columbus regional lodging market, the study area's lodging inventory, and the position of the study area within the larger regional context.

Definition of Market Areas (CBD, Suburban Markets, Study Area)

The Hamilton Roads regional hospitality market is defined as the Columbus Metropolitan Statistical Area, which consists of the City of Columbus CBD as well as its suburbs. The smaller scale study area is defined as the same boundaries of the Hamilton Road Study Area described earlier in **Error! Reference source not found.**.

CBD Suburban Market Characteristics

Inventory, Occupancy Levels, ADR/RevPAR

The Columbus MSA region comprises approximately one-fifth of the total lodging industry in the State of Ohio with 24,575 rooms in approximately 170 hotels [Table 3.25]. The lodging supply runs the gamut of hotel product types, including luxury hotels, convention hotels, budget/economy facilities, all-suite/residence hotels, etc.

The ADR and occupancy rate in the Columbus hospitality market approximate that of the State of Ohio, although they are slightly higher in the Columbus market Table 3.25]. The occupancy rates in the Columbus MSA are 58.9 percent and 55 percent in the State. Both are 11 to 15 percent short of the normalized occupancy industry standard of 70 percent and less than the national average of 63 percent[27]. The Average Daily Rate (ADR) is $70-$71 for both Columbus and the State, although the revenue per occupied room (RevPAR) is nearly $6 higher in Columbus.

Table 3.25: Columbus Regional Hospitality Inventory

2005	*Occupancy*	*ADR*	*RevPAR*	*Room Supply*
Columbus MSA	58.9%	$71.45	$44.09	24,575
State of Ohio	55%	$70.34	$38.65	122,428

Source: Hotel and Leisure Advisors, 2005

[27] Integra Realty Report 2007

There were 645 hotel rooms added to the hospitality market in the Columbus MSA in 2006, representing a 2.6 percent increase from total hotel development in 2005. In terms of new development, four of the hotels represented new construction, and one represented an expansion (Holiday Inn Fort Rapids). Most of the development occurred in the suburbs, although a 125-room Residence Inn was completed downtown.

Table 3.26: New Hotel Development in Columbus Regional Market

Hotel	*# of Rooms*	*Market*
Drury Inn and Suites	180	Grove City
Candlewood Suites	122	Polaris
Residence Inn	125	Downtown
Hilton Garden Inn	158	OSU
Holiday Inn Fort Rapids Addition	60	Hamilton Road
Total	645 (2.6% Increase from 2005)	

Source: BBPC, Hotels.com

Study Area Characteristics

Inventory and Recent Updates

There are a total of 751 hotel rooms in the Hamilton Roads Study Area, representing three percent of the hotel inventory in the Columbus Region. There are a total of four hotels in the Study Area, and three of them are clustered around the Hamilton Road and Groves Road intersection. The Hamilton Road Plaza Hotel is a low rise hotel at the intersection of Hamilton Road and Groves Road, and was formerly a Howard Johnson Hotel. The Residence Inn is an extended-stay hotel operated by Marriott, and is located right next to the Hamilton Road Plaza Hotel. The Knights Inn is an economy/budget hotel located west of the Hamilton Road Plaza Hotel. The Fort Rapids Holiday Inn is a remodeled hotel with an indoor waterpark located one block northeast of the Hamilton Road Plaza hotel.

Table 3.27: Study Area Hotel Inventory 2006

Hotel	*Rooms*	*Weekday Rack Rate*
Knights Inn	106	$47.65
Fort Rapids Holiday Inn	360	$80.10
Residence Inn	80	$119 for a studio
Hamilton Road Plaza Hotel	205	$62.00
Total	751	

Source: BBPC, Columbus Convention and Visitors Bureau

Hotels in the Hamilton Road Study Area are predominantly economy and midscale. However, there have been signs of reinvestment. The Hamilton Road Plaza Hotel is in the process of receiving new ownership (previously a Howard Johnson) and has made improvements in the façade, lobby, and anticipate making operational changes as well. Additionally, the Fort Rapids Holiday Inn attains over 80 percent occupancy in peak seasons due to its unique indoor waterpark, and in 2006 added an additional 60 rooms to its facility.

Discussion/Findings (SWOC)

The advantages of the hospitality market in the Hamilton Road Corridor – like its other property sectors – include relatively low room rates, free parking, and good interstate access to both I-70 and I-270. Being located off the highway and proximate to the downtown Columbus, it may also be appealing to corporate/business visitors as well as some leisure tourism. The hotel products in the Study Area are diversified across different lodging sectors (Extended Stay/Corporate – Residence Inn, Family – Fort Rapids Holiday Inn, Budget/Economy – Knights Inn) and are in complementary service classes rather than competing directly with one another.

However, the Hamilton Road Corridor still presents obstacles for the hospitality industry in attracting leisure and business tourism alike. The limited amenities for guests (e.g. entertainment, dining options), and older, non-revitalized quality of the surrounding environment present challenges in attracting leisure tourists. Additionally, business tourism suffers from the slow regional job growth and limited proximate professional employment. Access to individual hotels – most notably the Fort Rapid Holiday Inn – could be made more visible and improved.

However, the Hamilton Road hospitality market is seeing signs of moving in the right direction. New ownership of the Hamilton Road Plaza Hotel will spur reinvestment and provide private capital and new opportunities to improve performance and capture a larger share of the underserved market in Eastern Columbus. The Fort Rapid Holiday Inn is also riding on a national trend of facilities designed around a theme. It is anticipated that there will be 73 new hotels nationwide with waterparks created between 2005-2007, a 68 percent increase.[28]

In addition, the corridor has an opportunity to take advantage of commercial and industrial growth activity near Port Columbus Airport and Rickenbacker International Airport. The area surrounding Port Columbus International Airport is engaged in a major revitalization planning effort designed to bring significant new commercial growth to this area. Meanwhile, Rickenbacker, located eight miles south of the Hamilton Road corridor,

[28] Integra Realty Report 2007

serves over 35 million SF of downtown office, numerous industrial parks, and over 125 companies. Spurred by recently adopted tax incentives and a new City focus, this area is fast becoming the center of logistics, industrial, and commercial development in Central Ohio. As these areas continue to grow, the Hamilton Road Corridor may have the opportunity to capture new corporate demand seeking lodging and accommodations both proximate to the city's airports and convenient to downtown.

Table 3.28: Hospitality Strengths, Weaknesses, Opportunities, Challenges

Weaknesses	***Challenges***	***Strengths***	***Opportunities***
• Limited proximate professional employment • Local Access (Fort Rapids Holiday Inn) • Limited Amenities for Guests	• Slow regional job growth • Negative perceptions of surrounding environment	• Lower room rates • Good interstate access (Attractive to both business travel and tourism) • Proximate to downtown • Banquet space (Fort Rapids Holiday Inn and Hamilton Plaza Hotel) • Complementary Service Classes (Extended stay, corporate, family) • Free parking	• Attract corporate seeking downtown proximity and high value • Attract new ownership/ reinvestment given availability of private capital and opportunities to improve performance and capture underserved eastern markets • Capitalize on commercial and industrial growth activity surrounding Rickenbacker Int'l Airport

Revitalization Strategies

Given these advantages and weaknesses, taking an incremental approach to revitalize Hamilton Road lodging establishments will help set the stage for more long term revitalization strategies. Additional details of hospitality related revitalization strategies, as well as synthesis with other strategies and required public and private sector roles and responsibilities will be presented in the Revitalization Strategy and Action Plan chapters.

Incremental Approach

1. Invest in cosmetic improvements such as façade and pedestrian improvements, lighting, streetscape, etc. to improve the corridor's image to potential tenants and customers alike.

2. Attract new hotel ownership and/or reinvestment. Improvements to the former Howard Johnson Hotel are signs that new management may offer the resources and perspective to attract attention and enhance performance.

3. Continue to attract corporate users seeking downtown proximity and high value. Hamilton Road is approximately eight miles east of downtown, and the average daily rate for the Knights Inn and Hamilton Plaza Inn (rack rate $47.65, $62.00) on Hamilton Road are likely half and two-thirds the Columbus Region average, respectively. This may appeal to the budget conscious business traveler who wants to be close to downtown.

Long term Approach

1. Target the underserved hospitality market southeast of Hamilton Road. The relatively little hotel competition in the area southeast of Hamilton Road and untapped market/growth near Rickenbacker International Airport may suggest sufficient demand for additional lodging facilities, particularly Airport oriented hotels.

2. Continue to develop the niche hotel market, such as the theme based hotel at Fort Rapids Holiday Inn. New niche hotels (e.g. indoor waterparks, Nickelodeon themed hotels) are destination hotels and can attract people from beyond the Columbus region. Increased tourism can also support new retail and amenities on the Corridor.

3. Cultivate the dual markets of business and leisure tourism. The interstate access along the Hamilton Road Corridor may be attractive to business tourists, and the growing niche hotel market may be attractive to leisure tourists. In addition, strong demand in both markets offer potential weekly and year round demand for lodging. Leisure tourism tends to be high during the summer and weekends, and business tourism during the weekdays year round.