

Comprehensive Market Strategy Old Brooklyn and Brooklyn Center Neighborhoods

Prepared for:

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1.0 Executive Summary

The Old Brooklyn Community Development Corporation (OBCDC) has hired Anderson Economic Group to conduct a Comprehensive Market Strategy, which began with a study of 16 sites in Wards 15 and 16 (the Study Area) of Cleveland, Ohio. This report details the development potential for retail, housing, office space, and sports and recreational venues.

Our objective for this strategy is to guide future planning and development in the Study Area, and build upon related planning efforts already underway in the market. This report presents our recommendations and comprehensive strategy for the Study Area based on our experience, research, market tours and field analyses, demographic factors in the market, and assessment of local economic indicators. Our conclusions are based on current market supply, qualified by consumer demand, and also reflect the market position of the Study Area within the entire local market and region.

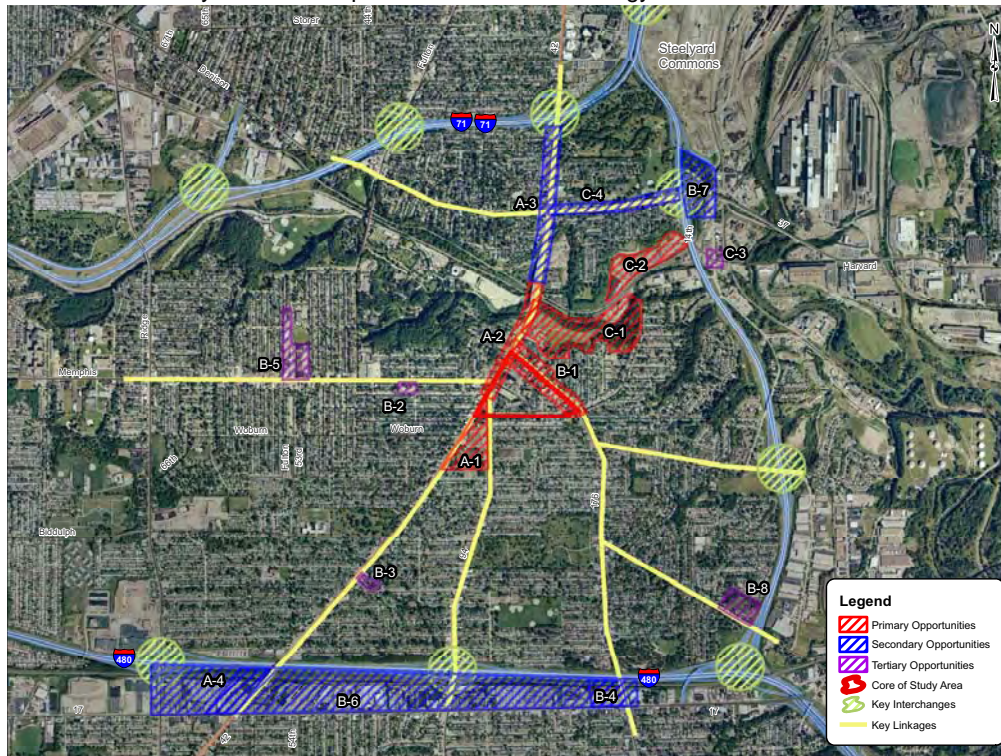
1.1 Development Strategy

There is significant development occurring in and around the Study Area, partially due to the Steelyard Commons development, and also attributable to pent up demand for shopping and living options. The timing is favorable for the Study Area to expand these options and to pursue urban revitalization and a new growth strategy.

To manage the allocation of resources, we have prioritized designated opportunity sites for the Study Area into two groups:

- *Primary Strategy*, which are most vital and serve as catalysts for the overall strategy;
- *Secondary Opportunities*, which are important for frontage along key linkages, have significant visibility along a major freeway, or are gateways to the Study Area “core”.

The sites are prioritized according to a number of attributes including access, linkages, visibility, size, land use adjacencies, synergies and related strategic considerations. The map in Exhibit 1, on page 2 illustrates the site locations, key linkages and interchanges. Also shown in red is the Study Area “core,” representing the true heart of the market surrounded by I-71, I-480, and Jennings Freeway.

EXHIBIT 1. Study Area Development Prioritization Strategy

Source: Anderson Economic Group LLC, 2008. Base map provided by ESRI, Inc. 2008.

1.2 Recommendations

Based on our analyses and market assessment, the Old Brooklyn Study Area has the potential to draw visitors, residents, and shoppers throughout the Greater Cleveland, Ohio Region. As part of the Primary Strategy, the Study Area should pursue three cameo projects to turn the potential into a reality. The three cameo projects include:

1. The State/Pearl Triangle (A-1)
2. Henninger Land Fill (C-1); and Lower Big Creek Valley (C-2)
3. Pearl, from Bridge to State (A-2); and Broadview, from Pearl to Valley (B-1)

1.2.1 State/Pearl Triangle (A-1)

There are several key opportunity sites within the Study Area, but none more important than the State/Pearl Triangle. We envision an urban retail center anchored by an urban format grocery store like a Whole Foods or a Giant Eagle Market District. In addition, the project should include:

- At least two unique eating establishments like McAllister's Deli or Einstein Brothers Bagels
- A full line clothing store like Urban Outfitters or American Apparel
- An electronic media and book store like FYE (ideally relocated from Brookpark)

1.2.2 Henninger Land Fill (C-1); and Lower Big Creek Valley (C-2)

Natural features are one of the Study Area's greatest assets. To leverage this resource, we recommend establishing a venue for the purpose of "Gravity Games" at the Henninger Land Fill site, and creating an urban camping venue at the Lower Big Creek Valley site.

1.2.3 Pearl, from Bridge to State (A-2); and Broadview, from Pearl to Valley (B-1)

Pearl and Broadview serve as the gateway into the Study Area core. The local market's success hinges on the viability (perceived or otherwise) of these two corridors. Its stakeholders should strive for a district that focuses on a mixture of uses, neighborhood convenience, and local flavor. This will involve establishing artisan lofts, boutique shops, and specialty retail.

1.2.4 Secondary Opportunity Sites

Secondary opportunity sites are integral to the overall strategy, but not as vital to its success as the cameo projects. These sites include:

- Pearl, from I-71 to Bridge (A-3)
- Pearl & Brookpark Roads (A-4)
- Broadview and Brookpark (B-4)
- Brookpark, from Broadview to Ridge (B-6)
- West 14th Place Peninsula (B-7)
- Denison south from east of Pearl Road to Jennings Freeway (C-4)

1.3 Retail Opportunity

The Study Area has a clear opportunity for approximately 370,000 square feet of additional retail space near term, growing to 520,000 square feet by the year 2020. Table 1 below summarizes opportunity in collapsed categories. As shown, opportunity is highest in categories like Hardware and Hardlines, Sports and Recreation, and Grocery, indicating that there is a clear unmet demand for these specific items. An expanded list of supportable retail categories, including descriptions and target location recommendations by retail category, can be found in Appendix B-1 and B-2.

TABLE 1. Collapsed Retail Opportunity for the Study Area - 2010, 2015, and 2020

Retail Categories	Build-Out Potential (Square Feet)		
	2010	2015	2020
Eating and Drinking Establishments	22,500	26,000	31,000
Markets, Grocery, and Convenience Stores	41,000	50,000	58,000
Apparel and Accessories	15,500	17,000	18,000
Hardware and Hardlines	127,500	154,000	184,000
General Merchandise	10,000	13,000	16,000
Hobby, Arts, and Specialty	33,000	39,000	44,000
Sports, Recreation, and Civic Space	78,000	94,000	112,000
Traveler Accommodations	8,500	10,000	11,000
Office, Electronics, and Video	36,000	42,000	49,000

Source: Anderson Economic Group, LLC 2008.

1.4 Professional Office Space Opportunity

The results of the supply-demand analysis indicate there is opportunity for 54,500 square feet of office space in the Study Area, and up to 75,000 through 2020. We recommend adding additional office space in the Study Area with for-lease suites units ranging in size between 1,000 and 4,000 square feet.

We also recommend that the office space be located on the side streets of significant intersections and in the upper floors of mixed-use buildings (see Section 3.0 for location specific recommendations). Appendix B-3 displays the list of office and service categories, and supportable square footage that would complement and enhance the current tenant mix in the Study Area.

Among the realistic and achievable forecast of 75,000 square feet for office space, the vast majority should be owner-occupied Class A, and speculative building of leasable space should be kept to a minimum.

Speculative office space building is not recommended, and it is essential for the Study Area stakeholders to recruit businesses that will either build their own facilities or negotiate a build-to-suit agreement. Flex space, speculative building, and direct or sublet leases should be kept to a bare minimum, and should not be relied upon to catalyze economic development. We suggest getting pre-lease agreements for 50% or more of the space before constructing new office space in the Study Area.

1.5 Residential Opportunity

There is a need for expanded housing options in the Study Area, including new condominium units above retail or office space. The market can support up to 880 new owner-occupied units by 2015.

There is a gap in the market for units priced above \$200,000, while the market appears saturated for units priced under \$200,000. New units should be condominiums, flats and lofts, and/or infill single-family units. To be competitive, every unit should offer at least 2 bedrooms, and each unit larger than 1,500 square feet should include 3 bedrooms. Every unit should offer two full baths, and each unit larger than 1,500 square feet should offer 2.5 baths.

There is currently a gap in the market for up to 340 units renting below \$499, and 130 units above \$1,000. Through 2015, there is market support for up to 500 units renting below \$699, and 100 units renting above \$1,500. The lower rent units could come in the form of apartment-style housing. The higher priced units should be included in a mixed-use and mixed-tenure (owner- and renter-occupied) development.

1.6 About the Authors

Anderson Economic Group, LLC (AEG) provides consulting services in market strategy studies, feasibility analyses, and community & regional economic analyses. AEG has expertise in a wide variety of planning sectors that include retail, residential, industrial, office, and civic space, and other business and economic categories. For more information about our firm and biographical sketches of the authors, visit our website at www.AndersonEconomicGroup.com.

1.7 Disclaimer and Cautions

These findings and recommendations are based on the assumptions and expertise of Anderson Economic Group. Every reasonable effort has been made to ensure that the referenced data reflects the most accurate and timely information possible. No warranty or representation is made by the consultants regarding the potential success of development efforts based on this information.

It is recommended that this Market Study not be used as the sole basis for real estate ventures, development, financing or leasing by the community, private developers, or prospective retail tenants and businesses within the area. Actual site, building, parking, utility, environmental, grading, civil engineering, architectural plans and construction documents are not included within the scope of this work. The community should work closely with a professional planning firm to address these and all related planning considerations. Copyright 2008 Anderson Economic Group, LLC. Rights to reproduce granted to the client provided proper attribution included. All other rights reserved.

~ END OF EXECUTIVE SUMMARY ~

2.0 Project Background and Purpose

2.1 Project Background

The Old Brooklyn Community Development Corporation retained Anderson Economic Group to complete a Comprehensive Market Strategy for its Old Brooklyn and Brooklyn Centre neighborhoods (Wards 15 and 16) on Cleveland's near southwest side. This report includes recommendations for each of the three potential projects, supporting the collective work efforts of other consulting teams, and particularly the Cuyahoga County Planning Commission with the Ward 15 and Ward 16 Master Plan.

We have worked closely with Ms. Kristin Hopkins and Mr. Thomas Collins on the Steering Committee to ensure that our work is conducted in an efficient manner and remains focused on the most important issues. Stakeholders include the Old Brooklyn Community Development Corporation, Old Brooklyn Neighborhood (Ward 16), Brooklyn Centre Neighborhood (Ward 15), Cuyahoga County Planning Commission, Cleveland Metroparks, City of Cleveland Planning Commission, Northeast Ohio Area-wide Coordinating Agency (NOACA), Floyd Browe Associates, and Hull & Associates.

2.2 Statement of the Purpose

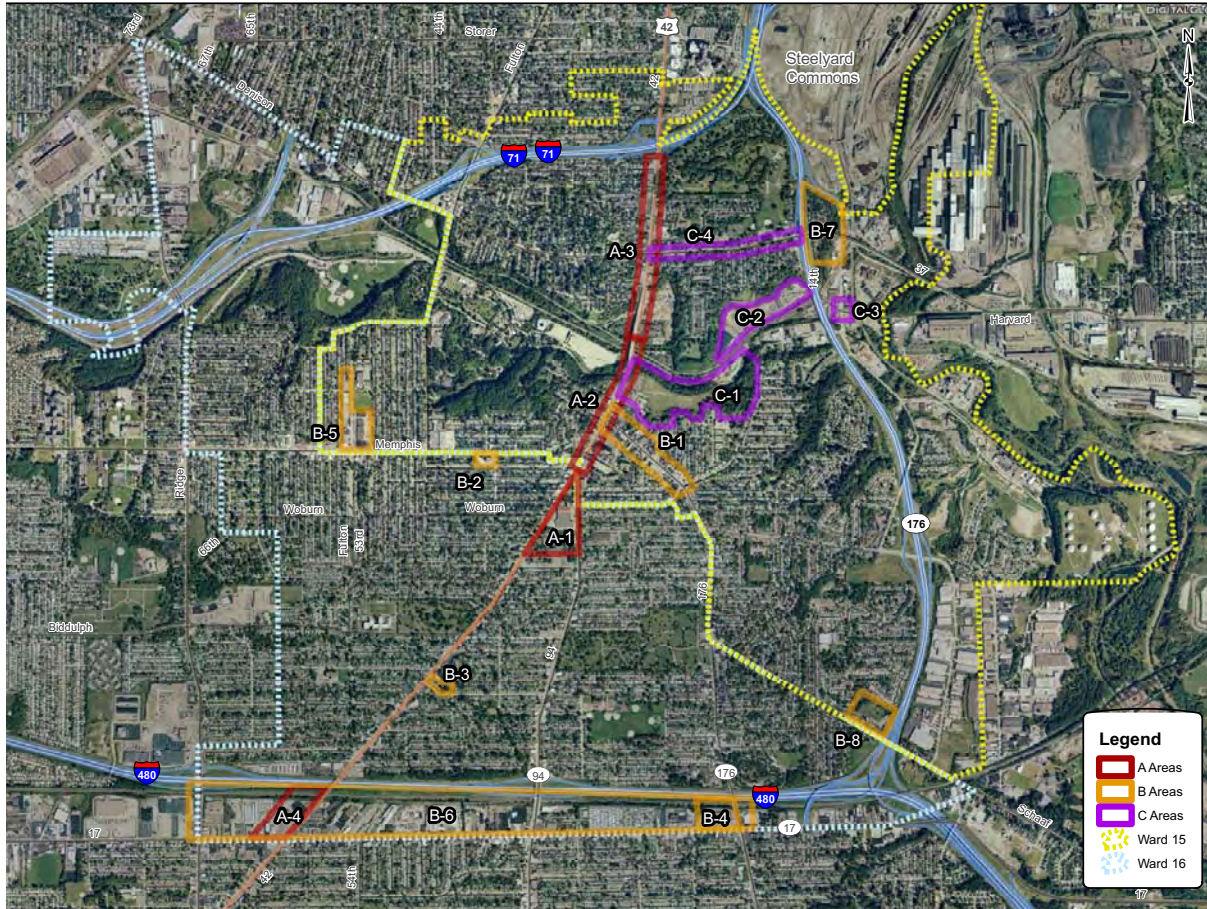
The primary purpose of this study is to assist the stakeholders in identifying and prioritizing key development strategies that will secure the long-term viability of the community. This report is part of a comprehensive strategy that includes a number of planning and design studies. These studies have an economic analysis component, and this report provides some of the analytics to support the results. Projects that are currently underway or have recently been completed include:

- Comprehensive Transportation Study of Pearl Road-West 25th Street
- Ward 15 and 16 Master Plan
- The Lower Big Creek Greenway Restoration and Redevelopment Plan
- U.S. EPA Areawide Brownfield Assessment of the Lower Big Creek Area

2.2.1 Study Area Description

The Study Area (Wards 15 and 16) is located to the south of Downtown Cleveland, Ohio. The majority of the Study Area is bounded by I-71 to the north, Jennings Freeway to the east, I-480 to the south, and Ridge Road to the west (see Exhibit 2).

EXHIBIT 2. Wards 15 and 16 (Study Area), and Opportunity Sites



Source: AEG, LLC 2008. Ward delineation provided by Cuyahoga County Planning Commission.

3.0 Development Strategy

3.1 Introduction

In formulating this Development Strategy, we have considered vacancies, access, key linkages and interchanges, visibility, unit sizes, land uses, synergies and related economic and locational attributes. Stakeholders within the Study Area should focus on key opportunity sites identified in this report, and leverage those to catalyze growth in other areas. For this reason, we have prioritized the opportunity sites, and in some cases, combined sites to generate a greater impact.

We have assigned each opportunity site to a priority, with the most important sites and projects under the Primary distinction. Secondary sites are integral to the overall viability of the Study Area, but are not as heavily weighted as the Primary sites. Below are the prioritized sites with recommended strategies and example solutions.

3.2 Primary Opportunities

The Study Area has the potential to draw visitors, residents, shoppers, and patrons from throughout the Greater Cleveland region. As part of the Primary Opportunity, the Study Area should pursue three main cameo projects to turn the potential into a reality. The three main cameo projects include:

1. The State/Pearl Triangle (A-1)
2. Henninger Land Fill (C-1); and Lower Big Creek Valley (C-2)
3. Pearl, from Bridge to State (A-2); and Broadview, from Pearl to Valley (B-1)

3.2.1 *State/Pearl Triangle (A-1)*

The original delineation of the State/Pearl Triangle site excluded the Lady of Good Council, but included the RTA dispatch center/garage, a few houses, an auto repair business, and the Brooklyn Library. We agree with the delineation and have used this boundary to determine the total opportunity and strategy for the site (see Exhibit 3, on page 10).

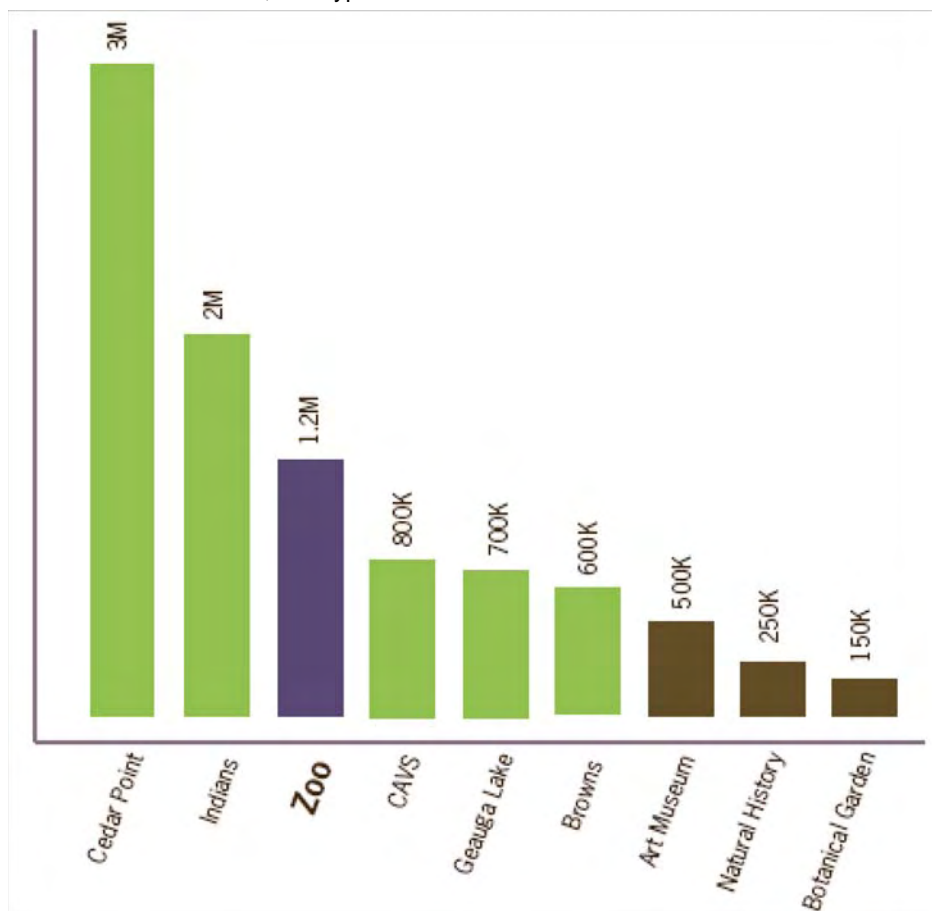
The Cleveland Metroparks Zoo

The Cleveland Zoological Society reports that the zoo attracted 1.2 million visitors in 2006, ranking third among visitor destinations after Cedar Point and Cleveland Indians baseball games. Additional zoo statistics reported by the society's 2006 annual report are provided in the following list.

2006 Zoo Statistics¹:

- 40,000 Zoological Society Members
- 1.2 million annual zoo visitors
- 100,000 student visitors
- 20,000 student attendance at off-site programs
- \$85 million annual economic impact
- \$5:\$1 the trickle-through economic return is \$5 for every \$1 invested
- 2006 debut of Touch! Amazing Rays and Sharks
- 2010 anticipated debut of African Elephant Crossing, made possible with \$1 million grants each from The George Gund Foundation and The Kelvin & Eleanor Smith Foundation.
- 60% of funding for day-to-day operations provided by a county-wide levy, up to 15% is met by the Zoo Society, and 25% is raised from earned revenues.
- 12% to 15% of the operating budget is met by the Zoo Society
- \$4 million annual fund raising by Zoo Society programs (membership fees, Zoo-Keeper's Circle, Adopt an Animal, memorial / tribute gifts, corporate memberships and special events). The top two fund raising events are Twilight at the Zoo and Zip-pityZooDoo. The Tails + Cocktails event premiered in 2006 and described as "wildly" successful.

1. Source: Cleveland Zoological Society Annual Report 2006; published April 17, 2007; Elizabeth T. Fowler, Executive Director.

EXHIBIT 4. Cleveland, OH Typical Attendance at Visitor Attractions

Source: Cleveland Zoological Society Annual Report 2006; published April 17, 2007.

Expenditures by Zoo Visitors

All new retailers in the study area should market to local residents first, and area visitors second. Local residents are more likely to become loyal repeat shoppers even when consumer confidence is down. In comparison, visitors are one-time shoppers who are more likely to curb spending during downward economic cycles.

If all new businesses in the study area can motivate \$2 to \$5 of spending by each visitor, then this would equate to \$2.5 to \$6.0 million in annual retail sales and 25,000 to 30,000 square feet of retail space. For perspective, a typical Kmart 100,000 square foot discount store achieves sales of about \$15 million annually, and 200,000 square foot Wal-Mart Supercenters can easily reach \$70 million in annual sales.

This estimated average spending of \$2 to \$5 per person assumes that many of visitors will spend nothing, that only half will be wage-earning adults, and that many will be county residents who are making day-trips rather than extended overnight stays. With 25,000 to 30,000 square feet to allocate, this is roughly equivalent to 5 full service restaurants, 2 pharmacy stores or one small green grocery store.

Marketing to Zoo Visitors

There are a number of easy tasks that Old Brooklyn could undertake in its effort to attract zoo visitors. To begin, the CDC should become a paying sponsor of the Zoological Society, and should become an active supporter of its ongoing improvement and funding efforts. The City of Cleveland currently sponsored \$10,000 in 2006, but Old Brooklyn could offer a smaller contribution down to \$1,000 to \$2,000.

The Zoo could also expand its brochure to offer advertising spots to local businesses, particularly restaurants. Alternatively, Old Brooklyn could prepare a one-page glossy brochure that would be offered to zoo visitors when the pass through the attraction's gates. The brochure should include a simplified map of restaurants, shopping and other attractions in the area, plus the local police station, CDC office, chamber of commerce and nearby hospitals.

Next, Old Brooklyn CDC and the Zoo should meet and discuss ways to improve links to each other's websites. The Old Brooklyn CDC has a link to the Zoo website, but it is hidden under "About the Area" and should be far more prominent with the campaign as "Gateway to the Zoo." The Zoo does not have any community links on its website. Hopefully this is just an oversight and not regulated by National Association of Zoos and Aquariums.

A more bold idea is to build a gateway arch over the Pearl Street valley bridge, welcoming visitors to Old Brooklyn as the Gateway to the Zoo. An arch over the bridge can be an impactful way of defining the district and creating a sense of having arrived at a destination that deserves further exploration. All of these marketing ideas can help transfer zoo visitors into shoppers, but the gateway project would reach well beyond that niche customer segment.

EXHIBIT 5. Examples of Quality Gateways That Span Wide Streets



We recommend a new urban retail project on the Pearl/State Street corner. The existing library and all other parcels within the delineated Triangle Project should be razed and the site should be completely cleared. For budget reasons, most jurisdictions try to leave this task to the developer. However, urban parcels that have already been purchased, cleared and assembled into redevelopment projects by a jurisdictions are far more likely to attract qualified and willing developers.

The project should have at least one mid-sized anchor of at least 30,000 square feet, and ideally a neighborhood grocery store like Whole Foods or Giant Eagle Market District. The parcel should be able to support a street-level retail with a foot print of 60,000 to 100,000 square feet, assuming deck parking is stacked on top. Whole Foods is particularly experienced with these types of urban projects. Supportive retail should include:

- At least 2 unique eating establishments like McAllister’s Deli, Einstein Brothers Bagels, or the relocation of the Arby’s on Broadview
- A full line clothing store like Urban Outfitters or American Apparel
- An electronic media and book store like FYE (ideally relocated from Brookpark)
- A sporting goods and outfitters store like REI or Moosejaw

EXHIBIT 6. Urban Format Grocery Store Concept



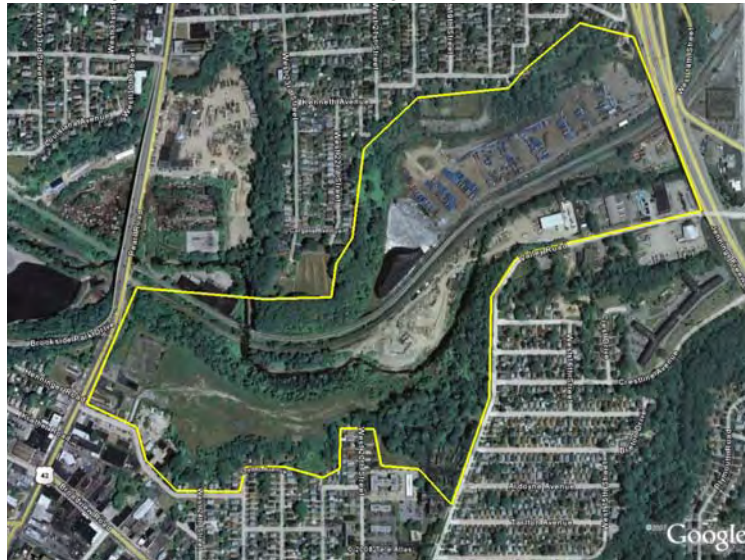
EXHIBIT 7. Example Brands for the Triangle Project



3.2.2 Henninger Land Fill (C-1) and Lower Big Creek Valley (C-2)

The Lower Big Creek Valley has a 150-year history as an industrial zone. The valley is an under utilized asset filled with natural amenities, including cliffs, running water and green space. Exhibit 8 illustrates the study area boundary and the adjoining land uses.

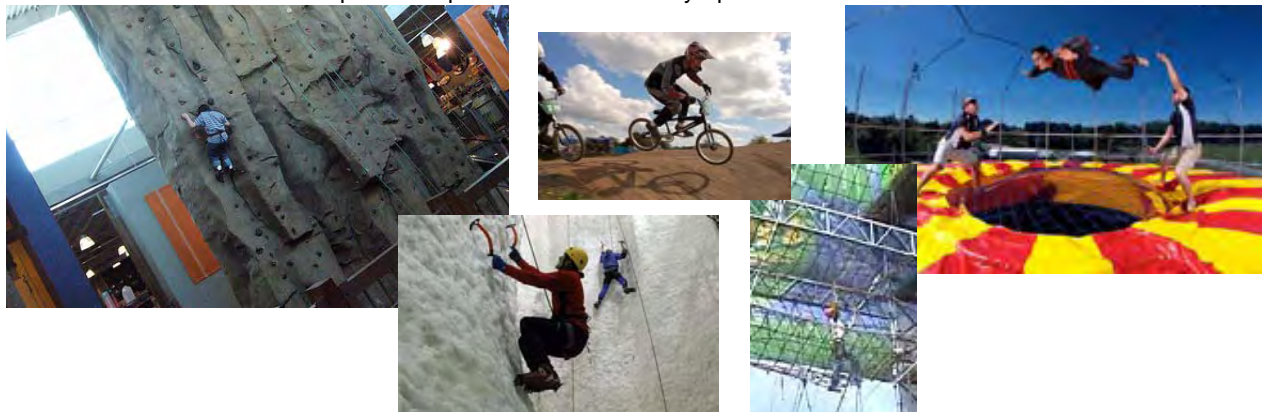
EXHIBIT 8. Henninger Land Fill and Lower Big Creek Valley Development Sites



There is an unmet demand for recreational venues and high impact sports in the Study Area, and the Henninger Land Fill and Lower Big Creek Valley sites are optimal locations for these types of uses. We are confident that the project can become a successful Regional Destination, if executed fully with unique attractions.

Gravity sports should be broadcast as the leading attraction, and should include the urban camping as an amenity to the venue. Exhibit 9 provides some examples of attractions to pursue for the venue.

EXHIBIT 9. Example Concepts in Action for Gravity Sports Venue



The natural features, faces of the bluffs, and rock edges should be directly integrated into the outdoor experience. However, an indoor rock climbing facility will be good for winter training, beginners and classes, but true sports enthusiasts will want to climb the natural features. Appendix B-12 provides a collage of concepts that we recommend for the Gravity Sports concept. Some other features to consider for the concept include:

- A Cafeteria
- An amphitheater or sound stage with lighting equipment
- Cross Country Skiing
- Obstacle Courses
- Rope Climbing
- Repelling
- Rock Climbing (indoor and/or outdoor)
- Ice Climbing (indoor)
- Simulated Skydiving (Via an Aerodium)
- BMX Biking
- Skateboarding / Skateboard Park
- Small Ice Skating Rink

The Adventure Sports Park and Primitive Camping Concept should be marketed under one theme. Venues that are successful at this include Ohio Dreams in Butler, Ohio and Area Three-Three-Zero in Carrollton, Ohio.

We fully recommend pursuing and implementing the Primitive Camping concept. The outdoor and recreation experience is integral to the adventure sports concept and utilizes the exceptional natural resource amenities of the Valley. The Primitive Camping concept should promote natural setting of the Valley by encouraging rustic tent camping and limiting the size and length of vehicles to Class C motor home sizes or smaller. Other items to consider include:

- Reserving the majority of the space for rustic sites (no utilities)
- Providing a limited utility hookup for select sites (water, sewer)
- Creating a nature walk that ties into Towpath Trail or MetroPark system
- Providing a range of rentals from a day to week-long stays
- Providing a small common area with bathrooms
- Providing a sand volleyball court and fire pit

Additional Marketing Recommendations

- Create a website for the gravity sports and primitive camping project to help garner attention and increase marketing potential.
- Use the side of the bridge to hang banners/posters/billboards.
- Take the fencing down from the bridge (if possible), to increase visibility from Pearl Road.
- Construct a pillar that shows images of athletes in action (similar to the one in Millennium Park in Chicago)
- Work with a traveling sports group to include this site as a stop on the tour, and align the events with the industry to time major adventure sports events.

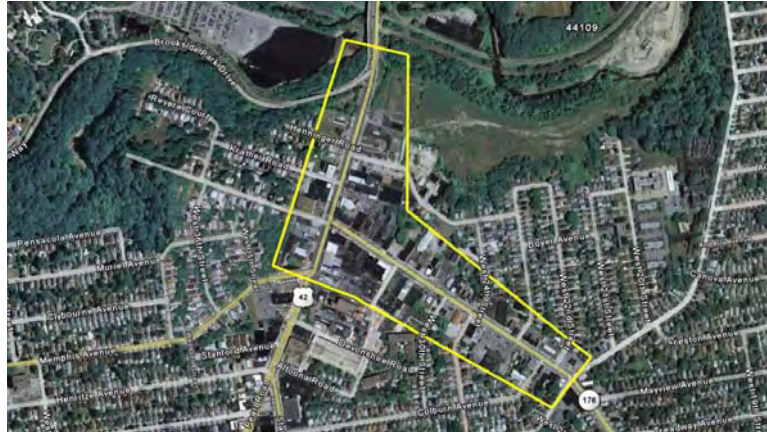
There are resources available in Ohio that are specifically for the redevelopment of landfills. One is the Ohio Department of Development, the other is the City of Cincinnati. Their contact information is below.

- Ohio Department of Development
William Murdock, Director
Urban Development Division
77 South High Street
PO BOX 1001
Columbus, OH 43216-1001
(614) 466-4484
wmurdock@odod.state.oh.us
- City of Cincinnati
Bonnie R. Phillips, Environmental Compliance Manager
Office of Environmental Quality
805 Central Avenue
Two Centennial Plaza, Suite 320
Cincinnati, OH 45202
(513) 352-5310
bonnie.phillips@cincinnati-oh.gov

3.2.3 Pearl, from Bridge to State (A-2); and Broadview, from Pearl to Valley (B-1)

Pearl and Broadview serve as the gateway into the Study Area core. These corridors should be marketed as the “Downtown District” (see Exhibit 10 for concept area). This is clearly the core of the Study Area, and should be marketed as a traditional downtown.

EXHIBIT 10. Combined Opportunity Sites for “Downtown District” Concept



Some of the lower rent housing market opportunity can be captured by constructing artisan and senior oriented lofts and efficiencies above retail and office space along these corridors. These units could be existing space that is converted for residential use, or new space.

In addition, the physical condition of Broadview should be restored and non-architecturally unique buildings should be razed to promote a new mixed-use district that welcomes creativity. Also, recruit local merchants that provide specialty good or services, like the following:

Along Pearl

- Musical Instrument and Supplies Stores
- Sewing, Needlework, and Craft Goods Stores
- Florists
- Camera and Photographic Supplies Stores
- Art Dealers
- Gift, Souvenir, and Novelty Shops

Along Broadview

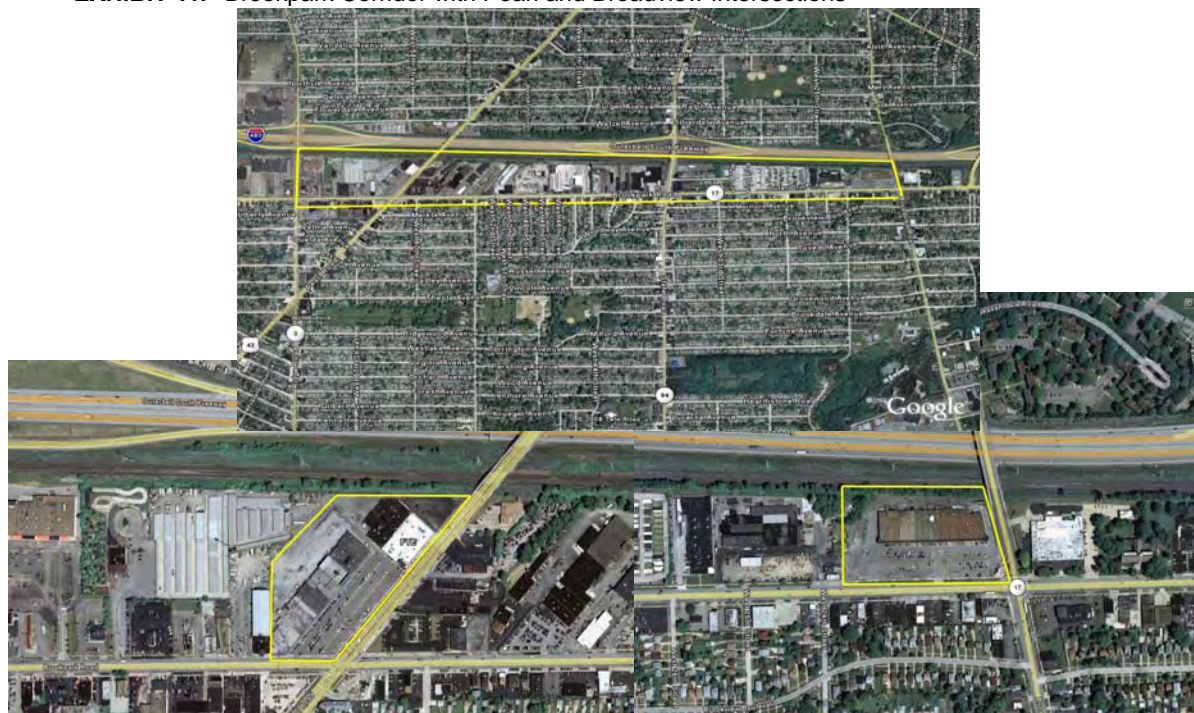
- A Health Foods Store with a Meat Market, Including Fish and Seafood
- A Bakery with Nuts and Confectionery
- A Specialty Beer, Wine, or Liquor Store

3.3 Secondary Opportunities

3.3.1 Brookpark, from Broadview to Ridge (B-6), Pearl and Brookpark Roads (A-4), and Broadview and Brookpark (B-4)

This is currently a commercial corridor with some industrial uses (see Exhibit 11, on page 19). There are several furniture and home furnishing related businesses scattered throughout the corridor. Leverage the traffic volume, visibility from the freeway, and key linkages, to create a furniture and home furnishings district.

EXHIBIT 11. Brookpark Corridor with Pearl and Broadview Intersections



The PearlBrook Shopping Center should be razed and the FYE should be relocated to the “Triangle Project” as mentioned above. In its place, we recommend recruiting a furniture store like an Ethan Allen, Art Van, or La-Z-Boy. The store should be positioned towards the street with parking in the rear, to increase visibility and to add prominence to the corridor.

Stakeholders should leverage existing home furnishings stores like the Mattress Factory to create a “Design Mart.” Design Marts are a cluster of stores that feature similar products like bedding and furniture. We recommend positioning this concept on the northern side of the State Road/Brookpark intersection. Exhibit 12, on page 20 provides an example format for this concept.

Additional space is supportable for logistics (shipping/receiving) and flex space. The existing amenities including highway linkages and the existing mix of uses provide a comparative advantage for these categories, See section 7 “Employment by Industry” on page 59.

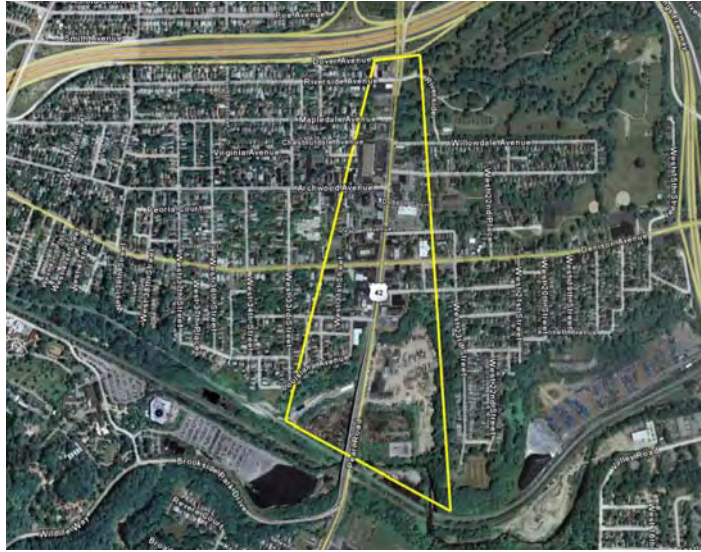
EXHIBIT 12. Example “Design Mart” (Furniture Row)



3.3.2 Pearl, from I-71 to Bridge (A-3)

The Pearl Road corridor from I-71 to the bridge includes a variety of land uses including a cemetery, commercial and office space, grocery, salvage, and extraction (see Exhibit 13, on page 21 for site details). The vitality of this corridor is important for the overall economic health of the corridor as it is the gateway into the Study Area Core and to the Cleveland MetroParks Zoo.

MetroHealth is also just north of this site and serves as a major employment center for the Study Area and surrounding communities. In addition, the MetroHealth Senior Health and Wellness center located along Pearl serves as an anchor for the southern end of this corridor.

EXHIBIT 13. Pearl Road Corridor from I-71 to Bridge

The existence of the two hospitals provide an opportunity for stakeholders to recruit professional services to the corridor. These include doctors, chiropractors, opticians, and dentists, as well as attorneys, insurance agencies, and accountants.

Stakeholders should recruit an urban format office supplies store to complement these uses (see Exhibit 14 for an example). This store should be as close to I-71 as possible to maximize visibility from the freeway and to take advantage of the traffic generated by MetroHealth.

EXHIBIT 14. Example of an Urban Format Office Supplies Store

3.3.3 Denison South from East of Pearl Road to I-176 (Jennings Freeway) (C-4) and West 14th Place Peninsula (B-7)

The addition of the Steelyard Commons project has sparked a wave of development that has greatly altered the landscape surrounding the neighborhoods along this corridor (see Exhibit 15). This corridor offers direct access to Jennings Freeway for commuters, residents, and potential shoppers. These factors combined with the potential redevelopment of the Lower Big Creek Valley make this corridor another significant gateway into the Study Area core.

EXHIBIT 15. Denison Road Corridor from Jennings to Pearl



This area is primarily residential, but also includes two small businesses on parcels east of the Jennings Freeway. These two parcels are currently underutilized and present an opportunity for development of a higher density use that provides a sense of identity and presence for the small neighborhood.

Ideally, the parcels should be redeveloped into two multi-storey buildings with owner- and renter-occupied units stacked above a small amount of in-line retail space. The two buildings should mirror each other with a balanced scale on the north and south sides of Denison, facing each other, visible to traffic using the highway interchange. Exhibit 14, on page 19 illustrates the size, scale, and quality of development we recommend for this concept.

The retail component should include no more than 6,000 square feet of in-line space at the prime corner of each building, designed to accommodate a small coffee shop, fresh deli / bakery, or sandwich shop, flower shop, drycleaner, ATM machine, parcel service and mail drop, and a few office suites for independent businesses. Tenant spaces should

begin at 2,000 square feet each, and should be divisible into smaller suites of 500 to 1,500 square feet. Patrons and shoppers would include a mix of building residents and day-time workers employed at the nearby industries immediately to the east.

EXHIBIT 16. Example High Density Residential Developments



3.4 Additional Recommendations

Stakeholders within the Study Area should actively *recruit* businesses to these sites. We recommend formulating a business recruitment team or committee. The recruitment team should be tasked with:

- Creating a supportive business environment,
- Assembling recruitment and marketing materials,
- Generating leads, and
- Courting prospects.

Recruiting just a few chain apparel brands would be a successful beginning. For example, a retail anchor in the Triangle Project would be enough to catalyze a trend that attracts additional brands into the district, with benefits for all. Stakeholders should recruit businesses that are expanding locally or have a regional presence, but are not currently established in the local market.

In addition to recruiting chains from other markets, stakeholders should work to *retain* businesses in the Study Area. In some cases it will be important to retain the businesses on the fringes by encouraging relocation to a more prominent location closer to the “core” of the Study Area.

It will be important to the success of a long-term growth strategy, to establish a business retention committee. Business retention committees require sufficient resources in order to develop long-term retention strategies and coordinate business assistance activities. Factors for the committee to consider while developing a business retention strategy include:

- Identifying key businesses,
- Offering business administrative training and assistance,
- Promoting downtown businesses to target markets,
- Helping businesses identify and develop growth and expansion opportunities,
- Recognizing and preventing the warning signs of business failure,
- Planning for business transition, and
- Supporting the local businesses by personally shopping locally.

4.0 Retail Supply-Demand Analysis

4.1 Summary Opportunity

There is measurable opportunity in the Old Brooklyn CDC Study Area for about 520,000 square feet of additional retail space through the year 2020. We recommend that only 370,000 square feet of this be developed near-term, to ensure that the new space is absorbed before additional construction is underway. The increase in supportable space from 370,000 to 520,000 will be supported by growth in income levels and successful implementation of planning-related recommendations.

Table 2 below provides the retail opportunity for the Study Area in collapsed categories. The full table, with detailed categories and forecasts of total square feet can be found in Appendix B, Exhibit 1. These tables also illustrate the ideal locations for the opportunity to be focused, as described in Section 3.0, "Development Strategy".

TABLE 2. Collapsed Retail Opportunity for the Study Area - 2010, 2015, and 2020

Retail Categories	Build-Out Potential (Square Feet)		
	2010	2015	2020
Eating and Drinking Establishments	22,500	26,000	31,000
Markets, Grocery, and Convenience Stores	41,000	50,000	58,000
Apparel and Accessories	15,500	17,000	18,000
Hardware and Hardlines	127,500	154,000	184,000
General Merchandise	10,000	13,000	16,000
Hobby, Arts, and Specialty	33,000	39,000	44,000
Sports, Recreation, and Civic Space	78,000	94,000	112,000
Traveler Accommodations 1	8,500	10,000	11,000
Office, Electronics, and Video	36,000	42,000	49,000

Source: Anderson Economic Group, LLC 2008.

4.2 Marketing Incentives

Attracting developers and quality brand stores to Old Brooklyn only commences with completion of this market study. This is where the real work begins for the CDC, its current land owners and community stakeholders. Here are the necessary steps for successful completion of the strategy:

1. Old Brooklyn CDC must communicate the strategy to existing landlords, business owners, tenants and merchants in the study area and get some public buy-in.

2. Old Brooklyn should consider purchasing parcels that are key to the strategy, clean the buildings and/or properties, assemble the land, and serve as a interim landlord until the project can be flipped to a qualified developer.

3. Old Brooklyn should prepare an RFP for the Triangle Project that is designed to recruit a developer to the project. Incentives may include razing and preparation of the site by the CDC, tax breaks, development of a municipally funded parking deck, below-prime loans from local lenders, and assistance with tenant recruitment.

4. Old Brooklyn should mail a copy of this market study to targeted national chains along with an information packet and map on the community. The packet should include a cover letter with a promise that the packet will be followed by a phone call and invitation to visit Old Brooklyn for a personal tour of available properties.

A list of contact information for selected retail brands is provided in Appendix B, Exhibit 15. The contacts were current as-of 2006 and have not been verified since that time. However, the names, titles and phone numbers should be sufficient to reach the appropriate Real Estate Representative within each company. The ICSC may also have more updated information available upon request.

4.3 Methodology and Approach

In the unique retailing industry, we can empirically measure a “Gap” or “Shortage” in the market. Gap is measured as the difference in Resident Expenditure Potential compared to actual Transacted Retail Sales. It is also customary to inventory the amount of space (either in square feet or number of stores) that expenditures can support, and subtract from that the actual market supply.

We have conducted a rigorous supply-demand analysis for Cuyahoga County and the Old Brooklyn CDC’s effective trade area. The supply analysis enables us to determine the types of establishments that are present in the market and neighboring communities. This analysis also helps to determine proportions of one retail or service category versus another from geography to geography. Supply is addressed in greater detail later in this report.

The demand analysis involves a comparison of resident income levels to those of the region, with the portion of income that is actually spent on each retail category in the trade area (transacted expenditures) compared to the portion of income that is more typically spent on each retail category within the region or State (resident expenditure potential). By calculating the portion of local expenditures being captured by existing retailers, it can be determined which categories have remaining sales potential.

The demand analysis also included a comparison of lifestyle clusters to the county and the state. This analysis allows us to measure groups of demographics together to determine the social structure of the community, rather than examining single demographic characteristics.

Our recommendations for the Old Brooklyn CDC Study Area reflect known retail expenditures for over 100 unique categories. We evaluated the share of income that ‘typical’ shoppers spend in each category, and compared this resident expenditure potential to the retail supply within the downtown’s effective trade area to identify any market gaps.

We have also qualified the opportunity for a variety of other unique market considerations, including site and locational characteristics, local economics, and significant retail events. We also examined strategic considerations and retail concepts like clustering, critical mass, synergy, connectivity, merchandise mix, and sales transfer.

Before describing the results of the supply-demand analysis further, the next section of this chapter describes the data sources used in our analysis, followed by a description of the process for delineating trade areas, and an explanation of visitor import and the export of resident expenditures.

4.4 Data Sources

Our quantitative methodology begins with an analysis of the following data sources:

- 1990 and 2000 Decennial Population Census
- 1997 and 2002 Economic Census of Retail Trade²
- 2007 and 2012 Vendor data provided by ESRI, Inc.³
- The International Council of Shopping Centers⁴

The Census and ESRI data are provided for a diverse range of variables, population, per capita income, and total sales and number of establishments by retail category. The ICSC and ULI provide estimates of sales per square foot for retail categories.

2. United States Economic Census of Retail Trade, Geographic Series, 1997 and 2002.

3. Environmental Systems Research Institute, Inc. (ESRI) GIS and Mapping Software; 2007.

4. International Council of Shopping Centers, Monthly Mall Merchandise Index; East North Central Division (Michigan, Ohio, Indiana, Illinois and Wisconsin.)

Using a combination of the Census and ESRI numbers, we also calculate interpolations for population and income for between years of 1989, 1997, 1999 and 2002. We then calculate Total Personal Income, which is the combination of Population and Per Capita Income. Together, population and income comprise Total Personal Income, which represents the “pool” of potential expenditures by residents.

Large shares of resident income are spent on expenses that do not fall into traditional retail categories. These expenses typically include mortgage payments and rent, escrow accounts, household utilities, car payments and gasoline, education and student loans, credit card interest and fees, insurance, health care, taxes and investments. What is left is typically referred to as “discretionary” income, and is usually less than half of the total income.

Projections of resident expenditure potential are based on an evaluation of the 1997 and 2002 Economic Census, with adjustments for recent retail competitive events, income growth, and other market factors.

With all of these data parameters, we are then able to calculate and test a number of key variables and compare the performance between levels of geography. The following list demonstrates how the data is used to calculate sales per square foot, sales per capita and market share.

- $\text{Total Sales} / \text{Total No. of Establishments} = \text{Sales per Establishment}$
- $\text{Sales per Establishment} / \text{Average Store Size} = \text{Sales per Square Foot}$
- $\text{Total Stores Sales} / \text{Population} = \text{Sales per Capita}$
- $\text{Total Personal Income} / \text{Population} = \text{Per Capita Income}$
- $\text{Total Store Sales} / \text{Total Personal Income} = \text{Market Share}$
- $(\text{Total Store Sales} / \text{Population}) / (\text{Total Personal Income} / \text{Population}) = \text{Market Share}$
- $\text{Sales Per Capita} / \text{Per Capita Income} = \text{Market Share}$

By calculating the portion of local expenditures being captured by existing retailers, the categories with remaining sales potential can be deduced. A comparison of these results to supply by retail category enable us to identify opportunities for additional shops, merchants or businesses.

Finally, we also rely upon observations during our field work and proprietary databases to conduct a supply analysis of stores and businesses in the market, including estimates for some store sizes. We also relied upon our expertise in the retail industry and professional judgement in estimating some store sizes and productivity.

All other figures are calculated by Anderson Economic Group, relying upon proven methods and models that are still being practiced today by major retailers in the industry.

4.5 Primary and Effective Trade Areas

As an essential step in our quantitative supply-demand analysis, we have delineated Primary and Effective Trade Areas (PTA and ETA) based on a number of market factors and conditions. Projects with visibility and access to major interstates, interchanges or highways tend to have the largest trade areas, whereas community centers in residential neighborhoods will have small trade areas. Including transportation linkages, the following items were all considered in our analysis:

1. The locations of competing shopping destinations, particularly regional malls and big-box retailers;
2. The distribution of population and per capita income levels, recognizing that more affluent residents have more discretionary income for shopping;
3. The locations of physical and socio-economic barriers and transportation networks; recognizing that railroads, river valleys and highways can fragment and isolate neighborhoods as well as connect the region;
4. The general distribution of land use, recognizing that large industrial and residential districts can draw daytime workers, but that the non-retail uses can also be physical barriers to cross-over shopping between neighborhoods.
4. A drive-time analysis for 10, 20, and 30 minute commuting distances, recognizing that fuel costs and traffic congestion can impact shopper travel;
5. The presence of regional amenities like the Metropark Zoo, downtown Cleveland and area hospitals; recognizing that visitors can contribute to sales import for conveniences and restaurants.

For retail, the PTA is delineated to represent about 50 percent of total sales for potential businesses, assuming that marketing, development and planning recommendations are successfully implemented. The ETA is geographically larger and should represent about 70% of retail sales.

The remaining 30% of retail is considered to be import from surrounding jurisdictions. These rules-of-thumb may vary somewhat by market, project type and destination. For example, the Las Vegas Strip is more likely to have 40% ETA with 60% import from visitors throughout the world.

A trade area can geographically shift based on the project size, tenant mix, physical configuration, attractiveness, walkability, marketing and related strategic considerations. In fact, destination retailers, and particularly lifestyle stores like electronics, pet supplies, sporting goods and furniture, strive to increase sales by geographically expanding their trade area. The larger the trade area, the more households, income and expenditures available to support the new business.

It is logistically impractical to delineate a trade area for each type of project. However, it is relatively easy to adjust the import assumptions for a given trade area. For example, an PTA may represent just 50% of sales for a regional shopping center, but may represent 70% of sales for a full-line grocery store or supercenter, and may represent 90% of sales for a convenience, pharmacy or hardware store.

4.6 Import-Export Analysis

For purposes of this analysis, we have tested all retail categories without making adjustments for import. This is a conservative approach that helps to avoid over-building or over-speculation in the market. For convenience retail categories, it is safe to assume that the ETA represents nearly 100% of the potential. But for larger regional shopping destinations, our forecasts of market opportunity could be under-represented by as much as 30%. To be on the safe side, we do not recommend that Old Brooklyn or its developers test this theory in the built environment.

The tenuous role of import and export is further demonstrated in Appendix B and the table labeled “Market Share and Export Analysis.” The table compares market shares between the State of Ohio, analogs among Lake, Medina, Lorain, and Summit Counties, and the test market of Cuyahoga County. The minimum and maximum market share is identified for each of the analog counties and then compared to Cuyahoga.

If Cuyahoga’s market share is lower than the maximum level achieved by the analog counties, then it can be deduced that there is export occurring within that retail category. In other words, if residents are under-spending as a share of their income, then they are probably shopping elsewhere and not in their home market. In fact, the data suggests that residents in Cuyahoga County are exporting up to 35% of their expenditure potential in the department store category, up to 45% in building materials, and 63% in general merchandise.

Because current export is high in these important categories, we are reluctant to adjust the gap and opportunity for the Old Brooklyn ETA upwards for import. To be conservative, it is best to strive for intercepting export rather than a full reversal of the current trend.

5.0 Retail Demand

5.1 Introduction

In order to determine the demand potential for the Study Area, we must understand the market demographics. To accomplish this, we have analyzed key socioeconomic variables and measured those results against the competitive region and the State of Ohio. The tables in “Appendix D: Demographic Profile” detail the results for the Study Area, Wards 15 and 16, the ETA and PTA, Cuyahoga County, and the State of Ohio.

5.2 Population and Per Capita Income

The total population of the Study Area is roughly 43,000, through 2007. The Study Area has been decreasing by 0.9% every year since 2000, and is expected to continue declining through 2012. The population of the Effective Trade Area is over 1.4 million, has remained flat from 2000 to 2007. Not surprisingly, the population size in Cuyahoga County also decreased through 2007. These growth estimates are relatively low when compared to the state average at 0.5% during the same period.

The per capita income levels in the Study Area were slightly lower than the state average at \$21,838 and \$26,868 respectively, but kept pace with the state in terms of growth rate at 2.8% and 3.1% respectively. The ETA and Cuyahoga County exceeded the per capita income of the state, and is expected to continue exceeding the state through 2012.

5.3 Expenditure Potential

The demand evaluation of our retail analysis involves a comparison of resident income levels in Cuyahoga County to other Counties in the region. More specifically, the model compares the share of income that is actually spent on each retail category in the trade area compared to the trends in other geographies.

Appendix B, Exhibit 7 and B-8, provide a summary of transacted sales for Cuyahoga County and the State of Ohio. Based on this data, retail expenditures throughout the State of Ohio represent an average of \$10,726 per capita for all retail categories in 2002 (the most recent census year), representing 46.5% of per capita income for that year.

Similarly, retail expenditures in Cuyahoga County reached \$10,856 on a per capita basis, representing 44.6% of resident per capita income. Consumer spending is highest towards the east of the county and lowest near the Cleveland CBD (see B-9).

Retail categories with high expenditures per capita in Cuyahoga County include Pharmacies and Drug Stores, Clothing Stores, Musical Groups and Artists, Sports Teams, Sports Promotion, and Recreational Facilities. Categories that are significantly lower for the county than the state include Building Materials, Nursery and Garden Supplies, Gasoline Stations, Warehouse Clubs and Supercenters, and Limited Service Restaurants.

5.4 Supply-Demand Model

The supply-demand approach used in our model aligns with methodologies used by national retail chains like Target, Wal-Mart, Federated Department Stores, Sak's Fifth Avenue, Sears Holdings, JCPenney, The Limited, Kohl's, The Gap, The Mills Corporation, Big Lots, Kroger, Walgreen's, Best Buy, Circuit City, McDonald's and Yum!Brands (Taco Bell).

These companies usually study a few retail categories like DDS (Department Store Sales) or GAF (General Merchandise, Apparel and Furniture.) In comparison, our model for the Old Brooklyn CDC is designed to test up to 100 categories.

Again, transacted retail sales and the number of establishments is provided by the Economic Census of Retail Trade. The NAICS data is gathered by the Economic Census of Retail Trade every five years, with the most recent census in 1997 and 2002. The data tends to be complete metropolitan areas and counties, but is less likely to be available for townships or cities. To address this problem, we conducted the model for Cuyahoga County, and then qualified the results based on our inventory of retail supply within the Effective Trade Area for the Old Brooklyn CDC. This too is a conventional approach in the retail research industry.

5.5 Market Share Analysis

The supply-demand model involves studying Cuyahoga and other counties in the region, and selecting a few that might qualify as reasonable analogs for the Effective Trade Area and the Old Brooklyn CDC. We also include the State of Ohio as a measure of averages among all possible analogs.

It is important to note that a selection of high-income counties does not necessarily mean that the Gap results will be aggressive. In fact, the opposite is probably more likely. The reason is simple; affluent households tend to spend a smaller share of their incomes on traditional retail categories.

Consumers with high incomes may be spending more than the average person, but not when it is measured as a share of their total income. Rather, they are likely to buy larger houses, newer cars, advanced education, vacations and investments. In comparison, it is the lower-income households that are spending a larger share of their income on essentials for subsistence, like groceries and pharmacies.

It is also important to note that if market shares are high among stores in one given county, it may be that the market demand is being met, and that shoppers are spending at a level that is consistent with their capacity. On the flip side, if market shares are low, it may be that the residents do not have enough choices or conveniences available, so they are taking their expenditures elsewhere. This points to a potential gap in the market, and an opportunity to intercept sales leakage.

To clarify further, the “Sales per Capita as a Share of Income” is not the same as “Expenditures per Capita as a Share of Income.” The first is a measure of total sales at all establishments within a given geography (like Cuyahoga County), and the latter is a measure of expenditures by residents within that geography.

$((\text{Total Sales at All Establishments}) / \text{Population}) / \text{Per Capita Income} = \text{Market Share}$

$((\text{Total Expenditures per Person}) / \text{Population}) / \text{Per Capita Income} = \text{Expenditures}$

The first measure is used to calculate the *Market Share* or capture rates of all retailers in the county. It may include sales import from visitors and shoppers who live just outside of the county. It is used to compare geographies and identify potential opportunities for improving the retail mix to intercept what might otherwise be described as export.

To be technically or mathematically correct, *Total Sales at All Expenditures* should be divided by the *Population* of the market, plus the number of visitors who come into the county. However, measuring visitor import is a very difficult step, and in fact, is nearly impossible. So, the industry has accepted the standard practice of measuring market share without adjusting for visitors, and the methodology is well understood by experienced retail analysts.

We use the supply-demand model to back into the market gap for Cuyahoga County and the Effective Trade Area (ETA) for the Old Brooklyn CDC, based on the assumption that retailers in this study area should be able to achieve the same *Market Share* as the analog markets. Applying the upside *Market Share* to the known per capita income suggests a threshold or maximum “resident expenditure potential” for the market.

Appendix B includes a table that displays the “Forecast Performance Data” for the Effective Trade Area. This data assumes a hypothetical and best-case scenario where new retailers intercept most or all of the expenditures that currently are being exported to other shopping destinations. For example, it assumes that all grocery stores will achieve a 6.4% market share (all retail sales per capita as a share of income) instead of the current 6.1% capture.

Increasing the market share thresholds for the market may imply that residents could be spending more on grocery stores. However, it is more likely that they are spending the same amount, but that are now spending it at stores *in* the trade area instead of competing locations. It is also likely that visitor import to the new stores is improved.

As a result, new grocery stores in the market will capture a higher share of resident expenditures, and grocery stores in competing locations will be capturing less. The expenditures will simply shift geographically, and the shared “pie” of resident expenditures will be divided among a new mix of stores.

Assuming that the Old Brooklyn CDC has an optimal number of grocery stores, then they should be able to capture sales of \$1,560 per capita annually, when measured on the basis of the population with in the market. Similarly, the appropriate number of pharmacies and drug stores would collectively capture \$878 per capita, and a well-balanced offering of home improvement centers would capture \$312 per capita.

Continuing with the entire list of over 100 categories, and assuming an optimal capture rate for each and every category, this would imply a collective market share of 65% when measured against the income of potential shoppers residing in the market. This is a “blue sky” scenario, and the actual opportunity is probably closer to the average for the State of Ohio (47.2%) and less than Lake County (58.1%).

To adjust the blue sky scenario for market realities, we compare the total personal income for the Old Brooklyn CDC to the total personal income in Cuyahoga County. This reveals that total personal income in the study area is just 2.4% the income of the county. Therefore, it is safe to deduce that this smaller local market can realistically capture no more than 2.4% of the upside potential for the entire county. This quickly reduces the magnitude of the opportunity to a reasonable scale.

We also consider other factors in the market, such as its regional setting, transportation linkages, proximity to competing shopping destinations, opportunities for land redevelopment, and other strategic considerations like critical mass, synergies, cohesiveness and clustering among established retail categories.

5.6 Productivity and Square Feet

The next step in the model involves estimating the amount of square feet that could theoretically be built to meet the Gap. This is most easily done by using regional averages on sales per square foot between retail categories. These sales per square foot or productivity figures are provided by the International Council of Shopping Centers (ICSC), and is reported on a monthly basis.

Sales productivity varies considerably between retail categories. Stores that offer hard-lines and big-ticket items like home appliances, couches and bicycles tend to have a higher sales per square foot. Stores that sell huge volumes of merchandise and stock the stores with high merchandise density can also have high productivity levels. Grocery stores are a good example. Stores that sell a low volume of merchandise and stock the stores with low density but have very high prices can also have high productivity levels. Jewelry stores and car import showrooms are good examples.

If sales productivity for all of the retail categories are averaged across the United States, then they tend to hover around \$300 per square foot. In markets where population densities are low or income levels are low, productivity could drop to \$250, \$200 or even \$150 per square foot. National chains like JCPenney and Kmart are known to close stores if productivity drops below \$100 per square foot. In markets with high population density, high incomes, upscale brands and strong import (like Manhattan) productivity levels can easily exceed \$600 per square foot ⁵.

5. Estimates based on industry expertise at Anderson Economic Group, LLC 2007.

6.0 Retail Supply

6.1 Introduction

Utilizing our in-house estimates and the inventory collected by the Cuyahoga County Planning Commission, we have summarized the types of retail and office space currently in the Study Area. Medical and dental office space represents the highest share of space in the Study Area (17.7% of total), and reflects the medical focus and character of the surrounding market. Alternatively, clothing and shoe stores occupy a small share of the total space in the Study Area at only 0.5%. Appendix B, Exhibit 4 provides the collapsed retail space by category in the Study Area.

6.2 Vacancy Rates

The market currently has a relatively high retail vacancy, at 13.4% of the total space. It is easy to conclude that the leading causes of high vacancy rates are 1) economic down cycles with reduced discretionary income among potential shoppers, and 2) new competitive events that pull shoppers away to other shopping destinations. However, other factors can also contribute to high vacancy rates and should not be overlooked. These include the following:

1. Existing retail space may be mature and dated, with many buildings that no longer meet the modern needs of savvy retailers, are structurally unsound, unsafe, and often too expensive to upgrade to meet current building codes.
2. Developers may have over-built newer retail space in the wrong locations. Absorption rates among speculative space in neighborhood settings or locations with poor visibility or highway access can be particularly slow.
3. Developers may be building retail projects that lack anchors. Developers should be required to provide a signed letter of intent from at least one 25,000 to 30,000 square foot anchor before breaking ground on new projects.
4. Parcel-by-parcel development along commercial corridors can contribute to retail sprawl and fragmentation. The longevity of these types of shopping districts is shorter than traditional downtown districts and relatively cohesive mixed-use projects.

5. There may be relaxed policies, ordinances, zoning and enforcement on planning related items like facades, parking, maintenance, signage, landscaping and illumination. If these are not monitored and enforced, then a shopping district can gradually decline and lose its ability to compete effectively.

6. Some retail chains may have closed due to poor performance that can be traced to internal management and operational issues, problems with merchandise distribution and stocking, and inability to adapt to changing consumer preferences. Larger retail boxes like Montgomery Ward, Service Merchandise, Builder's Square and Kmart can be particularly difficult to convert into other retail formats.

7. Development on adjacent and surrounding properties may have lowered the value of the existing retail. Land use adjacencies and encroachment of non-conforming uses can undermine the ability of a shopping district to sustain market share in an increasingly competitive market with fickle consumers.

In the best of all worlds, existing retail vacancies would be absorbed by new businesses before additional space is developed. However, this is not always practical when these other factors are weighed in. High vacancy rates may not necessarily mean that new retail tenants are not supportable. Rather, it means that obsolete properties should be carefully inventoried and studied for higher and better uses like offices and professional space, civic space, and housing.

As one example, our model reveals an opportunity for a small amount of space (11,000 square feet by the year 2010) in the traveler accommodations category. However, the market already has a motel that is vacant. So this begs the question: "How can a motel be supportable in the market when the only one here is already vacant?"

The answer lies in location, quality, age, format, and location of existing establishments, many of which may be marginal. Under these conditions, we recommend redeveloping the underutilized motel into a higher and better use that conforms with surrounding neighborhoods, perhaps as multi-family housing. Development of a new and modern hotel should be at an optimal location, and preferably with excellent highway visibility.

This aside, a motel with just 11,000 square feet would be quite small, probably with no more than 50 rooms. This small size would not be very efficient for most brands. Furthermore, hotels tend to cluster together and with other traveler conveniences like restaurants. The absence of other hotels will make it particularly difficult to attract a quality establishment in this category. For these reasons, hotels and motels are not included as target tenants in any of our retail strategy recommendations.

6.3 Big Box and Chain Retail

Collecting an inventory of big-box retail allows us to gauge whether a market can support additional and comparative retail. It should be noted that for each amount of space that is developed surrounding the Study Area, the space supportable in the Study Area will be reduced by that same amount. Appendix B, Exhibit 5 illustrates the availability and proportion of common big-box and national chain stores and their locations in the market.

Most communities within the competitive region have one or more big-box retailers. Parma, Cleveland City, North Olmsted, and Strongsville all have a relatively large number of big-box retailers. Considering the number of big-boxes and chain retail in the competitive market, our focus will be to provide unique brands to the Study Area and promote the “traditional downtown” atmosphere that the Study Area currently provides.

6.4 Regional Destinations

Residents in and around the Study Area have convenient access to regional shopping destinations. Resident shoppers spend only a portion of their expenditures in their home market, and export expenditures to other areas like Steelyard Commons, Parmatown Mall, Great Northern Mall, SouthPark Center Mall, and the Avenue at Tower City in Downtown Cleveland, to name a few. Below we have outlined a few of these destinations.

6.4.1 *Steelyard Commons*

At the intersection of I-71 and the Jennings Freeway, Steelyard Commons is located along the western edge of Cleveland’s industrial valley. On land that was once occupied by the abandoned No. 2 Finishing Mill, Steelyard Commons will recall the land’s steel-making heritage through architectural design. Serving the historic, densely populated neighborhoods, Steelyard Commons will create a vibrant regional retail development that draws Clevelanders back to this important site.

The project is anchored by The Home Depot, Target, Best Buy, and WalMart, and supported by over 20 other retailers. Exhibit 17 displays an aerial view of the project with a number of the retailers identified.

EXHIBIT 17. Aerial View of Steelyard Commons



Source: Steelyard Commons and First Interstate Properties, LTD. (www.steelyardcommons.com)

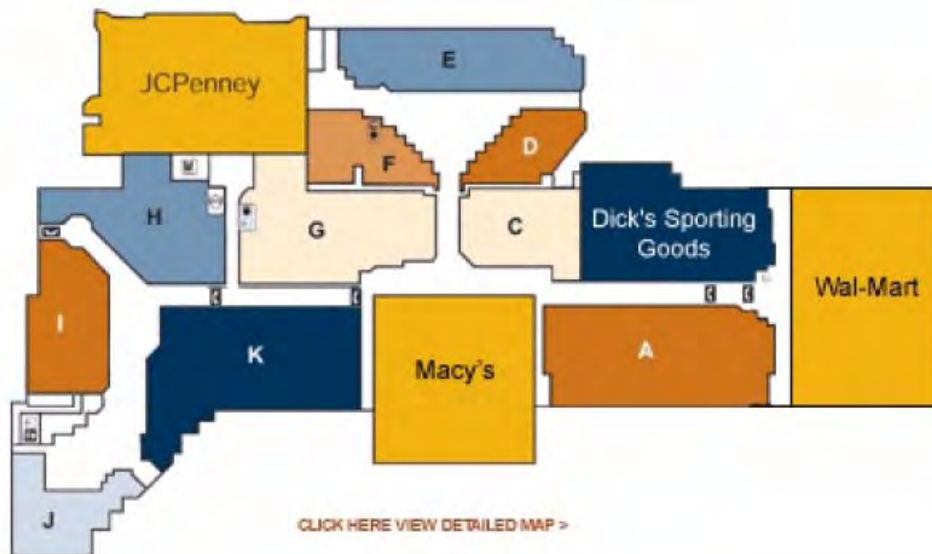
6.4.2 Parmatown Mall

Parmatown Mall is easily reached from anywhere in greater metropolitan Cleveland. It is located 3 miles South of the I-480 Ridge Road Exit - just a 20 minute drive from downtown Cleveland or Cleveland Hopkins International Airport.

Macy's, JC Penney, Wal-Mart, Dick's Sporting Goods and 150 distinctive stores and restaurants are surrounded by a beautiful new setting filled with splashing fountains, abundant skylights and lush tropical greenery.

Parmatown offers enjoyable shopping experiences, state-of-the-art services and a variety of entertainment options.

EXHIBIT 18. Layout of Parmatown Mall with Anchors



Source: Parmatown Mall (www.parmatown.com)

6.4.3 Westfield Great Northern Mall

Great Northern Mall, located 15 miles west of downtown Cleveland in North Olmsted, is a 1.1 million square foot, modern, one-level shopping plaza with 150 retail stores and services, including anchors, Sears, JC Penney, Macy's, and Dillard's. The mall is also surrounded by numerous shopping plazas with major retailers, such as Home Depot, Joann Fabrics, and World Market.

6.4.4 Westfield SouthPark Mall

Westfield SouthPark Mall is located south of Cleveland in the suburb of Strongsville. SouthPark Center features over 260 retail stores, including anchors, Macy's, Dillard's, JCPenney, Dick's Sporting Goods, and Sears, complimented by 23 restaurants.

6.4.5 Tower City Center - Downtown Cleveland

The Terminal Tower at Public Square, built in 1930, is the architectural symbol of Cleveland. Originally set atop the Union rail terminal, the beautiful ground level space has been transformed into a spacious and beautiful shopping and entertainment complex, national brand-name tenants, a cinema complex, restaurants such as the Hard Rock Cafe, the Ritz Carlton Hotel, and a large food court.

EXHIBIT 19. Inside the Tower City Center in Downtown Cleveland



Source: Tower City Center (www.towercitycenter.com)

6.5 Other Shopping Choices

There are a number of local shopping options for residents of the Study Area. Several of these options are listed below, including the size of the shopping center, and a sampling of anchor tenants.

- Southland Shopping Center - 764,000 Sq. Ft. - Burlington Coat Factory, Sears, Steve and Barry's
- City View Center - 740,000 Sq. Ft. - WalMart, Home Depot, Dick's Sporting Goods
- Ridge Park Square - 575,000 Sq. Ft. - Lowe's, Bed Bath & Beyond, Circuit City
- Big Creek Plaza - 500,000 Sq. Ft. - Home Depot, WalMart, Sam's Club, Value City
- Brookpark and Ridge - 480,000 Sq. Ft. - Best Buy, Kmart, Denny's, Staples
- Biddulph Plaza - 230,000 Sq. Ft. - Giant Eagle, Dollar General
- Memphis Fulton Shopping Center - 113,000 Sq. Ft. - Family Dollar, Memphis Market, Papa John's Pizza
- PearlBrook Shopping Center - 86,000 Sq. Ft. - Family Dollar, Rent-A-Center, FYE
- Brookview Shopping Center - 78,000 Sq. Ft. - Sav-A-Lot, Value Dollar

7.0 Office Space Analysis

7.1 Introduction

The Study Area is in a good position to benefit from office traffic that flows through the community and often makes its way to Cleveland Clinic, MetroHealth branches, or into Downtown Cleveland for business purposes. We understand that not all of the business functions pass through the Study Area, but the community has a clear opportunity to increase its offering among professionals like doctors, dentists, insurance agents, attorneys, survey and title companies, accountants, tax advisors, and CPA's.

To complete the office space portion of the analysis we relied on our expertise and extensive experience in the real estate industry, including site selection, location analysis, and local and regional economics to determine the best strategy. Common real estate strategies like (a) clustering, (b) critical mass, and (c) 'first in' maneuvering were also considered in our analysis.

In measuring office space supply, we collected information from 3 national commercial real estate advisors, including Grubb & Ellis, Colliers, and CBRE. Our analysis included a measure of yearly lease rate vs. square foot and office vacancy rates. We also utilized the inventory collected by the Cuyahoga County Planning Commission to determine the overall allocation of space. In our research we focused on select service categories that are traditionally located in downtown settings and that complement the existing business mix.

In measuring the demand for office space, we assessed transportation linkages, access to regional amenities, proximity to ancillary uses, accessibility to education and training, and regional connectivity. In addition, we measured the existing and transacted sales for select service categories to determine the gap in spending on those categories. We then qualified the resulting "gap" in the supply-demand analysis, based on our in-field observations and experience in the real estate industry to determine the true opportunity for additional office space.

7.2 Office Space Opportunity

There are enough compelling locational advantages to recruit and retain professional office space tenants in the Study Area. The results of the supply-demand analysis indicate there is opportunity for 54,500 square foot of office space in the Study Area, and up to 75,000 through 2020.

We recommend adding additional office space in the Study Area with units ranging in size between 1,000 and 4,000 square foot. We also recommend that the office space be located on the side streets of significant intersections and in the upper floors of mix-use buildings. Appendix B, Exhibit 3 displays the list of office and service categories, and supportable square footages that would complement and enhance the current tenant mix in the Study Area.

7.3 Office Space Supply

In reviewing current market conditions among office space, we commenced our work with a review of existing commercial and office space in the Study Area as provided by the Cuyahoga County Planning Commission. We then examined for-sale and for-lease market data for southern Cleveland provided by Colliers International, CBRE, and Grubb & Ellis for fourth quarter 2007.

7.3.1 Study Area Inventory

Based on the results of the inventory conducted by the Cuyahoga County Planning Commission, there is roughly 1.19 million square feet of office space in the Study Area. Nearly 56% of the office space is occupied by Medical and Dental Offices, followed by Banks and Financial Institutions at 23% of the space. The relatively high medical and dental space is indicative of the proximity to MetroHealth and Cleveland Clinic Branches. Table 3 provides the details on the allocation of office space in the Study Area.

TABLE 3. Office Space Inventory

Description	Category	Number of Establishments	Square Footage	Share of Space
Medical and Dental Offices	G3	24	672,382	56.3%
Banks and Financial Institutions	G1	27	276,472	23.1%
Local and Regional Offices	G2	34	226,488	19.0%
Charitable Organizations	G4	4	19,329	1.6%

Source: Cuyahoga County Planning Commission and Anderson Economic Group, LLC 2008.

7.3.2 Lease Rates

Lease rates are measured most commonly by the rate per square foot by size. We have analyzed the lease rates for commercial office space in the Study Area market. The current asking prices by class are provided in Table 4. To put these rates in perspective, we have also provided lease rates for Downtown Cleveland.

TABLE 4. Office Space Inventory

Occupancy Type	Other Cleveland*	Downtown Cleveland
Class A	\$24.09	\$19.99
Class B	\$12.72	\$16.08
Class C	\$11.43	\$12.41

Source: Colliers Ostendorf-Morris, Fourth Quarter 2007.

**The Study Area is Included in the area defined as "Other Cleveland".*

The results indicate that asking prices for Class A space in the Study Area are much higher than in Downtown Cleveland. Further review of the data indicates that there are few buildings in the Study Area that offer Class A space. This lack of supply is likely to be causing the increased asking price for the space.

7.3.3 Vacancy

The inventory of retail and office space by the Cuyahoga County Planning Commission revealed that roughly 500,000 square feet of retail/office space was vacant, representing over 13% of the total space in the Study Area (this is about average). Comparatively, Colliers Ostendorf-Morris reports that both Downtown Cleveland and the U.S. office vacancy rates are roughly 13% as well.⁶ Given the limited options for Class A space in the Study Area, the vast majority of this vacancy is within Class B and Class C space.

7.4 Office Space Demand

One of the most significant inputs for office space demand is current market labor force and employees. Most office space tenants carefully consider the convenience of their location for potential employees. Centralized locations relative to the concentration of labor force can significantly improve their ability to compete for skilled workers. Inversely, businesses located far from the core population may find it more difficult to attract and retain staff.

6. U.S. Office Vacancy and Industrial Availability Reports at <http://www.cbre.com/USA/Research/Market+Reports/US+Vacancy+Reports/default.htm>.

When considering human resources, the importance of location is greater for the skilled industries, including professional industries that are likely to require office space. The importance lessens somewhat for industries that rely on relatively lower skill levels, such as retail and service jobs. Considering these factors, the Study Area is well positioned to capture some of the regional demand due to many unique locational factors, with consideration for all of the following:

- Proximate to major employers such as Cleveland Clinic, University Hospitals System, Progressive Corporation, KeyCorp, National City, MetroHealth System, and Ford Motor Company, to name a few.
- Exceptional access to transportation linkages, including I-71, Jennings Freeway, and I-480, minimizing commute times and increasing job appeal for potential employees.
- MetroHealth hospital is within a short drive to the Study Area which leading to office space demand for professional services.
- Proximate to the Cleveland-Hopkins International Airport for commuting and travel conveniences.
- Proximate to major universities and educational institutions like Cleveland State University, Case Western University; technology centers; research and development parks; and other sources of advanced knowledge.
- The Study Area has favorable lease terms and real estate costs compared to other competing markets in the region.

Proximate to clusters of conventional retail, restaurants, and entertainment venues, which add job appeal for potential employees and conveniences for potential clients and customers.

8.0 Residential Market Analysis

8.1 Introduction

For the Residential Analysis, we have conducted a comprehensive supply-demand analysis that begins with a cross-tabulation of housing units by value bracket (supply) with households by income bracket (demand). The model involves a 35-step process of loading data inputs, computing and calculating values, converting value and income brackets, transposing data outputs to matrices, generating the outputs and testing the results. The supply-demand model involves data-input of variables summarized below.

- Average Household Incomes and Growth
- Number of Households and Growth
- Households by Income Bracket
- Number of Housing Units and Growth
- Housing Units by Home Value Bracket
- Mortgage-to-Income Ratios
- Mortgage-to-Home Value Ratios
- Share of Owner-Occupied Households
- Allowable Monthly Mortgage Costs by Income Bracket
- Home Value Appreciation
- Market Share and Capture Rates

This model can then be used to identify any opportunity for increasing the variety and mix of the residential units in the market. The opportunity analysis qualifies the gap utilizing a straight-forward market share assessment. The market shares for the Study Area's projects have been estimated with consideration for the following factors:

- Project sizes and configurations
- Project locations relative to competition
- Project locations relative to regional amenities
- Project locations relative to employment centers
- Project visibility and access to potential tenants
- Land use adjacencies

The results are then distilled into conclusions, qualified, and translated into recommendations. Our recommendations rely not only on the analytic results, but also on our professional judgement, expertise in the housing and real estate development industries, and first-hand knowledge of the market area.

We also delineated a trade area that reflects the full potential for the Study Area. We have established a Primary Trade Area (PTA) to determine the demographics of likely residents to the existing and proposed projects. In the residential industry, a trade area is generally delineated to account for about 70% of potential residents. To delineate the trade area for the Study Area, we conducted the following analysis:

- Market tour and observations regarding the relationship of the Study Area to area amenities, major highways, new housing construction, employment centers and regional amenities.
- Drive-time analyses from the center of the Study Area, based on a standard commuting distance. A drive time analysis can vary depending on traffic congestion, road networks and connectivity, traffic speeds and density of land uses.
- Demographic analyses, including households, growth, median household income, educational attainment, housing tenure and commuting time to work.
- Political and physical boundary assessments, including the Ward boundaries, Cleveland, and Cuyahoga County as a whole.

8.2 Residential Opportunity

There is opportunity for expanded housing options in the Study Area, including new condominium units above retail or office space. As indicated in Table 5, there is room in the market to support up to 880 new owner-occupied units by 2015. We recommend focusing the development in key areas as detailed in Section 3.0, “Development Strategy”.

TABLE 5. Number of New Owner-Occupied Units Supportable in the Study Area

Price Range		2008	2009	2010	2011	2012	2015
\$150,000	\$199,999	-	-	-	-	-	-
\$200,000	\$249,999	200	200	200	190	190	180
\$250,000	\$299,999	230	220	210	200	190	160
\$300,000	\$399,999	230	250	270	290	320	390
\$400,000	\$499,999	50	60	60	60	60	70

Source: Anderson Economic Group, LLC 2008.

Data: U.S. Census Bureau and ESRI, Inc.

There is a gap in the market for units priced above \$200,000. These units should come in the form of condominiums, flats and lofts, and/or infill single-family units.⁷ To be competitive, every unit should offer at least 2 bedrooms, and each unit larger than 1,500 square feet must include 3 bedrooms. Every unit should offer two full baths, and each unit larger than 1,500 square feet should offer 2.5 baths.

TABLE 6. Number of New Renter-Occupied Units Supportable in the Study Area

Price Range		2008	2009	2010	2011	2012	2015
Below	\$499	340	450	440	440	400	350
\$500	\$599	-	-	50	80	110	150
\$600	\$699	-	-	-	-	-	20
\$700	\$799	-	-	-	-	-	-
\$800	\$999	-	-	-	-	-	-
\$1,000	\$1,249	60	60	50	40	20	-
\$1,250	\$1,499	20	20	20	10	10	-
\$1,500	\$1,999	40	30	30	20	10	20
\$2,000	Above	10	30	30	40	50	70

Source: Anderson Economic Group, LLC

Data: U.S. Census Bureau and ESRI, Inc.

There is a gap in the market for up to 340 units renting below \$499, and 130 units above \$1,000. Through 2015, there is market support for units renting below \$699, and above \$1,500. The lower rent units could come in the form of apartment-style housing. The higher priced units should be included in a mixed-use and mixed-tenure (owner- and renter-occupied) development.

The development and conversion of lofts above retail is a market trend for urban areas across the state and nation. The obstacles are few but heavily weighted, as landlords and building owners are hesitant to take a risk at investing large sums for refurbishing dated units. However, the opportunity is clear for parts of Wards 15 and 16.

The opportunity to introduce new owner-occupied condominium units to the Study Area is favorable, but similarly it will require aggressive promotions and marketing for the first several years to improve the success of the endeavors and increase the rate of absorption. We recommend that new units be included as a mixed-use development of at least a three level building with the condominiums on the top levels. Rent-to-own financing options should be considered for at least some of these units.

7. For information regarding funding for converting units above retail for residential use and rehabilitating existing units, see the Preservation Toolbox at <http://www.ohiohistory.org/resource/histpres/toolbox/index.html>.

We recommend encouraging and incentivizing a live-work unit approach to some of the units. These types of units offer affordability, reduced reliance on automobiles, a mixture of uses, and ultimately a vested interest in the property values by the property owners.

8.3 Residential Market Supply

We have conducted a comprehensive residential supply analysis for the Study Area, the region, and the State of Ohio. The results help In analyzing residential supply, we first evaluated the number of existing units in the market. The data highlights the housing growth in the Study Area, Wards 15 and 16, Cuyahoga County and the competitive areas. The results in the section below can also be found in a more comprehensive data collection found in Appendix D.

8.3.1 Owner-Occupied Values

A primary variable in the supply-demand model is the current and forecasted supply of housing units by unit value. The data is tested further in the comprehensive supply-demand model. Home values are concentrated in the lower value categories than the region and the state. The highest percentage of homes were valued between \$100,000 and \$149,999 (see Appendix C-1). Also, median values increased from \$83,952 in 2000 to \$103,707 in 2007 (see Appendix D-8).

8.3.2 Housing Unit Growth and Tenure

The Study Area had a decrease of roughly 500 housing units between 2000 and 2007. Of the total housing units in the Study Area, 59.5% were owner-occupied, 31.4% were renter occupied, and 9.2% were vacant (as of 2007). In comparison, the State of Ohio's share of housing units that are owner-occupied is 66%. According to our findings, Cuyahoga County had a housing vacancy rate of 10.0% in 2007, compared to the State of Ohio at 9.0%.

8.3.3 Units in Structure

Approximately 58% of the housing units in the Study Area were single-family detached, and 36% of all units were 2 or more units combined. This is even with Cuyahoga County. Within the Wards, Ward 15 has a lower share of single family units and a higher share of 2 or more units per structure than Ward 16.

8.3.4 Year Structure Built

More than half of the units in the Study Area were built before 1940 and a relatively small share of units were constructed since 1990 (less than 2%). In comparison, only 21% of the units constructed in the State of Ohio were built before 1940 and about 12% of units were built since 1990.

8.3.5 For-Sale Homes

Our supply analysis also includes a review of current (December 2007) for-sale units in the Cleveland Market Area verse the Old Brooklyn Community, to verify our field observations and to qualify the analytic results of this report. This step began with a collection of over 2,000 observations of for-sale single-family units throughout the market.

We then analyzed unit prices, price per square foot, price per square foot by size, and size versus number of bathrooms and bedrooms (see Appendix C-1 through C-5). We expanded our search to the following communities in the Cleveland Market Area:

- Parma
- Parma Heights
- Cleveland
- Garfield Heights
- East Cleveland
- Brook Park
- Independence
- Lakewood
- Middleburg Heights
- Newburgh Heights
- Rocky River
- Seven Hills

The relationship between unit size and price per square foot can directly influence developers and builders, with an incentive to build a larger number of small units than a smaller number of large units. Our analysis indicates that the most available units are priced between \$100,000 and \$200,000. The high concentration of units in this price bracket suggests that the condo and townhome market in the Cleveland market area caters to a moderate to medium income demographic.

The majority of available units are less than 2,000 square feet, and relatively few are listed for more than \$200 per square foot. The data suggests possible market gaps between 1,500 and 2,000 square feet, with a price per square foot between \$130 and \$175. Within this size range, it would be reasonable in the Cleveland market for condominium prices to range from \$200,000 to \$350,000 for condominium and townhouse units.

The largest share of available single-family units in the Study Area have for-sale prices between \$50,000 to \$99,999, followed by the \$100,000 to \$149,999 price bracket. The majority of units are below \$100 per square foot, and under 1,500 square foot in size. A large share of units are priced below \$50 per square foot. Over half of the units offer 3 bedrooms, but relatively few offer 2 or more bathrooms.

8.3.6 Foreclosures

Over the last few years, foreclosures have become a serious statewide and national problem. Regulators, lending institutions, households, and communities have all felt the negative impact of foreclosed homes. Federal, state, and local agencies are working to prevent homeowners from facing the financial burden and personal disaster of foreclosure, with additional help on the horizon.

As of October 2007, there were 3,248 bank-owned foreclosed homes in Cuyahoga County, with an average price of approximately \$41,000. Comparatively, there were over 131,025 foreclosures in the State of Ohio, with average price of \$77,839. Table 7 provides a breakdown of foreclosures by geography, including the average price.

The zip code 44109, which represents the majority of the Study Area, had 106 foreclosures with an average selling price of \$36,173. Neighboring zip code 44105 has the most foreclosures, while 44131 has the highest average price for foreclosures.

Appendix C-10 provides a spatial representation of the foreclosures in the Cleveland market. This map illustrates that the foreclosures are concentrated around zip codes 44109 and 44102. Foreclosures with higher selling prices are located to the south of the Study Area.

TABLE 7. Foreclosures by Number and Average Price - As of January 2008

Geography	Number of Foreclosures	Average Price
<i>State of Ohio</i>	<i>131,025</i>	<i>\$77,839</i>
<i>Cuyahoga County</i>	<i>3,248</i>	<i>\$41,216</i>
44109	106	\$36,173
44144	28	\$54,043
44102	146	\$27,907
44113	13	\$29,701
44115	2	\$78,400
44127	57	\$12,701
44105	330	\$19,297
44125	108	\$53,144
44131	4	\$228,955
44134	31	\$88,582
44129	23	\$83,090

Source: Anderson Economic Group's Analysis of Foreclosure1.com data, January 2008.

8.4 Residential Market Demand

In this section of our report, we compare demand-specific demographic data for the Study Area, the region, and the State of Ohio. Comparisons to other counties in the region are intended to provide insight into markets with comparable geographic and socioeconomic characteristics. The comparisons are important in evaluating the local market and help qualify the proportion of opportunity for additional real estate development in the Study Area. For more detailed demographic and socioeconomic data see Appendix D.

8.4.1 Households and Growth

The total number of households in the Study Area has been decreasing at a rate of -0.7% since 2000, and losing over 1,100 households from 1990 to 2007. This decline is also represented in Cuyahoga County, while the State of Ohio is showing slight growth over the same period. We expect these trends to continue through the remainder of this decade.

8.4.2 Average Household Size

We have analyzed the average household size for owner-occupied units to measure the demand for size and scale for potential units. The average household size in the Study Area was 2.3 persons per household, compared to the state (2.5) and Cuyahoga County (2.4). See Appendix D-3 for more details.

8.4.3 Household Income

Household income provides a general measure of the household capacity to purchase homes among various value brackets. By comparing the Study Area with the competitive region and the State of Ohio averages, we are able to identify income profiles that may differ in the local market from the state overall. The median household income in the Study Area was relatively low at \$40,152 in 2007, compared to the county and the state (\$47,992 and \$50,660 respectively).

8.4.4 Vehicle Ownership

An assessment of vehicle ownership is essential to this analysis, particularly in addressing the necessity of additional parking needs. The share of households in the Study Area with at least one car was 84.8%, which was relatively low compared to the state at 91.4%. The relatively low number of vehicles owned in the Study Area may be due to the large number of carpoolers and public transportation patrons. See Appendix D-5 for further details.

8.4.5 Lifestyle Clusters

We have utilized a data set provided by ESRI Inc. to better evaluate the demographic makeup of the citizens in the Primary Trade Area (PTA) compared to the County and the State. Lifestyle Clusters take into account multiple socioeconomic and demographic variables to determine the “lifestyle” characteristics of a region. Brief descriptions of the top 5 lifestyle clusters for the Study Area PTA are below as defined by ESRI, Inc. Appendix D-1 also illustrates the top 10 lifestyle clusters and the proportion of each compared to Cuyahoga County and the State of Ohio.

Over 25% of households in the PTA are classified under the first three of these lifestyle clusters, but representation throughout the top ten clusters remains strong with 4.2% in the tenth category. This indicates that the PTA has a diverse mix of household types which indicates an opportunity for many different housing types, styles, and price points. Some communities have a higher share of their households in just one or two

categories, indicating a clear demand for a particular housing type. The OBCDC, however, should focus on diversification; providing a mix of housing options to meet the wants and needs of a diverse community.

Rustbelt Traditions neighborhoods are the backbone of older, industrial cities in states bordering the Great Lakes. Most employed residents work in the service, manufacturing, and retail trade industries. Most residents own and live in modest single-family homes that have a median value of \$107,222. Households are primarily a mix of married-couple families, single-parent families, and singles who live alone. The median age is 36.1 years and the median household income is \$49,579.

Cozy and Comfortable residents are settled, married, and still working. Many couples are still living in the pre-1970s, single-family homes in which they raised their children. Households are located primarily in suburban areas of the Midwest, Northeast, and South. The median age is 41.9 years, and the median home value is \$186,456.

Most *Rustbelt Retirees* neighborhoods can be found in older, industrial cities in the Northeast and Midwest, especially in Pennsylvania and other states surrounding the Great Lakes. Households are mainly occupied by married couples with no children and singles who live alone. The median age is 44.6 years. More than 40% of the households receive Social Security benefits. Most residents live in owned, single-family homes, with a median value of \$134,314. Unlike many retirees, these residents are not inclined to move.

The *City Dimensions* market is young, with a median age of 29.2 years. Nearly 63% of households rent; more than half are apartments in multiunit structures. Most of the real estate is older. Approximately 70% of the housing units were built before 1960, 42% of which were built before 1940.

Metro City Edge residents live in older, suburban neighborhoods of large, metropolitan cities, primarily in the Midwest and South. This market is home to married-couple, single-parent, and multi-generational families. The median age is 29.5 years, and the median household income is \$31,816. Nearly half of employed residents work in the service industry. Most households live in single-family dwellings; 14% live in buildings with two to four units, many of them duplexes. Home ownership is at 56%, and the median home value is \$80,795.

9.0 Sports and Recreation Analysis

9.1 Introduction

The Old Brooklyn Study Area has exceptional natural features and amenities including the Cleveland Metroparks and Metropark Zoo, the Towpath Trail, Big Creek Valley and the Brookside Reservation, among others. These natural features and amenities make the Study Area an ideal candidate for promoting outdoor and adventure recreation.

For the Sports and Recreation Analysis we examined specific entertainment categories to determine the opportunity to develop new sports, entertainment, and recreation venues. We began by researching existing venues in the greater Cleveland market area, followed by an analysis of existing venues outside of the market to best determine the quality, mix, and scale for the Study Area projects. We tested a wide variety of venues that included a mix of the following:

- Indoor sports facilities
- Rock-Wall Climbing, Rappelling
- Modern skateparks
- Aerodiums
- Mountain and Dirt Biking Parks
- R.V. Parks and Campgrounds
- Hotels, motels and traveler accommodations
- Restaurants and eateries
- Adventure Sports (non-motorized)
- Gravity Games
- Obstacle Courses

We also utilized the results of the supply-demand analysis to determine if there is sufficient market potential for new sports, entertainment, recreation, and accommodation space. Other variables that we considered in our work included:

- Average daily expenditures
- Regional attractions, amenities, events
- Water features, other unique attributes
- Highway linkages and access
- Marketing and promotions
- Lifestyle characteristics
- Age and educational attainment
- Average household size

9.2 Adventure Sports and Primitive Camping Opportunity

The results of our supply-demand analysis indicate that there is opportunity in the Study Area for up to 80,000 square foot of space for Sports, Recreation, and Civic space, and roughly 9,000 square foot of space for Traveler Accommodations (see Appendix B-2). This opportunity total includes retail categories like Nature Parks, Bowling Centers, Museums, Historical Sites, and Botanical Gardens. While some of these categories may not align exactly with the potential uses, the functions are similar enough for the concepts to include the square footages toward their totals.

9.3 Comparables Analysis

There are a number of adventure sports and recreation venues that are established in Northeast Ohio. These analog venues provide good comparisons for scale, amenity mix and format, and are intended to provide a measure of what is realistic and achievable for the Study Area. In our research we looked for venues that offered multiple indoor/outdoor sports options. Some of the options we considered in our searches included:

- Indoor Sports Facilities and Arenas
- Fitness Centers and Pools
- Small Theme Parks and Water Parks
- Indoor Driving Ranges
- Batting Cages
- Rock-Wall Climbing and Repelling
- Modern Skateparks
- Mountain and Dirt Biking
- Restaurants and Eateries
- Theaters and Cinemas
- Bowling Alleys and Arcades
- Raceways
- R.V. Parks and Campgrounds
- Hotels, Motels and Traveler Accommodations

While there were adventure sports venues in the region, none of the venues offered the same concept tested for this report. However, three venues did feature amenities potentially offered. These are listed below.

9.3.1 *Ohio Dreams*

Ohio Dreams touts itself as a facility and an experience unlike anything else. Among its many sporting entertainment options include:

- Skateboarding
- Inline skating
- BMX (Race, True Street and Trails)
- Mountain biking
- Ski and snowboard freeride water ramp training (in our bubble aerated pool)
- Wakeboarding
- Wakeskating
- Waterskiing

Ohio Drams also provides equipment and a knowledgeable staff to help customers learn sporting skills and proper equipment usage.

9.3.2 *Area 330*

Area 330 is located in Carroll County, Ohio, and offers a variety of activities for outdoor sports enthusiasts. Area 330 features:

- Several motocross practice tracks
- NBL BMX race track
- Fishing
- Mountain bike course

This venue is also planning to offer Skateboarding, Primitive Camping, and Paintball.

9.3.3 *Chenga World*

Located in Brook Park, Ohio, Chenga World offers two separate indoor parks designed for:

- BMXers
- Skaters
- Rollerbladers

Both parks have pro shops selling items like skateboard decks, frames, clothes, and shoes.

9.4 Adventure Sports Demand

Appendix Appendix B-10 presents the expenditures per person on sports and recreation. The map illustrates where spending is taking place for this category throughout the trade areas. Spending is highest in along the edges of the trade area, mostly consistent with overall retail expenditures and income profiles. This indicates a strong correlation between income and spending on sporting goods, which is to be expected.

9.5 Demand for Camping

The results of our supply-demand analysis indicate there is opportunity in the market for a new camping venue, as seen in Exhibit 2 on page 2 of Appendix B. This is determined by examining past expenditures on campgrounds and area demographics (demand) and comparing it to the current supply of campgrounds in the area.

The unique nature of this potential campground in the middle of a large urban market boosts its potential opportunity. Many area residents may desire to escape the busy pace of urban living, but do not have the time or desire to drive long distances to escape it. Add to this the recent escalation of fuel prices, and camping closer to home looks more inviting than ever.

While the demand for camping facilities is strong, a new camping venue will be successful only if it meets the wants and needs of its potential users. We highly recommend a further study of local campers to understand what they are looking for in a camping facility, especially one in an urban setting. This study can be done inexpensively by hosting focus groups or conducting simple surveys. We suggest collaborating with area sporting goods stores to survey customers to determine what they want in a camping facility.

10.0 Economic Assessment

10.1 Introduction

We have analyzed the local labor force to determine the overall viability of the Study Area compared to Cuyahoga County and the State of Ohio as a whole. The examination of key indicators is an essential step in identifying the mix of businesses that will be sustainable and complement the community's long range economic initiatives. These key indicators include an assessment of major employers, total employment, employment by industry and occupational information.

10.2 Major Employers

The top fifteen employers in the Study Area are provided in Table 8. Employment opportunities include manufacturers, construction firms, medical care providers, warehouse and trucking, and wholesale trade. Overall, the Study Area has a dominant construction, wholesale, and manufacturing employment base.

TABLE 8. Top Fifteen Employers in the Study Area

#	Employer Name	Description	Est. Number of Employees
1	METROHEALTH SENIOR HEALTH & WELLNESS CENTER	Medical Facility	750
2	MERITECH OFFICE TECHNOLOGIES	Industrial/Wholesalers	150
2	MARTIN ENTERPRISES	Construction	110
4	WIZARD COMMUNICATION	Construction	101
5	CHEMICAL SOLVENTS INC	Chemical Wholesalers	100
6	TESAR INDUSTRIAL CONTRACTORS	Construction	100
7	WATT PRINTERS/MAIL MARKETING	Commercial Printing	100
8	FRITO-LAY INC	Food Wholesalers	100
9	GEORGIA-PACIFIC CORP	Paper Manufacturing	100
10	WABASH ALLOYS	Recycled Materials	90
11	MICRO PRO INC	Computer and Software	90
12	TERRACE CONSTRUCTION CO INC	Construction	80
13	TRANSFORMER ENGINEERING CORP	Electrical Wholesalers	60
14	ORIGINAL MATTRESS FACTORY	Mattress Manufacturing	55
15	ALUMITECH INC	Metal Wholesalers	50
16	DONS BROOKLYN CHEVROLET INC	Car Dealerships	50

Source: Anderson Economic Group, LLC 2008. Base data provided by ESRI Inc. 2007.

10.3 Total Employment

The total employment within the study area was approximately 19,770 in 2007. This is compared to a 2007 total employment in Cuyahoga County of 623,270 and 5,637,700 for the State of Ohio. These numbers are all lower than they were in 2000, when the study area had a total employment of 21,261, the County had 634,419, and the state 5,402,175.

10.4 Employment by Industry

Manufacturing held the largest share of employment in the study area in 2007, matching the State at 15.9%. The next largest industry by share of employment was health care at 13.7%, which is also the largest industry sector in the County at 16.5%. Retail Trade was the third largest industry in the study area with 12.0% of the total employment. This is higher than the retail percentage for the County (10.3%) and the State (11.5%).

TABLE 9. 2007 Employment by Industry

	Study Area		Cuyahoga County		State of Ohio	
	#	%	#	%	#	%
Agric/Forestry/Fishing	17	0.1%	414	0.1%	36,682	0.7%
Mining	17	0.1%	445	0.1%	17,428	0.3%
Construction	1,167	5.9%	26,385	4.2%	322,467	5.7%
Manufacturing	3,140	15.9%	77,846	12.5%	897,933	15.9%
Wholesale Trade	711	3.6%	24,185	3.9%	205,887	3.7%
Retail Trade	2,365	12.0%	64,247	10.3%	650,694	11.5%
Transportation/Warehousing	837	4.2%	24,366	3.9%	220,353	3.9%
Utilities	123	0.6%	3,365	0.5%	39,187	0.7%
Information	358	1.8%	13,301	2.1%	103,084	1.8%
Finance/Insurance	1,223	6.2%	42,758	6.9%	280,351	5.0%
Real Estate/Rental/Leasing	305	1.5%	13,808	2.2%	97,628	1.7%
Prof/Scientific/Tech Services	774	3.9%	41,208	6.6%	290,382	5.2%
Mgmt of Companies/Enterprises	170	0.9%	2,136	0.3%	14,055	0.2%
Admin/Supp/Waste Mgmt Services	993	5.0%	25,160	4.0%	192,454	3.4%
Educational Services	891	4.5%	54,634	8.8%	522,916	9.3%
Health Care/Social Services	2,700	13.7%	102,796	16.5%	787,568	14.0%
Arts/Entertainment/Rec	322	1.6%	11,142	1.8%	80,886	1.4%
Accommodation/Food Services	1,570	7.9%	41,235	6.6%	386,664	6.9%
Other Services (excl Pub Adm)	1,044	5.3%	28,991	4.7%	270,307	4.8%
Public Administration	1,044	5.3%	24,851	4.0%	220,775	3.9%
Total Employed in Industry	19,771		623,273		5,637,701	

10.5 Employment by Occupation

Another way to classify employment types within an area is to reference specific job duties, rather than the part of the economy in which it exists. Occupational data describe employment in this manner.

As seen in the following table of 2007 data, the occupation with the largest share of employees in the study area was Office/Administrative Support at 17.3%. This was also the highest category for the County (15.9%) and State (14.4%). The second largest category in the study area was Production at 10.4%, followed by sales at 9.5%.

TABLE 10. 2007 Employment by Occupation

	Study Area			Cuyahoga County		State of Ohio		
	#	%	Mean Salary	#	%	#	%	Mean Salary
Management including Farmers/ Farm Mgrs	1,286	6.5%	\$99,750	57,043	9.2%	509,277	9.0%	\$93,460
Business/Financial	662	3.3%	\$58,750	30,278	4.9%	211,638	3.8%	\$57,420
Computer and Mathematical	338	1.7%	\$65,420	13,786	2.2%	111,316	2.0%	\$65,680
Architecture/Engineering	219	1.1%	\$64,550	10,626	1.7%	101,902	1.8%	\$64,290
Life/Physical/Social Science	123	0.6%	\$57,420	6,883	1.1%	53,112	0.9%	\$58,860
Community/Social Services	361	1.8%	\$44,470	12,594	2.0%	97,452	1.7%	\$40,540
Legal	112	0.6%	\$77,810	11,571	1.9%	59,876	1.1%	\$72,440
Education/Training/Library	594	3.0%	\$52,810	37,163	6.0%	335,604	6.0%	\$49,370
Arts/Design/Entert/Sports/Media	318	1.6%	\$42,990	11,838	1.9%	85,235	1.5%	\$41,750
Health Practitioner/Technician	842	4.3%	\$63,710	43,528	7.0%	343,445	6.1%	\$62,860
Health care Support	573	2.9%	\$24,730	17,827	2.9%	157,362	2.8%	\$24,440
Protective Service	739	3.7%	\$38,060	11,853	1.9%	93,358	1.7%	\$36,880
Food Preparation/Serving Related	1,271	6.4%	\$19,000	35,032	5.6%	340,436	6.0%	\$18,530
Building/Grounds Cleaning/ Maint	932	4.7%	\$24,460	22,451	3.6%	190,472	3.4%	\$23,770
Personal Care/Service	706	3.6%	\$24,110	19,365	3.1%	170,853	3.0%	\$22,390
Sales/Related	1,883	9.5%	\$36,700	65,263	10.5%	570,288	10.1%	\$33,850
Office/Administrative Support	3,417	17.3%	\$31,250	99,084	15.9%	810,535	14.4%	\$30,230
Farming/Fishing/Forestry	24	0.1%	\$24,720	383	0.1%	12,804	0.2%	\$25,470
Construction Trades Worker	1,046	5.3%	\$47,360	20,544	3.3%	258,507	4.6%	\$42,370
Installation/Maintenance/Repair	834	4.2%	\$41,740	16,869	2.7%	193,890	3.4%	\$39,680
Production	2,054	10.4%	\$33,810	44,146	7.1%	529,226	9.4%	\$32,630
Transportation/Material Moving	1,433	7.2%	\$31,770	35,146	5.6%	401,113	7.1%	\$30,250
Total Employed in Occupation	19,767			623,273		5,637,701		