



**A Proposal For:**

**OLDE GAHANNA/CREEKSIDE  
MARKET ANALYSIS  
AND RECRUITMENT STRATEGY**

**Prepared For:**

**CITY OF GAHANNA  
Gahanna, Ohio**

**Prepared By:**

**BOULEVARD STRATEGIES  
Columbus, Ohio**

**August 8, 2001**

# BLVD STRATEGIES

*Where Strategy and Opportunity Intersect*

## SCOPE OF SERVICES

### A. Retail Market Analysis

- Economic conditions in Gahanna and the Columbus Metropolitan Statistical Area (MSA) will be researched including:
  - Employment/unemployment trends
  - Major employers/key industries
  - Cost of living index
  - Retail sales
  - Key economic development issues
- Retail market segments to be analyzed will include:
  - Gahanna residents
  - Franklin County residents outside of Gahanna
  - Downtown workers/businesses
  - Tourists, visitors and conventioners from outside of Franklin County
  - Other market segments that may be identified
- Factors to be analyzed for these retail market segments will include:
  - Relative size and growth
  - Demographic profile (i.e., population/households, family vs. non-family households, age distribution, education/occupation, income distribution; 1980, 1990, 2000 Census, 2010 projected; benchmarked vs. Columbus MSA, U.S.)
  - Lifestyle activities
  - Retail spending patterns
  - Shopping behaviors and attitudes
- For each market segment identified in, above, major current and planned competitive offers, including shopping centers, 'big box' retailers and other downtowns, will be identified and the following factors analyzed:
  - Location and distance from Olde Gahanna
  - Size and vacancy level
  - Tenant mix
  - Price/quality levels
  - Theme/image/key appeals to consumers
  - Physical and architectural conditions
  - Lease rates and terms (where available)
  - Overall strengths and weaknesses



## B. Market Analysis for Potential Complimentary Uses

Demand and supply factors will be analyzed for the following market segments to identify potential complimentary uses for upper floor and non-retail spaces in the downtown:

- Office
  - White collar employment
  - New business startups
  - Net absorption rates
  - Current vacancy levels and rents
  - Quality of existing space/amenities
  - Plans for new construction
- Residential
  - Profile of existing units by type, rent, locations, age and ownership status
  - Resale market
  - Level of vacancy by type
  - Styles and amenities by type
  - Plans for new construction
  - Demographic profile with emphasis on household composition and income levels
- Hotel
  - Profile of existing units by size, type, location and room rates
  - Quality levels and amenities
  - Current occupancy levels
  - Plans for new construction
  - Niche opportunities

## C. Downtown Business Review

Downtown's current business mix will be measured and analyzed on the basis of the following:

- Estimated square footage and number of entities by type and general location within downtown:
  - Retail by category
  - Commercial office by category
  - Government
  - Other non-commercial office by category

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- Residential
- First and upper floor vacancies
- Sales and market shares will be estimated for downtown Gahanna in the following retail categories in:
  - Convenience goods and services
  - Home goods
  - Fashion goods
  - Leisure goods
  - Dining and entertainment
- Observations will also be made regarding merchandising, design and planning issues and conditions.
- Individual interviews will be conducted with a representative sampling of downtown merchants covering the following topics:
  - Description and history of business
  - Customer profile
  - Competitive profile
  - Competitive differences and advantages
  - Operating issues (labor, financing, etc.)
  - Marketing and advertising budgets, initiatives, etc.
  - Sales and rent data (as available on a confidential basis)
  - Future plans
  - Downtown Gahanna strengths and weaknesses
  - Suggestions for improvement
  - Level of participation and interest in downtown/Creekside initiative

NOTE: Past experience indicates about half of downtown merchants will participate.

- A representative sampling of major downtown property owners will be interviewed regarding the following:
  - Description and history of properties owned
  - Occupancy levels rent rates and terms, etc.
  - Potential uses and plans for properties owned
  - Perceived and real obstacles to building enhancement and/or renovation
  - Downtown Gahanna strengths and weaknesses
  - Suggestions for improvement/ideas for Creekside development
  - Level of participation and interest in downtown

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## D. Strategic Recommendations

- On a broad level, retail opportunities that address gaps in the marketplace will be identified in the following four categories:
  1. **Growth Opportunity:** the opportunity to capture forecasted growth in retail demand resulting from Gahanna population and income growth.
  2. **Outflow Opportunity:** the opportunity to capture retail spending by Gahanna residents that is currently flowing out of the city by offering more local alternatives, through expansion of current retail product/service offerings or recruitment of new retailers.
  3. **Improvement Opportunity:** the opportunity to capture retail spending by Gahanna residents that is currently flowing out of the county by offering better local alternatives in downtown Gahanna, through upgrading current operators or replacing them with better operators.
  4. **Inflow Opportunity:** the opportunity to create and/or capture net inflow of retail dollars from shoppers outside of Gahanna by creating unique destination-type retail developments.
  
- Based on the market research and analysis completed above and retail opportunities that are identified, an ideal business mix will be proposed based on strategy that optimally positions downtown Gahanna in the marketplace. The market positioning strategy will include the following elements:
  - Market Segmentation
    - Core target markets
    - Fringe target markets
  
  - Retail Merchandise and Service Offerings
    - Core merchandise and service groups
    - Fringe merchandise and service groups
  
  - Theme and Image
    - Price point/quality levels
    - Key appeals to targeted consumers
    - Differential advantages versus competition
    - Suggested types of marketing initiatives
  
  - Hotel Feasibility Analysis
    - Suggested size, target room rates, occupancy levels
    - Niche strategy to target selected customer groups

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- Second floor uses
  - Office development potential
  - Residential development potential

A clustering strategy will be developed for complimentary merchandise and service groups to create a critical mass in retail categories in which downtown Gahanna can offer a differential advantage to target markets. For each recommended merchandise category, store types will be identified and described (i.e., "hardware store" or "delicatessen with catering services" or "second hand maternity shop" as examples).

- Next, a business recruitment strategy will be developed to target those store types that fit Downtown Gahanna's market positioning. It will include the following elements:
  - Recommendations to address challenges identified in recruiting retailers to Gahanna
  - How to identify and contact retailers that fit targeted store types
  - How to use study results to convince retail chains to consider a Gahanna/Creekside location
  - Ways to assist local retail developers and leasing agents
  - Role of public sector in assisting private sector recruitment efforts
  - Adaptive re-use recommendations (if appropriate) for longstanding vacant properties
- At the same time, a retention and expansion program will be recommended that include seminars and one-on-one assistance with existing downtown business owners and managers and property owners to sharpen their competitiveness. Topics could include but not be limited to the following:
  - Store design and layout
  - Merchandising and display ideas
  - Financial management
  - Human resources management
  - Marketing
  - Adaptive re-use strategies
  - Alternative building code
  - Others as downtown businesses see a need

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## PROFESSIONAL FEES AND SCHEDULE

	<u>Professional Fees</u>	<u>Weeks Required</u>
A. Retail Market Analysis	\$3,000	4-6
B. Market Analysis for Potential Complimentary Uses	\$1,500	4-6*
C. Downtown Business Review	\$4,500	4-6*
D. Strategic Recommendations	<u>\$3,000</u>	<u>3-4</u>
<b>TOTAL</b>	<b>\$12,000</b>	<b>7-10</b>

\*Would run concurrently with Task A

## PROPOSED TERMS

The professional fee for all services described in this proposal shall be \$12,000. An initial payment of \$4,000 is payable upon execution of this Agreement. This payment will be used to fund out-of-pocket expenses and for services provided at the beginning of the project. Going forward, payment for services shall be in proportion to services rendered. Boulevard Strategies bills clients at the end of each month. All payments are due upon receipt of invoice, with a two percent monthly service charge added to invoices for which payment is not received in thirty days.

Reimbursable expenses shall consist of those expenses incurred by the consultant in the interest of this project. Reimbursable expenses shall consist of the following:

- Expense of real estate reports, trade area demographic, lifestyle, and daytime marketplace reports, on-line computer time, maps, and other documents, not to exceed \$1,000 without prior client approval (all purchased information turned over to client at end of project).
- Typing and reproduction expenses for interim and final reports (est. \$20/bound report).

Payment of reimbursable expenses, which are in addition to professional fees, will be included with statements of services rendered. Records of reimbursable expenses will be kept on a generally recognized accounting basis and will be available to you or your authorized representative for review.



**AUTHORIZATION**

Boulevard Strategies is appreciative of this opportunity to be of assistance. If you are in agreement with this proposal, your return of one signed original copy along with a check for \$4,000 will confirm our agreement and work will begin immediately thereafter.

Sincerely,

Christopher D. Boring  
President

**Authorized by:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date