

# Assessment of the Gross Economic Impact of the Arena District on Greater Columbus

Prepared by



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**Table of Contents**

List of Figures and Tables ..... iii  
Project Overview ..... 1  
Summary of Study Results & Conclusions ..... 1  
The Study ..... 3  
Gross Economic Impact of the Arena District ..... 4  
    Arena District ..... 4  
    Development Cost Overview ..... 6  
    Residential Development ..... 7  
    Businesses and Related Employment ..... 9  
    Real Estate ..... 11  
    Events ..... 12  
    Contributions of the City of Columbus to the Arena District ..... 13  
Concluding Comments ..... 13  
Appendix 1. District Block Definitions ..... 15  
Notes ..... 16

## List of Figures and Tables

### Figures

Figure 1. Location of Arena District .....	4
Figure 2. Arena District Boundaries.....	5
Figure 3. Housing Occupancy Levels.....	8
Figure 4. Estimated Arena District Residential Consumer Expenditures, 2005-2006.....	9
Figure 5. Arena District Total Wages, 2000-2006 .....	10
Figure 6. Estimated Sales Generated by Arena District Businesses, 2000-2006.....	11

### Tables

Table 1. Arena District Development Costs.....	7
Table 2. Arena District Housing.....	8
Table 3. Arena District Employment.....	10
Table 4. Arena District Office Space .....	11
Table 5. Assessed Property Values .....	12
Table 6. Groups using both the Greater Columbus Convention Center and Nationwide Arena, 2005-2007 .....	13

# Project Overview

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Driven by the establishment of the Columbus Blue Jackets of the National Hockey League and the construction of the Nationwide Arena, a former “brownfield” north of downtown Columbus has been converted to a destination location and economic engine for Central Ohio. The Arena District, anchored by the Nationwide Arena and conveniently near the Greater Columbus Convention Center, is a now-thriving collection of entertainment attractions, restaurants and businesses and the nucleus of continuing economic development.

As a companion piece to a study conducted to determine the gross impact of the Blue Jackets and the Nationwide Arena on the occasion of the 10<sup>th</sup> anniversary of the founding of the Blue Jackets, this study was initiated to similarly identify the gross economic impact of the Arena District on Central Ohio. The study was funded by the Blue Jackets, Nationwide Arena, LLC, and the Franklin County Convention Facilities Authority (FCCFA).

This study was conducted by the John Glenn School of Public Affairs at The Ohio State University. Researchers from the Glenn School collected data from a variety of sources including the Blue Jackets, the FCCFA, Experience Columbus, Nationwide Arena, Nationwide Realty Investors, the City of Columbus, the Greater Columbus Sports Commission, the Columbus Chamber, and the Ohio ES202 Network.

## Summary of Study Results & Conclusions

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It is apparent from simple observation of the activities in the Arena District and the press coverage of the plans for District expansion, that the Arena District is a thriving destination location that continues to grow. The data collected and analyzed in this report confirm those simple observations. Specific findings of the report include the following:

- Over \$1 billion in investments have been committed to the Arena District. This includes the almost \$635 million that have already been invested and the planned \$406 million in future investments.
- These investments have spurred interest in additional investments in the Arena District area. In late May 2008, it was publicly announced that Plaza Properties plans to initially invest approximately \$36 million to develop 23 acres of land west of the new baseball park into housing and retail space.

- Nationwide Realty Investors has plans to invest \$280 million to develop the area just northwest of Nationwide Arena into a supermarket and additional housing units.
- In addition to the planned housing projects, there are currently 6 housing complexes in the Arena District: the 252 unit Arena Crossings Apartments, the 109 unit North Bank Condominiums, the 98 unit Burnham Square Condominiums, the 63 unit Buggyworks condominiums, the 57 unit EcleXtion Lofts, and the 26 unit Battleship Building.
- The more than 800 residents of these housing complexes represent approximately \$31.7 million in annual consumer expenditures.
- By 2006, the Arena District was home to 172 businesses, ranging from a professional hockey and arena football team to restaurants, coffee shops, movie theaters, and a wide variety of professional services firms. The number of businesses increased by over 50% since 2000.
- The 172 businesses in the Arena District employed 5,449 full- and part-time workers by 2006, a 191% jump in District employment since 2000. It is estimated that over 7,000 employees work in the District in 2008.
- Average annual wages per District employee was \$64,655 in 2006, representing over \$350 million in total District wages in 2006.
- Sales generated by the businesses in the District were estimated to be \$1.6 billion, a 359% increase from 2000.
- The amount of office space in the district, the primary property use, increased 71% from almost 630,000 square feet in 2003 to over 1 million square feet in May 2008. Despite the large increase in office space, the average occupancy rate has also climbed from 78% to a current rate of 95%.
- The appraised value of the average property in the District, on a per square foot basis, has increased by 267% from 1999 to 2008. This compares very favorably to the increase of 22% for the entire downtown Columbus Zip code, 43215.
- Over the three year period of 2005-2007, almost 585,000 people attended events that jointly used Nationwide Arena and the Greater Columbus Convention Center, spending approximately \$211 million in central Ohio. Guests used approximately 132,800 hotel room nights while in Columbus.
- The City of Columbus has contributed to the creation of the Arena District by providing tax abatements and infrastructure improvements. The net cost to the City for the infrastructure improvements is approximately \$36 million.

# The Study

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This report is Phase 2 of a two-part study. Phase 1 examined the economic footprint of the Blue Jackets and Nationwide Arena on the Central Ohio area. Phase 2 expands that study to include the gross economic impact of the Arena District.

In order to accomplish the assessment of the gross impact of the Blue Jackets, Nationwide Arena, and the Arena District, the Columbus Blue Jackets contracted with the John Glenn School of Public Affairs at The Ohio State University. It is common for economists to engage in impact assessments. Often, the assessments are largely targeted at determining a return on investment on public funds invested. In the case of the Arena District, that type of analysis was not called for, in that

- Nationwide Arena was constructed using private funds
- The Blue Jackets' franchise was purchased using private funds
- Public investments have come mainly in terms of demolition, environmental work, and infrastructure improvements that were needed regardless of the re-use. Property taxes have been abated on Nationwide Arena and some of the surrounding land, although Columbus Public Schools are compensated by a surcharge on tickets, income taxes on Arena workers, and Nationwide, if needed. As per tax increment financing (TIF) agreements, the taxes paid on the incremental value of the improved property go into a fund to help recover some of the City's costs for infrastructure improvements in the District.

This document presents the study conducted by the John Glenn School of Public Affairs that examines the gross economic impact of the Arena District on Central Ohio. It identifies, categorizes and measures the current economic "footprint" of the Arena District by measuring "gross impacts" of investments and economic activity in the District.<sup>1</sup> The authors did not adjust investment figures for inflation; thus, the investment totals reported are conservative.

This study was conducted using data provided by the Blue Jackets, Nationwide Realty Investors, Experience Columbus, Nationwide Arena, the City of Columbus, the Greater Columbus Sports Commission, the Columbus Chamber, and the Ohio ES202 Network. In every case, data was provided promptly and willingly by those sources. We thank them for their cooperation and participation.

The economic research conducted in this study was managed by Dr. Robert Greenbaum of the John Glenn School of Public Affairs at The Ohio State University. He was assisted by Ms. Reena Uppal, a doctoral student at the John Glenn School.

Mr. David Wirick, a Visiting Scholar at the John Glenn School, assisted with project management and coordination.

# Gross Economic Impact of the Arena District

The analysis has identified over \$1 billion in current and future direct investments in the Arena District. Included in the Arena District are 6 residential developments, housing more than 800 residents with an estimated combined annual purchasing power of almost \$32 million dollars. Currently, more than 170 business establishments are located in the District, employing approximately 7,000 full- and part-time employees. In 2006 alone, 5,499 employees were paid over \$350 million in wages. These businesses collectively generated an estimated \$1.6 billion in sales in 2006. The growth in the desirability of the District as a place to do business is reflected in property values. Between 1999 and 2008, the assessed value of property per square foot in the district increased by 267% compared to a 22% increase in all of the downtown 43215 Zip code. Beyond being a place to live and work, the Arena District has attracted a number of large events to Columbus. Between 2005 and 2007, almost 585,000 people attended events that made use of both Nationwide Arena and the Greater Columbus Convention Center. While in Columbus, guests used approximately 132,800 hotel room nights and collectively spent approximately \$211 million.

### Arena District

The Arena District is centrally located in Columbus, on the northern part of downtown. It is easily accessible by State Route 315, I 670, and major north/south streets such as High Street and Front Street (see Figure 1). The downtown Zip code 43215 is shaded in Figure 1.

Figure 1. Location of Arena District



There are no official boundaries for the Arena District. Nationwide Realty Investors developed and manages 75 acres of the District, bounded by North Front Street on the east, Neil Avenue on the west, Spring Street/Marconi Boulevard/Hickory Street on the south, and Vine Street on the north (the colored areas in Figure 2). However, the area commonly considered as the Arena District is larger, including the new baseball park just west of Neil Avenue and the area north of Vine Street, just south of the Short North. Thus, for most of the analysis in this study, we have considered the area bounded by Front Street on the east, the railroad tracks and Neil Avenue on the west, Spring Street on the south, and Interstate 670 on the north. This is the hatched area in Figure 2 and the area darkly shaded in Figure 1.

**Figure 2. Arena District Boundaries**



The Arena District is a mixed-use development, combining entertainment venues including a hockey arena; new baseball park; amphitheater; movie theater; over 1 million square feet of commercial class A office space; restaurants and bars; apartments and condominiums; green space; and parking garages. Located in close proximity are the Greater Columbus Convention Center (with 426,000 square feet of exhibit space); the historic North Market food vendors; the Short North's art galleries, shops, and restaurants; the new North Bank Park along the Scioto River; and downtown nightlife and hotels. Tying in a sports arena into an urban mixed-use development (rather than surrounding it by a large surface parking lot) has become a model for new arenas that has been subsequently followed in cities such as Newark, N.J., and Kansas

City, M.O., and for development around existing arenas, such as the \$350 million Maple Leaf Square project bringing condominiums, office space, entertainment, retail space, and a hotel to a block next to the Air Canada Centre in Toronto.

In Columbus, the addition of Nationwide Arena and the surrounding Arena District have helped catalyze an economic resurgence on the northern part of downtown, as this has become a popular destination for both out-of-town visitors and locals. The national press has noticed, as a recent article on CNN's travel website noted, "For a place obsessed with college football, Columbus owes much of its revival to pro hockey. When Nationwide Arena opened in 2000, people not only came to see the Blue Jackets...but they began to spend more and more time—and money—in the once-gritty Short North district near the arena."<sup>2</sup>

### **Development Cost Overview**

Table 1 presents over \$1 billion in investments in the Arena District. This includes the almost \$635 million that have already been invested and the planned \$406 million in future investments. To date, \$544 million has been invested in projects developed by Nationwide Realty Investors (NRI). The majority of this investment (almost \$262 million) has gone into the block that contains Nationwide Arena.<sup>3</sup> Additionally, over \$132 million has been invested in the block that contains the Arena Grand Theater. In terms of future development, the parking lots just west of Nationwide Arena are slated for the largest investments, with over \$109 million planned. There have also been over \$90 million in investments in the Arena District by third parties,<sup>4</sup> and there are almost \$134 million in additional investments planned.

These developments have spurred interest in additional investments in the Arena District area. Not included in Table 1 are recently announced plans by NRI to invest \$280 million to develop the area just northwest of Nationwide Arena into a supermarket and 220 unit apartment complex.<sup>5</sup> Further, in late May 2008, it was publicly announced that Plaza Properties plans to initially invest approximately \$36 million to develop 23 acres of land west of the new baseball stadium, Huntington Park. Eventually, the project could see 1,000 apartment and condominium units and 15,000 square feet of retail space.<sup>6</sup>

**Table 1. Arena District Development Costs**

<b>Development</b>	<b>Project Investment (to date)</b>	<b>Future Investment</b>	<b>Total Investment</b>
Nationwide Realty Investors (NRI)			
Arena block <sup>a</sup>	\$261.7	\$49.4	\$311.1
Pen block	\$87.4	\$60.5	\$147.9
Cinema block	\$132.5	\$8.9	\$141.4
Arena West block	\$6.1	\$109.1	\$115.2
West of Neil Avenue	\$52.2	\$44.7	\$96.9
Arena District Master Plan/infrastructure	\$4.3	\$0.0	\$4.3
NRI Total	\$544.3	\$272.6	\$816.9
Third Party Developers <sup>b</sup>	\$90.3	\$133.9	\$224.2
<b>Total Arena District Development</b>	<b>\$634.6</b>	<b>\$406.5</b>	<b>\$1,041.1</b>

Notes:

Source: Nationwide Realty Investors

Dollar figures in millions

<sup>a</sup> See Appendix 1 for more detail on block definitions

<sup>b</sup> Includes AEP Garage; City of Columbus infrastructure (arena and ballpark); Columbus Blue Jackets Concessions; Columbus Blue Jackets practice facility; Eye Surgery Center; Huntington Ballpark; Nationwide Arena; Pen West (west of Neil Avenue)

**Residential Development**

Housing represents an important component of the Arena District. The nearby restaurants, offices, and entertainment opportunities make the District an attractive place to live. Also, the residents provide a steady source of customers for the District’s businesses.

There are currently 6 housing complexes in the Arena District (Table 2): the 252 unit Arena Crossings Apartments (first occupied in 2004); the 109 unit North Bank Condominiums (first occupied in 2007); the 98 unit Burnham Square Condominiums (first occupied in 2005); the 63 unit Buggywoks Residential Lofts (first occupied in 2005); the 57 unit EcleXtion Lofts (first occupied in 2006), and the 26 unit Battleship Building (first occupied in 1995).

The Arena District housing options have proven to be very popular with tenants and buyers. Figure 3 displays that the Arena Crossing Apartments and Burnham Square Condominiums were nearly completely filled within approximately two years of opening. The North Bank Condominiums opened less than a year ago in a difficult housing market and is already one-third occupied. In addition, the Buggyworks, EcleXtion Lofts, and Battleship Building are currently almost completely occupied.<sup>7</sup>

**Table 2. Arena District Housing**

<b>Complex</b>	<b>Size (Sq. Ft.)<sup>a</sup></b>	<b>Units</b>
Arena Crossing Apartments	419,325 <sup>a,b</sup>	252
North Bank Condominiums	375,340 <sup>a</sup>	109
Burnham Square Condominiums	338,643 <sup>a</sup>	98
Buggyworks	120,000 <sup>c</sup>	63
EcleXtion Lofts	90,000	57
Battleship Building	23,000 <sup>d</sup>	26

Notes:

Source: Nationwide Realty Investors

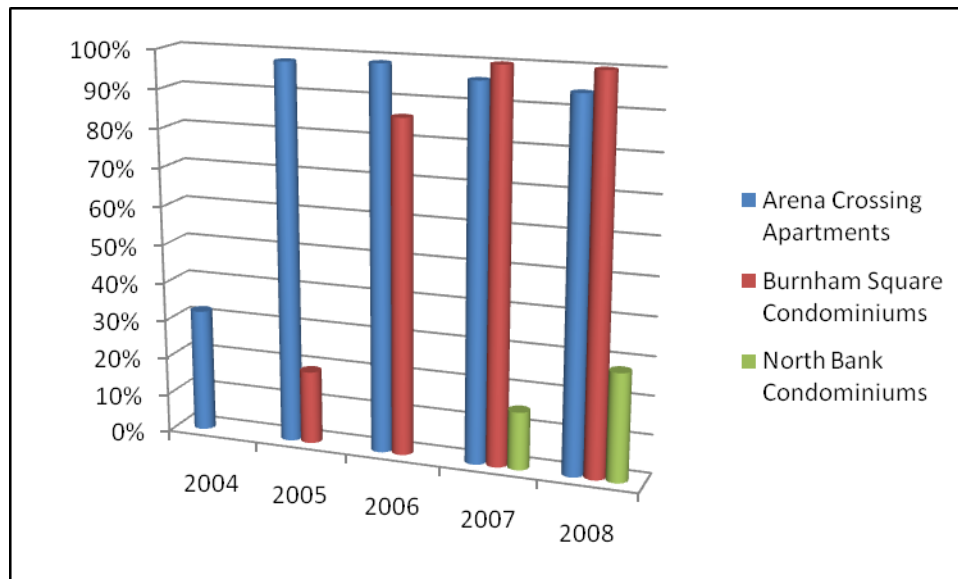
<sup>a</sup> Includes parking garages

<sup>b</sup> Includes space for retail establishments

<sup>c</sup> Total size is 440,000 sq. ft., of which 120,000 sq. ft. are now developed

<sup>d</sup> Approximate (the 26 units range in size from 600 to 1024 sq. ft.)

**Figure 3. Housing Occupancy Levels<sup>a</sup>**



Notes:

Source: Nationwide Realty Investors

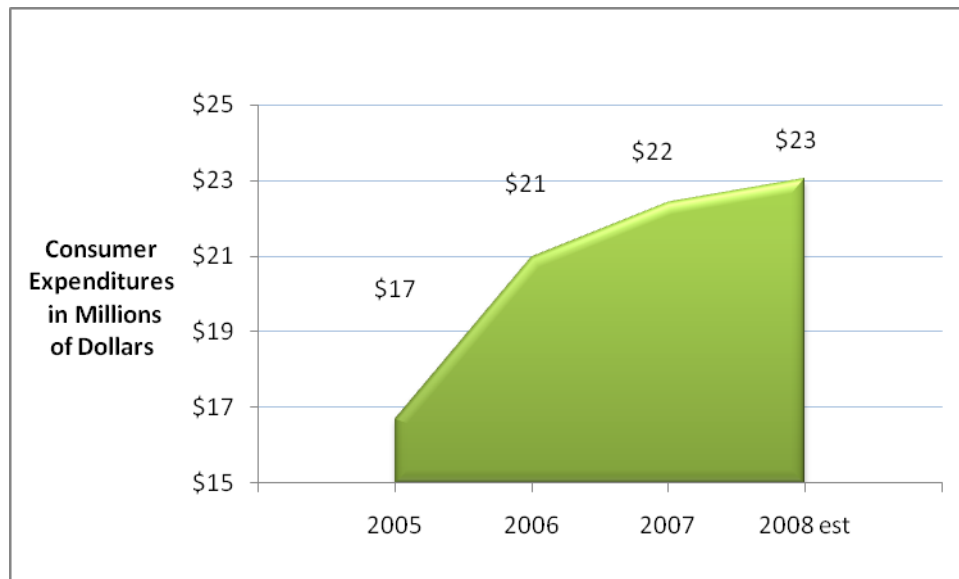
<sup>a</sup> Occupancy rates for 2008 are as of 3/31/08 for Arena Crossings, 4/30/08 for North Bank, and assumed to remain at 100% for 2008 for Burnham Square.

By the end of 2007, there were 357 occupied apartments and condominiums in the three NRI developments, housing approximately 600 residents.<sup>8</sup> The Buggyworks, EcleXtion Lofts, and Battleship Building add 145 occupied units and approximately 235 residents. These residents possess considerable power, as we estimate that consumer

spending by Arena District residents in the 3 NRI developments grew from just under \$17 million in 2005 to approximately \$23 million in 2008 (see Figure 4).<sup>9</sup> Adding in spending by residents of the 3 buildings developed by others, we estimate total resident consumer spending of \$31.7 million in 2008.<sup>10</sup>

Consumer spending represents all spending on items such as shelter, food, apparel, transportation, healthcare, education, and entertainment. While only some of these expenditures are currently made in the Arena District, this spending power represents a growing and relatively untapped market for Arena District merchants. Indeed, a recent report found that all of downtown Columbus could support another 450,000 square feet of retail services and another \$110 million in retail spending.<sup>11</sup> The spending power in the Arena District is likely to grow as the planned additional residential developments come to fruition.

**Figure 4. Estimated Arena District Residential Consumer Expenditures, Three NRI Buildings, 2005-2008**



Source: Author's estimates based on data from Nationwide Realty Investors and the Bureau of Labor Statistics' Consumer Expenditure Survey, 2005-2006.

### **Businesses and Related Employment**

As of 2006, the Arena District was home to 172 businesses establishments (see Table 3), ranging from a professional hockey and arena football team to restaurants, coffee shops, movie theaters, and a wide variety of professional services firms (such as financial, engineering, legal, real estate, medical, and information technology). The number of businesses has increased considerably from 113 businesses in 2000, when development of the District was just beginning, to 172 businesses by 2006, the last year for which ES202 data are available.<sup>12</sup> Over that period, employment almost tripled, growing from 1,870 to 5,449 employees.

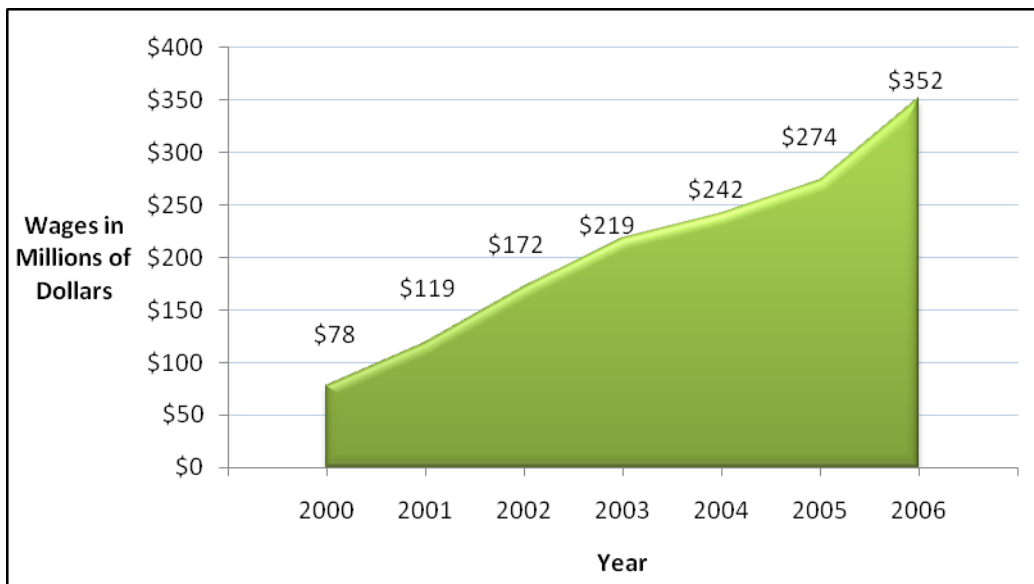
**Table 3. Arena District Employment**

Year	2000	2001	2002	2003	2004	2005	2006
Establishments	113	126	147	161	174	170	172
Employees	1,870	2,425	3,154	3,717	4,293	4,725	5,449
Average Wages	\$41,718	\$49,091	\$54,607	\$58,803	\$56,394	\$57,963	\$64,655

Source: Ohio ES202 Network

Table 3 also reports that the average annual wages per Arena District employee grew from \$41,718 in 2000 to \$64,655 in 2006. Figure 5 displays that total District wages increased from \$78 million in 2000 to over \$350 million in 2006.<sup>13</sup> The ES202 data do not provide information about individual employees, so the 5,449 employees in 2006 represent a mix of both full and part-time employees. Based on employment figures supplied by Nationwide Realty Investors for the more narrow definition of the Arena District,<sup>14</sup> 65 percent of the employees in 2006 were full-time workers and 35 percent worked part-time in the District. Extrapolating for the larger District area, that represents 3,542 full-time workers in 2006 and 1,907 part-time workers. Based on the same employment data from NRI, employment grew by approximately 30% from September 2006 through May 2008. If the entire District has grown at the same rate, we would estimate current employment to total over 7,000 employees.<sup>15</sup>

**Figure 5. Arena District Total Wages, 2000-2006**

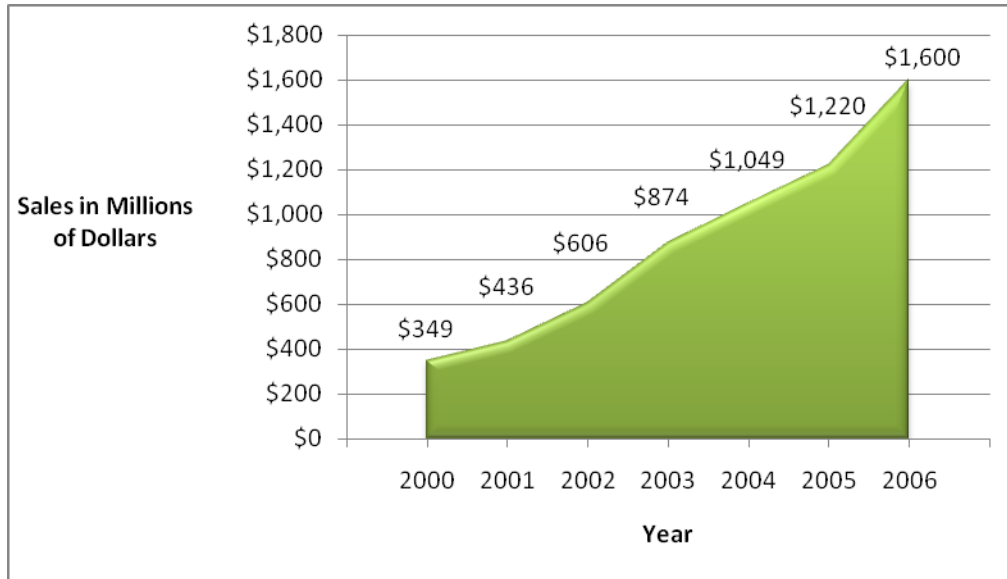


Source: Ohio ES202 Network

Based on the annual wages paid in the 81 different 4-digit North American Industry Classification System (NAICS) industries<sup>16</sup> in the District between 2000 and 2006, we

are able to estimate the total annual sales generated by these businesses.<sup>17</sup> As Figure 6 shows, the estimated total sales increased by 359% from \$349 million in 2000 to over \$1.6 billion in 2006.

**Figure 6. Estimated Sales Generated by Arena District Businesses, 2000-2006**



Source: Estimates based on wage data from the Ohio ES202 Network and a sales-to-payroll ratio calculated from the 2002 Economic Census

### Real Estate

Likewise, as can be seen in Table 4, the amount of office space in the District increased over the same period by almost 71%, from almost 630,000 square feet in 2003 to over 1 million square feet in May 2008.<sup>18</sup> Despite the large increase in office space, the average occupancy rate has also climbed from 78% to a current rate of 95%.

**Table 4. Arena District Office Space**

Year	2003	2004	2005	2006	2007	2008 <sup>a</sup>
Total Square Footage <sup>b</sup>	629.5	709.4	858.0	872.5	1,024.0	1,073.7
Average Occupancy Rate	78%	87%	86%	88%	94%	95%

Notes:

Source: Nationwide Realty Investors

<sup>a</sup> 2008 data current to May 2, 2008

<sup>b</sup> In thousands

Not surprisingly, given the increase in occupancy rates coupled with the rapid growth in office space, this desirability of real estate in the District is also reflected in property values, as assessed by the Franklin County auditor. As Table 5 shows, the average assessed value of property in 1999 in the District<sup>19</sup> was \$300,000 compared to an

average of \$1.1 million in the entire 43215 downtown Zip code. However, over the next decade, the average assessed value of District properties increased 706% to \$2.6 million, while the average overall downtown property increased in value by 28% to approximately \$1.4 million.<sup>20</sup> Part of this large increase in assessed values in the District can be attributed to the consolidation of parcels, which dropped the number of parcels from 153 to 129. To account for this, Table 5 also presents the assessed value per square foot. Again, the Arena District properties increased in value from below the Zip mean (\$21 versus \$50 per sq. ft.) in 1999 to above the Zip mean (\$76 versus \$61 per sq. ft.) in 2008. Based on the per square foot measure, assessed property values in the District increased by 267% over the decade compared to a 22% increase for the entire Zip code.

**Table 5. Assessed Property Values**

<b>Area</b>	<b>Year</b>	<b>Parcels</b>	<b>Average Value (in millions of \$)</b>	<b>Value Per Sq. Ft. (in \$)</b>
Arena District Only	1999	153	\$0.3	\$21
	2008	129	\$2.6	\$76
	% Change	-16%	706%	267%
Entire 43215 Zip code	1999	2,873	\$1.1	\$50
	2008	2,992	\$1.4	\$61
	% Change	4%	28%	22%

Notes:

Source: Franklin County Ohio Auditor

## Events

The Arena District is ideally situated just west of the Greater Columbus Convention Center. This is attractive for large groups who can use both Nationwide Arena and the Convention Center for their meetings, both in terms of facility use and in terms of taking advantage of the hotels and entertainment options nearby. Table 6 lists 10 organizations that jointly used both facilities over the period 2005-2007. Almost 585,000 people attended these joint-use events over the three years, and they combined to stay in approximately 132,800 hotel room nights while in Columbus. The annual Arnold Fitness Weekend, with 402,000 participants and spectators had the most attendees, followed by the Longaberger Company's annual meetings, with 38,613 attendees. Over the three years, the attendees spent approximately \$211 million in central Ohio, led by \$56 million in spending attributable to the Arnold Fitness weekend.

**Table 6. Groups using both the Greater Columbus Convention Center and Nationwide Arena, 2005-2007**

<b>Group</b>	<b>Years</b>	<b>Attendees</b>	<b>Spending</b>
Arnold Sports Festival & Fitness Weekend	2005-2007	402,000	\$56 million <sup>a</sup>
Longaberger Company	2005-2007	38,613	\$40 million <sup>b</sup>
Honda Family Day	2005	35,000	\$36 million <sup>b</sup>
National Federation of Catholic Youth	2007	20,000	\$21 million <sup>b</sup>
NCAA basketball tournament	2007	19,500	\$3 million <sup>a</sup>
United Pentecostal Church International	2005	18,000	\$19 million <sup>b</sup>
Get Motivated Seminars	2007	18,000	\$2 million <sup>a</sup>
Women of Faith	2006-2007	17,845	\$18 million <sup>b</sup>
General Convention of the Episcopal Church	2006	10,000	\$10 million <sup>b</sup>
Joyce Meyer Ministries	2005	6,000	\$6 million <sup>b</sup>
<b>Total Joint Event Spending, 2005-2007</b>	<b>2005-2007</b>	<b>584,958</b>	<b>\$211 million<sup>c</sup></b>

Notes:

Source: Greater Columbus Convention Center

<sup>a</sup> Based on 2005 leisure visitor spending estimates provided by the Greater Columbus Sports Commission. Per attendee spending of \$138.59 is an average based on daily spending by overnight guests and day trippers.

<sup>b</sup> Based on 2005 national spending figures from Destination Marketing Association International (DMIA) provided by Experience Columbus. DMIA estimates spending of an average of \$1036 per event for multi-day events, or \$290 per day. The average length of stay was 3.56 nights.

<sup>c</sup> Annual totals: \$95 million (2005), \$49 million (2006), \$67 million (2007)

### **Contributions of the City of Columbus to the Arena District**

Between 1998 and 2000, the City of Columbus expended resources to development of the Arena District. Based upon estimates from the City Auditor, the City's contribution to the Arena District will total \$67.8 million in terms of environmental, demolition and interest costs applicable to City ownership of the land prior to its sale to Nationwide (\$7.9 million); infrastructure costs related to streets, inspection fees and traffic study related to the Arena District (\$18.2 million); infrastructure costs related to Neil Avenue, Neil Avenue Bridge, and Convention Center Drive (\$25.5 million); and interest on infrastructure related bonds (\$16.2 million). The City is projected to recover \$31.8 million from tax payments made as part of the Tax Increment Financing agreement, leaving a net cost to the City of \$36 million. Not reported are additional City taxes that have been abated.

## **Concluding Comments**

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As has been documented above, the development of the Arena District over the past decade has helped transform a neglected area between downtown and the Short North that was once home of the state penitentiary into thriving mixed-use development that now seamlessly ties downtown to the fast developing Short North. The Arena District

has become the entertainment center of the city, boasting a major league hockey arena, an indoor/outdoor concert pavilion, and a modern movie theater in addition to countless restaurants, coffee shops, and bars. Located near the Greater Columbus Convention Center, the District has become a draw for events that utilize both Nationwide Arena and the Convention Center. The District has also emerged as desirable place to conduct business, as the over 1 million square feet of office space has a 95% occupancy rate. All of this activity has also made the District a desirable place to live. There are currently 6 apartment and condominium projects in the District, with at least two new projects in the planning stages. The synergies of entertainment, office space, and housing development provide an important economic stimulus to the central Ohio economy. In 2006 alone, we estimate that the District generated \$1.6 billion in sales. The success of the project is manifest both in terms of the continued development around Arena District and in terms of the model of mixed use development around a sports arena becoming the new norm.

# Appendix 1. District Block Definitions

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## Arena Block (NW Blvd/ Front St/ Vine)

200 W. Nationwide Blvd

375 N. Front St.

Front Street Garage

343 N Front St

401 N Front St

423 N Front St (Arena Crossing Apts)

383 N Front St (Acock)

## Cinema Block (Marconi Blvd/NW Blvd/ West State)

125 W. Nationwide Blvd.

155 W. Nationwide Blvd

303 Marconi Blvd

275 Marconi Blvd

250 West Street

191 W. Nationwide Blvd

175 W. Nationwide Blvd

## Pen Block (NW Blvd/ John H McConnell Blvd/ Neil Ave)

277 W. Nationwide Blvd

325 John H. McConnell

262 Neil Ave

300 Neil Ave

Burnham Sq Condominiums

## West of Neil (includes "Pen West")

300 West Spring St. (Condos at North Bank Park)

405 West Neil (LC Pavilion)

391 Neil Ave

## Arena West Block

Parking lots West of Nationwide Arena

# Notes

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<sup>1</sup> The authors did not attempt to estimate how much of the reported local investment and spending would have occurred anyway in other parts of central Ohio had the Arena District not been developed. Also, the study does not attempt to conduct the type of economic impact analysis that addresses such challenging and sometimes controversial economic issues as assessment of aggregate consumer demand, analysis of fractional regional income, diversion of jobs from other sectors, opportunity costs, and contingent valuation of public goods.

<sup>2</sup> Jason Cohen, "Budget Travel: Columbus, Ohio's Happening Side," <<http://www.cnn.com/2008/TRAVEL/getaways/05/30/columbus.ohio/index.html>>, CNN.com/travel, updated 12:18 p.m. EDT, May 30, 2008.

<sup>3</sup> For more detailed definitions of the blocks, see Appendix 1.

<sup>4</sup> See footnote b to Table 1 for a list of the 3<sup>rd</sup> party development projects.

<sup>5</sup> Mike Pramik, "Plans Percolating for Arena District: Giant Eagle, Apartment Complex Could Fill in the Blanks," *The Columbus Dispatch*, May 15, 2008 (Accessed online, May 15, 2008).

<sup>6</sup> Brian B. Ball, "Developer Requesting State Money for Housing Near Arena District," *Columbus Business First*, May 23, 200, p. A5. Mike Pramik, "New Neighborhood on Deck West of Arena, Huntington Park," *The Columbus Dispatch*, May 28, 2000, pp. C8-C7.

<sup>7</sup> Historic occupancy data are unavailable for these three buildings.

<sup>8</sup> Estimate provided by Nationwide Realty Investors.

<sup>9</sup> We estimate consumer spending based upon a conservative estimate of one person per unit (rather than the average of 1.7 persons per unit). We use the Bureau of Labor Statistics' Consumer Expenditure Survey, 2005-2006 (Table 23: Midwestern region) to estimate total expenditures per consumer unit with annual gross income over \$70,000. The Midwestern estimates of annual consumer unit expenditures is \$78,495 and is based on average household size of 3.1 persons. These are not available by consumer unit size for the Midwestern region. The national consumer spending estimate for 1 person unit was 20% less than 3 person consumer unit in this income range. Therefore, we adjusted the Midwestern estimate downwards based on the national estimates (80% of \$78,495=\$62,796).

<sup>10</sup> We estimate \$8.7 million in 2008 spending due to residents of the Buggyworks, EcleXtion Lofts, and Battleship Building. The condominiums in the Battleship Building are smaller and less expensive than in the other developments. Thus, we assumed a 75% occupancy rate for these units for our calculations.

<sup>11</sup> Chris Boring, "Downtown Columbus: An Untapped Retail Market," Boulevard Strategies, June 2008.

<sup>12</sup> ES202 data come from the reports employers are required to file for unemployment insurance purposes. Sole proprietors are not included. Cleveland State University receives this data on a quarterly basis from the Bureau of Labor Market Information of the Ohio Department of Jobs and Family Services. Establishment and Employment figures represent annual averages across the four quarters, and wage data represent the summation of wages over the four quarters. We thank researchers at Cleveland State for providing the data for the Arena District based on the map in Figure 1.

<sup>13</sup> The economic impact of the 2004-2005 NHL lockout is partially reflected in these figures, as business establishment and wage growth slowed during this period, although the total number of employees working in the District continued to grow. The slowdown during this period is also visible in the graph of total wages (Figure 5).

<sup>14</sup> The colored shading in Figure 2.

<sup>15</sup> This is a safe assumption. For the years in which the NRI and ES202 data overlap, 2003-2006, employment in the area bounded by the larger boundaries (ES202 data) grew by 47% compared to the more narrowly defined district (NRI data) growth rate of 24%. Thus, projecting forward based on the NRI data would provide a conservative estimate of current employment levels in the larger District area.

<sup>16</sup> We do not include estimates for 5 industry classifications representing 4 public administration subsector and 1 private household subsector of businesses, as those industries are outside the scope of the Economic Census.

<sup>17</sup> The value of sales is estimated by multiplying a ratio of sales (the total value of sales, shipments, receipts, revenue, or business done) to annual payroll (from the 2002 Economic Census) times total wages (from the Ohio ES202) for all business establishments in each 4-digit NAICS industry in each year. The sales to payroll ratios are based on industry data for the state of Ohio, with the exception of 8

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industry classifications in the utilities, information and the financial sectors for which national ratios were used because of data suppression at the state level due to the small number of establishments.

<sup>18</sup> These figures are based on the narrower District boundaries (the colored shading in Figure 2).

<sup>19</sup> These figures are based on the broader District boundaries (the hatched shading in Figure 2).

<sup>20</sup> There is a wide variation in the value of downtown properties, represented by a standard deviation of \$8.1 million in 2008.