

Major Findings of the Assessments of the Gross Impacts of the NHL Columbus Blue Jackets, Nationwide Arena, and the Arena District on Greater Columbus, 1998-2008

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July 2008

Economic Impact Studies, 1998-2008, NHL Columbus Blue Jackets, Nationwide Arena, and the Arena District

This two-part study examines the gross economic impact of the development of the Arena District over the past 10 years from a neglected section in the northern part of downtown that once housed the abandoned state penitentiary to a now-thriving multi-use development that helps connect downtown to the rapidly developing Short North neighborhood. Phase 1 examines the economic footprint of the NHL Columbus Blue Jackets and Nationwide Arena, and phase 2 examines the gross economic influence of the entire Arena District.

In order to accomplish the assessment of the gross impacts 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.

The studies were 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, the Ohio ES202 Network, and a variety of contractors and vendors. In every case, data was provided promptly and willingly by those sources. We thank them for their cooperation and participation.

Major Findings and Conclusions of the Studies

1) Blue Jackets provide the catalyst for Arena District development and downtown Columbus development

Over the past 10 years, much has changed in the area of Columbus now commonly known as the Arena District. Where there was once a crumbling state prison and little of economic or community value, there is now a thriving economic engine and point-of-pride for the Central Ohio area. Where there was once a “brownfield,” there is now a centrally located venue for sports and entertainment activities of the variety sought by cities seeking to establish a unique sense of local identity. 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.

There is little argument that the driving forces in the remarkable transition have been the establishment and operation of the Columbus Blue Jackets of the National Hockey League and the construction and operation of the Nationwide Arena, the home of the Blue Jackets and site of approximately 40 non-hockey events each year.

The national press has noticed this transformation, 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.”¹

¹ 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.

2) Investments and Construction Expenditures (past and future)

- 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.
- All of the activity in the Arena District has spurred interest in additional investments in the Arena District area. Plaza Properties announced in May 2008 that it plans to initially invest approximately \$36 million to develop 23 acres of land west of the new baseball park into housing and retail space. Further, 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.

3) Business Revenue and Employment in the Area

- 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.
- These businesses employed 5,449 full- and part-time workers by 2006, which increased the District employment by 191% since 2000. It is estimated that over 7,000 employees work in the District in 2008.
- Over \$350 million in wages were paid by District businesses in 2006.
- Over the past nine years, an average of 159 full time employees, 972 part time employees and 87 athletes can be attributed to Nationwide Arena and the Blue Jackets' presence in Columbus. In addition, an average of 1,185 people per year volunteer with Delaware North Sports Service at the concession stands serving food at games and events.
- Sales generated by all District businesses were estimated to be \$1.6 billion in 2006, a 359% increase from 2000.

4) Occupancy and Appraised Property Values

- 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.
- There are currently 6 housing complexes in the Arena District, housing more than 800 residents, with an occupancy rate of over 90% for the majority of the complexes.

5) Visitor and Resident Spending

- In the decade since the founding of the Blue Jackets, more than \$850 million of spending in central Ohio is directly attributable to the Blue Jackets, Columbus Destroyers, and Nationwide Arena.
- Patrons and fans attending events and games at Nationwide Arena also add to the economic impact. While many attendees are from central Ohio, the draw to Columbus for events extends well beyond Columbus. Attendees from outside central Ohio are particularly beneficial for the local economy, as their spending can be considered to be new spending in the local economy. An estimated \$160 million in indirect spending in area hotels and restaurants can be attributed to out-of-town visitors to games and other events in Nationwide Arena since the Arena opened.

- Over the three year period 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.
- There are currently 6 housing complexes in the Arena District, housing more than 800 residents, who represent an estimated \$31.7 million in consumer expenditures in 2008.

6) Non-Economic Impacts of the Blue Jackets and the Nationwide Arena

- A survey conducted at a March 2008 Blue Jackets game provides clear evidence of the emotional connection between hockey fans and the community. Over 90% of survey respondents were proud of Columbus for having a NHL team, and 78% of the survey respondents believed that the “Blue Jackets give the rest of the country the idea that Columbus is a big time city.”

7) Data Highlights from the Reports

- The following graph summarizes some of the major categories of expenditures and reported in the two studies.

Figure 1: Total Expenditure/Revenue Related to the Arena District

