



# Oregon District Strategic Plan

# Oregon District Strategic Plan

City of Dayton



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Prepared by:

**McKenna**  
ASSOCIATES  
I N C O R P O R A T E D

McKenna Associates, Inc.  
30 E. Mulberry St., Ste. 3A  
Lebanon, Ohio 45036  
Phone: (513) 934-2345  
Fax: (513) 934-2809  
[www.mcka.com](http://www.mcka.com)

# Acknowledgements

## **Oregon District Improvement Task Force**

Steve Budd  
John Bognar  
Glen Brailey  
Kevin Carver  
Mark Dlott  
Stanley Earley  
Gary Gottschlich  
John Gower  
Dan O'Donnell  
Monica Snow  
Rick Stover  
Tom Tornatore  
Norm Wentland

## **City of Dayton Staff**

Shelley Dickstein  
Brian Interrieden

## **Consultants**

McKenna Associates, Inc.



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# Chapter 1

## Introduction

The Oregon District Strategic Plan and Market Study (Plan) was commissioned by the City of Dayton in direct response to increased business competition from new and proposed entertainment venues. This plan examines and considers existing conditions including a comprehensive environmental scan and stakeholder expectations to develop a strategic action plan aimed at anchoring the Oregon District as a premiere regional entertainment destination.

### PLANNING BASIS

The Oregon District is a well-established urban entertainment district on the southeastern edge of downtown Dayton, Ohio. The District, which includes a historic commercial corridor and adjacent residential neighborhood, has long been considered a success story of urban revitalization in Dayton.

However, improvements are needed and new and proposed developments in the Dayton region threaten the long-term vitality of the Oregon District. Commercial sales activity in the Oregon District diminished after the “Greene”, a mixed-use, lifestyle center, opened in nearby Greene County in 2006. Ambitious plans



were recently announced for Baseball Village, an entertainment venue proposed within one-half mile of the Oregon District along the southern bank of the Great Miami River.

Other venues entering the sit-down restaurant and entertainment markets, including Dayton Mall’s recent lifestyle expansion and the University of Dayton-sponsored Brown Street redevelopment, further threaten the Oregon District’s vitality.

### PLANNING IMPLEMENTATION PERIOD

The Plan provides strategic policy guidance over a five-year implementation period. The ambitious implementation schedule will require plan stakeholders to incorporate recommendations in everyday organizational and departmental functions and budgets. This Plan will require updates every five years or less as milestones are achieved and/or as conditions and needs change.

### STAKEHOLDER PARTICIPATION

The plan was created in conjunction with the Oregon District Task Force Committee consisting of Oregon District residents, property owners, business owners and public and quasi-public officials. The Task Force was formed by the City’s desire to generate a plan that has broad-based policy support from area stakeholders, city officials and development-related organizations.



## PLAN PROCESS AND ORGANIZATION

The plan was developed over a six month period. During that time, six brainstorming meetings were held with the Task Force to define District strengths, weaknesses, opportunities and threats (see Chapter 2); develop a common vision (see Chapter 4); and prioritize plan objectives and action strategies (see Chapter 5).

## STAKEHOLDER INVOLVEMENT

The City and the Oregon District Business Association (ODBA) desire plan implementation over the next five years consistent with the vision, goals, and objectives and action strategies established herein.

To meet this goal, continued involvement from Task Force members and/or the organizations that they represent is essential. Task Force members agreed to establish a governing body to oversee plan implementation and subcommittees to oversee individual projects. Monthly meetings will be required at first and as projects ramp-up.

## PAST PLANNING EFFORTS

The Strategic Plan builds upon several past planning efforts aimed at maintaining and enhancing the vitality of the Oregon District. The results of these efforts have informed the creation of goals, objectives and strategies for the Strategic Plan. Below are the previous plans that were reviewed:

- **Oregon Business District Community Master Plan (City of Dayton/NBBJ, 1992).** This plan was comprehensive and long-term in focus and developed several recommendations that remain valid in 2007. The plan's major recommendations included increasing the utilization of vacant building space, expanding retail and office uses through redevelopment, linking the District with downtown, increasing available parking, improving pedestrian safety, and enhancing the District's image.
- **Fifth Street Corridor Plan (City of Dayton, 1992).** The City of Dayton completed a comprehensive planning effort for neighborhoods along Fifth Street from Sinclair Community College to Linden Avenue. The plan incorporated the recommendations of the Oregon Business District Master Plan.
- **ODBA Strategic Planning Retreat (2005).** Members of the ODBA held a day-long retreat to develop a vision to guide the ODBA's activities. The retreat identified trends, opportunities, threats and conflicts, as well as goals for the ODBA to achieve from 2005 to 2008.
- **ODBA Business Plan (ODBA, 2005).** This document, created by the ODBA, examines strategies to expand the ODBA, partner with the Downtown Dayton Partnership, increase the number of planned events, and solve the parking problem.
- **Downtown Core Land Use Repositioning Study (City of Dayton/McKenna Associates, 2007).** This study examined trends affecting office space in Downtown Dayton and developed strategies for the future evolution of this space. The study recommended the creation of several "urban villages", along with stronger pedestrian connections to major pedestrian generators, including the Oregon District.



## EXISTING CONDITIONS SUMMARY

### Location and Access

The Oregon District is a historic urban neighborhood located in the southeastern corner of Downtown Dayton. The project study area is bound by Patterson Boulevard and Jefferson Street to the west, Wayne Avenue to the east, Third Street to the north, and the US Route 35 expressway to the south (see Figure 1.1).

The neighborhood's boundaries are generally well-defined, consisting of hard physical breaks such as wide streets and US 35.

The district is highly accessible from Downtown Dayton and from the region via US 35 at Patterson Boulevard and Wayne Avenue.

### Existing Land Use

The neighborhood contains a mix of land uses that range from industrial to single-family residential, as indicated on Figure 1.1.

The residential portion of the neighborhood contains a mix of mostly single- to four-family structures. A public housing development located at the southeastern corner of the neighborhood contains a mix of high-rise and single-story apartments.



Wayne Avenue contains a mix of retail, offices, institutional and industrial uses. A railroad viaduct crosses Wayne Avenue and Fifth Street and bisects the northern portion of the neighborhood.

Patterson Boulevard is lined with a mix of office and automobile-oriented commercial uses. Patterson provides access to the neighborhood from the US 35/Jefferson Street interchange at the southwest corner of the neighborhood.

The Fifth Street business district is an entertainment and community focal point for the Oregon District and generally divides the residential portion to the south from the industrial section to the north. Fifth Street contains a collection of multi-story, mixed-use buildings that contain restaurants, bars, retail, offices and apartments.

The Dayton Convention Center lies to the west of the District, while the Webster Station area is located to the north. The Dayton Towers public housing complex lies to the east of the Oregon District, while a residential neighborhood lies south of the District, across US 35.

Downtown Dayton includes a significant concentration of office space, as well as major performing arts venues, a large public library, Fifth Third Field, RiverScape Park and other amenities.



## Pedestrian Circulation

The Oregon District, developed using a traditional square block grid, is pedestrian-friendly. Sidewalks are available on all streets and vehicles, for the most part, move slowly through the district's internal streets.

As indicated in Figure 1.2, significant physical pedestrian barriers exist on all sides of the District. A pedestrian walking from the Webster Station area to the Oregon District along Wayne Avenue encounters a railroad overpass, industrial development, and deteriorating sidewalks and retaining walls. A pedestrian starting at the Convention Center must walk under the massive Transportation Center parking garage, across five-lane Patterson Boulevard, and under a railroad overpass to reach the Oregon District.



Figure 1.2: Scale Contrast between Oregon District and Edges

# Chapter 4

## Vision, Goals and Objectives

A strategic plan includes a collection of measurable, action-oriented recommendations that strive toward a common ideal. The common ideal is expressed as a vision statement. Goals and objectives frame the recommendations and relate to the vision statement. This chapter explains the vision, goals and objectives for the Oregon District and the process by which they were created.

### VISION STATEMENT

A Strategic Plan must start with a collective understanding of the ideal situation. The expression of this collective understanding is known as a vision statement. Because a vision statement represents an ideal, the statement should be broad and timeless. Current realities and specifics should not constrain the vision statement. The development of goals, objectives and tasks will address the details.

Developing a vision statement for the Oregon District first requires an understanding of the neighborhood's inherent values. A diverse neighborhood such as the Oregon District includes residents and a variety of businesses and property owners that have wide-ranging and sometimes conflicting interests.

The Environmental Scan identified collective interests relative to the current situation in the Oregon District. In order to identify the ideal situation, the Task Force brainstormed words that describe the ideal Oregon District. The words represented neighborhood values that would ultimately be incorporated into the vision statement.

After brainstorming and reviewing dozens of potential words, the Task Force rated the following words as the top ten values to be incorporated into the vision statement for the Oregon District:

- |                  |                  |
|------------------|------------------|
| 1. Authentic     | 6. Unique        |
| 2. Urban         | 7. Destination   |
| 3. Vibrant       | 8. Neighborhood  |
| 4. Sophisticated | 9. Entertainment |
| 5. Historic      | 10. Artistic     |

The Task Force then agreed upon the following vision statement:

*The Oregon District is the Dayton region's premiere urban neighborhood and authentic entertainment and arts destination. Historic architecture and walkable streets define a sophisticated, vibrant environment that attract residents and visitors to the artistic and creative center of Dayton.*

The words of this vision statement reflect a shared ideal for the future of the Oregon District.



## GOALS

Goals are general statements that create a bridge between the idealistic vision statement and the action-oriented tasks of the Strategic Plan. Goals must be attainable yet ambitious and long-term in their focus. It is possible that a goal may re-appear in subsequent strategic plans.

Goal must address the elements of the SWOT analysis and be subsets of the vision statement. Goals can address the strengths, weaknesses, opportunities and threats by:

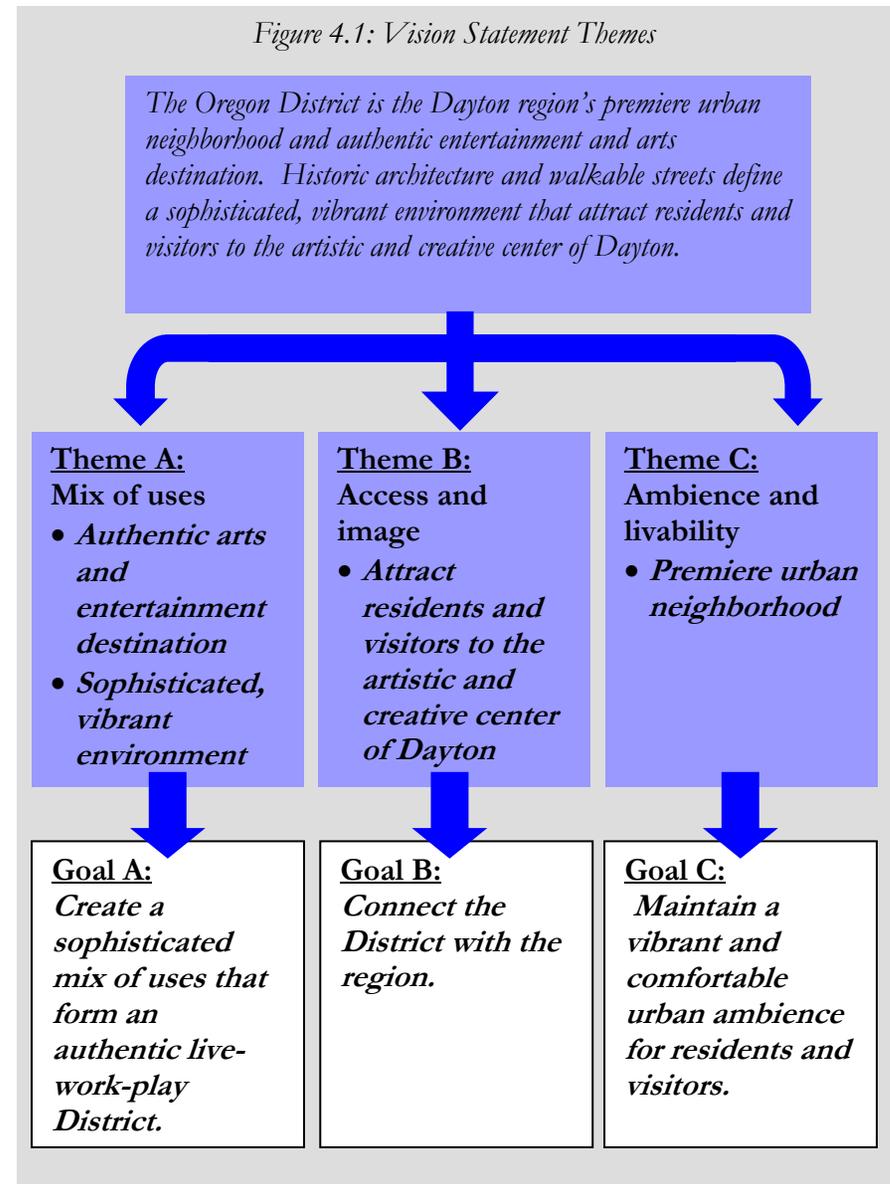
- Pursuing opportunities that are a good fit for the neighborhood's strengths
- Overcoming weaknesses to pursue opportunities
- Using strengths to reduce vulnerability to threats
- Preventing weaknesses from increasing vulnerability to threats and address the elements of the SWOT analysis.

The Oregon District goals reflect three themes that are present in both the vision statement and the SWOT analysis, as shown in Figure 4.1 and described below.

**Goal A: Create a sophisticated mix of uses that form an authentic live-work-play District.**

The Vision Statement describes the ideal Oregon District as an “authentic arts and entertainment destination” and a “sophisticated, vibrant environment”. These attributes relate to the mix of land uses in the Oregon District. A diverse, mixed-use environment creates synergies that give a neighborhood authenticity, sophistication, and vibrancy. Goal A asserts that the Oregon District must be a unique

Figure 4.1: Vision Statement Themes



neighborhood that gracefully mixes residential, office, retail, and entertainment uses.

Table 4.1 includes the elements of the SWOT analysis that relate to Goal A.

**Goal B: Connect the District with the region.**

The Vision Statement aims to “attract residents and visitors to the artistic and creative center of Dayton”. This component of the vision implies improved access

Table 4.1: Goal A SWOT Elements

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Strong residential market</li> <li>• Successful entertainment district</li> <li>• Diverse mix of uses</li> <li>• Creative businesses</li> <li>• Performing arts talent and venues</li> <li>• Strong sense of community</li> <li>• Dedicated business and property owners</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of a shared vision for the commercial district</li> <li>• Lack of retail and service uses</li> </ul>	<ul style="list-style-type: none"> <li>• Vacant and/or underutilized buildings along Fifth Street</li> <li>• Performing arts synergies</li> <li>• Residential growth of Cannery/ Webster Station</li> <li>• Wyandot Area</li> <li>• Potential new nearby services</li> <li>• Development tax advantages from National Register of Historic Places designation</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from suburban retail/entertainment destinations</li> <li>• Competition from Ballpark Village</li> <li>• Liquor license limitations</li> <li>• Decreasing population in the region</li> <li>• Potential transition of marketplace</li> </ul>

(connections) to the district for nearby residents and regional visitors, as well as a positive image that attracts visitors.

Table 4.2 includes the elements of the SWOT analysis that relate to Goal B.

**Goal C: Maintain a vibrant and comfortable urban ambience for residents and visitors.**

The Vision Statement describes the ideal Oregon District as a “premiere urban neighborhood”. A premiere urban

Table 4.2: Goal B SWOT Elements

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Name recognition</li> <li>• Strong sense of identity</li> <li>• Central location</li> </ul>	<ul style="list-style-type: none"> <li>• Parking shortage</li> <li>• Parking management</li> <li>• Parking safety perception</li> <li>• Saturation of adult bookstores and adult-oriented uses</li> <li>• Parking signage</li> <li>• Hard boundaries</li> <li>• Lack of connection with broader Downtown improvement efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Community parking</li> <li>• Pedestrian linkages</li> <li>• Greyhound space</li> <li>• Wayne Avenue properties</li> <li>• Downtown Dayton Partnership membership</li> </ul>	<ul style="list-style-type: none"> <li>• Declining economy and City budget</li> <li>• Negative media attention/public perception</li> <li>• Real and/or perceived “red light” district</li> <li>• High density of social services and transportation</li> </ul>



neighborhood, for the purpose of this plan, contains a comfortable, livable environment for its residents, businesses and visitors. Table 4.3 includes the elements of the SWOT analysis that relate to Goal C.

Table 4.3: Goal C SWOT Elements

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Dense urban ambiance</li> <li>• Fifth Street streetscape design</li> </ul>	<ul style="list-style-type: none"> <li>• Worn appearance</li> <li>• Vacant storefronts</li> <li>• Lack of co-marketing as a district and neighborhood</li> <li>• Unattractive, unwelcoming storefronts and poor quality merchandising techniques</li> <li>• Entertainment district side-effects</li> </ul>	<ul style="list-style-type: none"> <li>• Special Improvement District</li> <li>• Uplighting of architecture</li> <li>• Residential permit parking</li> <li>• Tax Increment Financing</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of incentive to upgrade/develop vacant and underutilized buildings</li> <li>• Lack of nuisance law enforcement</li> <li>• Lack of building/zoning code enforcement</li> </ul>

## OBJECTIVES

Objectives are more specific, measurable and short-term than goals. Objectives articulate the concepts inherent to each goal and provide a means of achieving each goal. While goal statements can re-appear in subsequent strategic plans, objectives tend to change over time due to changes in the environment, new ways of accomplishing the goals, or accomplishment of previous objectives.

### Goal A: Create a sophisticated mix of uses that form an authentic live-work-play District.

*Objective A1. Strengthen retail component to expand customer base and create a shopping itinerary.* The Oregon District’s mix of businesses is strong in terms of cafes, pubs, and restaurants. The current retail mix, however, is limited and incompatible with the successful restaurants and entertainment venues in the District. As the Pyramid of Uses in Figure 4.2 illustrates, adding retail to the mix of businesses will increase the amount of time and money patrons spend in the District.

*Objective A2. Encourage residential growth in and around the District.* Downtown and the Oregon District are witnessing a vibrant, growing residential market. Residential uses add potential customers for businesses as well as additional “eyes on the street”. Residential redevelopment or adaptive reuse can occur on vacant or underutilized properties on the periphery of the District as well as the upper floors of Fifth Street properties

*Objective A3. Establish a unique brand for the district, utilizing existing or emerging themes such as transportation, performing arts, and fine dining based on a real urban experience.* Newer entertainment districts such as The Green and the conceptual Baseball Village threaten to compete with the Oregon District. A unique brand would help the District occupy a niche that separates it from the new “lifestyle centers”. The District already has established themes such as transportation (e.g. businesses such as Oregon Express, Derailed, and the Trolley Stop Café) and performing arts (e.g. the banners currently displayed in the District, Wiley’s Comedy Club, and performances at Pacchia’s). A unified brand can be expressed through marketing materials, beautification projects, and public events.

**Goal B: Connect the District with the region.**

*Objective B1. Link promotional efforts with broader efforts by the Downtown Partnership.* The Oregon District is readily recognizable within the region, although promotional efforts are limited and separated from broader downtown efforts. Including the Oregon District in Partnership marketing efforts can have benefits for the Oregon District as well as the greater Downtown area.

*Objective B2. Establish a coherent, convenient and safe community parking system.* Current off-street parking lots are perceived as inadequate, unsafe, and confusing, and many patrons and employees park in residential areas instead. The District would benefit from shared parking lots that are clearly marked, well-lit and easy to find. Several opportunities exist for shared parking lots, as indicated on Figure 4.4.

*Objective B3. Enhance pedestrian connections to adjacent districts.* Pedestrian movement between the District and other Downtown activity centers is hampered by physical barriers and a lack of pedestrian scale. Improvements to pedestrian connections can include streetscape improvements, redevelopment, and traffic calming measures. Figure 4.4 indicates opportunities for improved connections to pedestrian generators such as the Webster Station area and the Convention Center

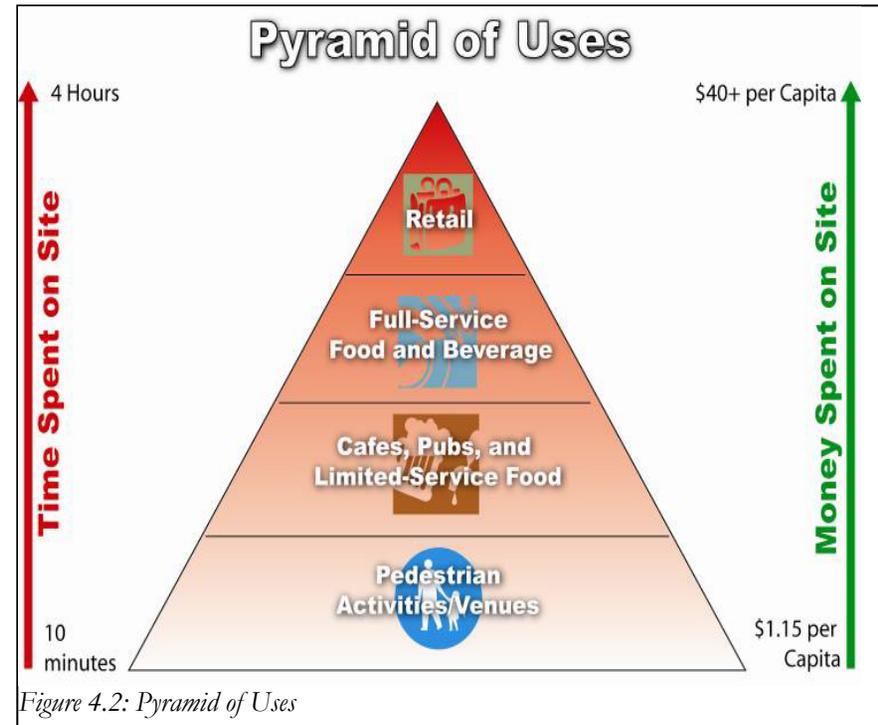
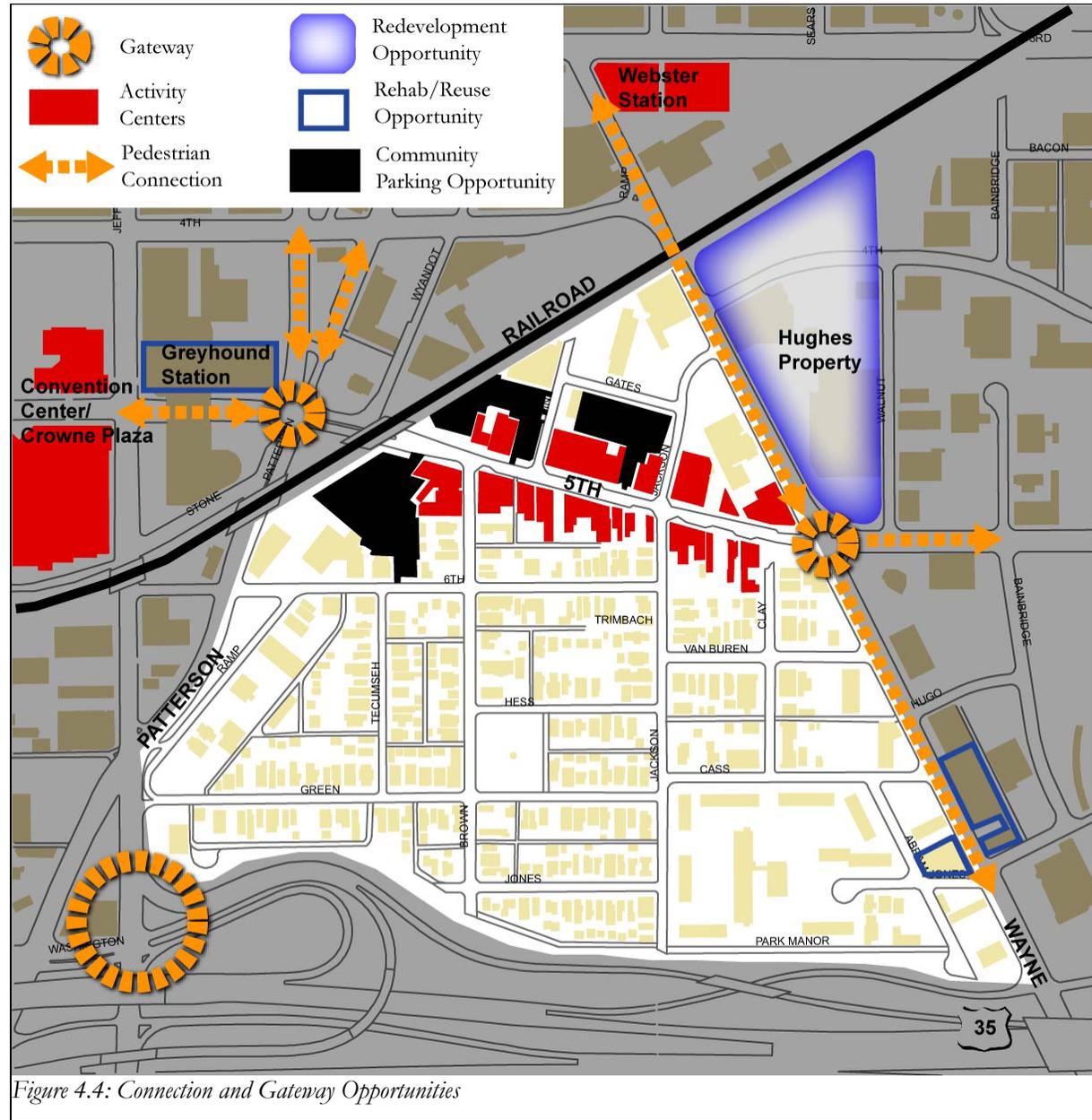


Figure 4.3: Sources of Branding for the Oregon District

*Objective B4. Extend the Fifth Street business district along Wayne Avenue and along Fifth Street east of Wayne to increase visibility of the District and improve the pedestrian scale.* The urban ambience and pedestrian-friendly environment of the Oregon District ends abruptly at the intersection of Fifth Street and Wayne Avenue. A pedestrian walking either direction on Wayne Avenue or east on Fifth Street from this intersection encounters wide streets, fast-moving traffic, narrow sidewalks and buildings that sit further from the sidewalk. Extension of the Fifth Street streetscape elements along Wayne and Fifth and redevelopment of properties such as the Hughes property can help to expand the ambience of the Oregon District (see Figure 4.4).

*Objective B5. Strengthen gateways to the Fifth Street business district.* The Oregon District is not readily visible to those who are unfamiliar with the downtown area. Improved streetscaping and way-finding signage placed at strategic locations can improve the visibility and image of the District. Figure 4.4 depicts the Fifth Street



gateway locations at Patterson and Wayne.

*Objective B6. Include the Oregon District with broader regional tourism marketing efforts.* Visitors to Dayton Area tourist attractions such as the Air Force Museum are a potential source of customers for Oregon District businesses. Regional tourism marketing efforts should include the Oregon District as an entertainment destination for visitors.

*Objective B7. Improve the appearance of the US 35 off-ramp and views along Jefferson Street and Patterson Boulevard.* The US 35/ Jefferson Street interchange is a significant entry point for Downtown and the Oregon District. The area around this interchange suffers from visual blight due to parking lots, automobile-oriented uses, and deteriorated or vacant buildings. Streetscape improvements, gateway signage and/or redevelopment are needed to improve the appearance of this area. Directory signage from US 35

*Objective B8. Support light rail and street car proposals that link downtown activity centers.* A concept to develop a streetcar circulator that links activity centers in downtown and adjacent neighborhoods would help to bring more visitors to the Oregon District. Such a system could utilize the overhead wires that are already in place along Fifth Street and other Downtown streets.

### **Goal C: Maintain a vibrant and comfortable urban ambience for residents and visitors.**

*Objective C1. Refresh Fifth Street streetscape with new and/or repaired materials.* The existing streetscape along Fifth Street, although pedestrian-friendly, appears worn and in need of repair. Pavers and planters need repair, if not replacement.

*Objective C2. Maintain a clean appearance on Fifth Street and its sidewalks.* An entertainment district such as the Oregon District tends to require more frequent cleaning than standard City services can provide.

*Objective C3. Demolish and redevelop heavily deteriorated buildings with no historic preservation value.* Such buildings should be targeted for mixed-use infill redevelopment that complements the District.

*Objective C4. Ensure that branding and marketing efforts communicate the value and benefits of living in the residential neighborhood.* There is a lack of market awareness that a residential area is adjacent to the commercial area. Improved awareness would help to promote the residential area and potentially encourage patrons to respect neighborhood residents when they visit the Oregon District.

*Objective C5. Increase the lighting level along Fifth Street to increase comfort and visual interest.* Brighter street lamps and uplighting of buildings would increase the sense of security and excitement along Fifth Street.

*Objective C6. Encourage property owners/tenants to create and maintain appealing commercial spaces and buildings.* Cluttered storefront windows and covered architectural features and windows detract from the appearance of Fifth Street. An attractive, well-design



storefront and retail space can enhance the overall street and attract interest from customers.

*Objective C7. Refresh the streetscape in the residential portions of the District.* The residential portions of the Oregon District contain deteriorated sidewalks that detract from the appearance of the neighborhood and create walking hazards. Sidewalks and curbs on many streets need to be replaced.

*Objective C8. Restore activity to vacant properties in a prioritized fashion, building from existing strengths.* The central portion of Fifth Street contains several "dead spots" created by vacant storefronts. Efforts to fill vacancies should build upon stronger, well-occupied sections of Fifth Street, as indicated in Figure 4.5.

*Objective C9. Discourage ground-floor uses such as office or residential that generate limited activity.* Office and residential uses, although beneficial to the District, create "dead spots" when they are placed on the ground floor of a building. Office and

retail uses do not generate as much pedestrian turnover as retail and restaurant uses, so they should be placed on upper floors.

*Objective C10. Discourage on-street parking in residential areas adjacent to the district.* The conflicts between residential areas and the Fifth Street business district often result from patrons and employees parking on residential streets. This is an ongoing problem and strategies are needed that reduce the "spillover" of Fifth Street activities into residential areas.

*Objective C11. Reduce nuisance occurrences by enforcing existing nuisance laws.* The "party atmosphere" in the Districts creates nuisances that negatively affect residents and businesses. Neighborhood leaders must work with the City to improve enforcement of nuisance laws.

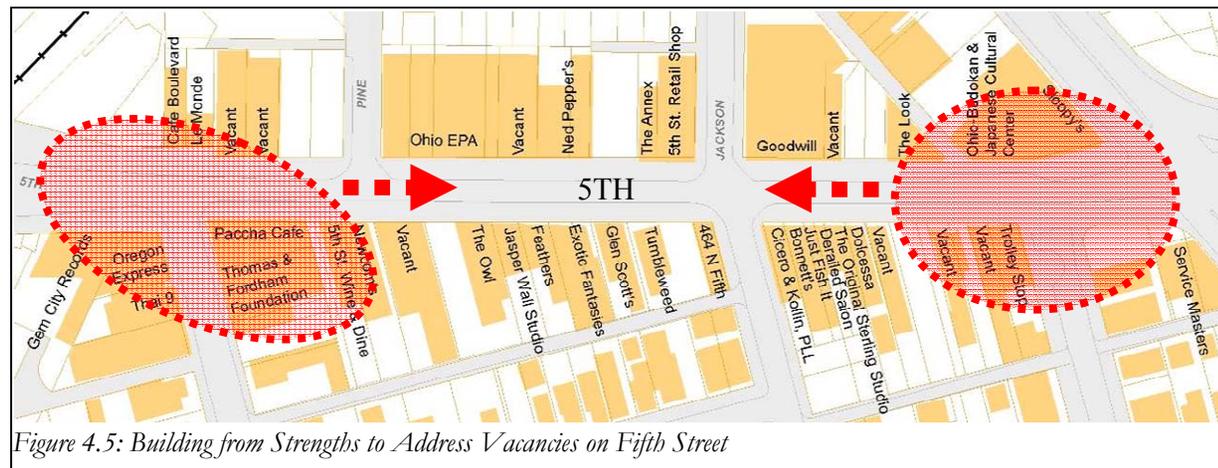


Figure 4.5: Building from Strengths to Address Vacancies on Fifth Street

# Chapter 3

## Real Estate Market Analysis

### Summary

A real estate market analysis was conducted to determine the overall potential for new residential development and office and retail space in the Oregon District. The capture of all three land uses is necessary to implement the vibrant, mixed use vision defined for the Oregon District. An analysis of market demand, an assessment of effective competition, and a determination of potential market capture is included in this analysis.

A market overview and key retail, office, and housing market observations and conclusions are summarized in this chapter. Land development and marketing recommendations, based on market observations, are included in Chapters 4 and 5. Supporting market

data and analysis are included in Appendix B Retail, Appendix C Office, and Appendix D Residential.

### METHODOLOGY

Mixed use development that respects and enhances the Oregon District's existing pedestrian friendly scale and historic urban characteristics is desired due to the market benefits provided by a strong synergy of uses. Though mixed use is desired, each land use in a mixed use project must have underlying market support. In this sense, this analysis maintains a conventional approach and

analyzes the retail, office, and residential markets separately. This market study was prepared using secondary data sources. Methodologies are described in more detail in the appendices. While mixed use developments offer economic benefits, the exact economic benefit derived from mixed use development is difficult to quantify and no attempt was made as part of this analysis.

### TRADE AREA

Drive times define trade area geographies instead of traditional concentric rings. Drive times more accurately reflect the market and household characteristics of the Oregon Districts primary trade area. For the purpose of the analysis, a 20-minute drive time centered on the

Map 3.1 Market Analysis Trade Area



middle of 5<sup>th</sup> Street in the Oregon District serves as the District’s primary trade area (PTA), as shown on Map 3.1. The residential analysis also includes a 2-minute and 10-minute drive time trade area to better understand current housing characteristics and housing trends. The office assessment was prepared using geography as established by The Gem Real Estate Group which includes Dayton’s Central Business District and outlying suburban areas.

**MIXED USE**

Mixed use development offers some advantages including increased market support and synergy that can benefit any project. One notable advantage is the creation of a captive retail market that gains support from integrated employment and residential developments.

Table 3.1 defines the synergistic relationships between various types of land uses within a mixed use project. Two uses with a strong synergistic relationship indicate that an economic premium may result from their combination. The Entertainment Bars and Restaurants column is highlighted

due to the cluster of similar uses found along 5th Street. Office, Hotel, Retail Specialty Stores, Retail Comparison Stores, Entertainment Theaters, and Entertainment Sports all have a strong mixed use relationship with existing Oregon District entertainment-orientated businesses. These uses should be included in Oregon District business attraction and retention efforts.

Table 3.1 Mixed Use Synergies

Primary Use Components	Key:										
	Health Care	Marina	Entertainment: Sports	Entertainment: Theaters	Entertainment: Bars & Restaurants	Retail: Comparison	Retail: Specialty	Retail: Convenience	Hotel	Offices	Residential
Residential	Δ	•	X	X	Δ	Δ	Δ	•	X	•	
Offices	Δ	--	Δ	--	•	Δ	Δ	Δ	•		•
Hotel	Δ	Δ	•	Δ	•	Δ	•	Δ		•	X
Retail: Convenience	--	•	Δ	Δ	Δ	Δ	X		Δ	Δ	•
Retail: Specialty Stores	--	•	Δ	•	•	•		X	•	Δ	Δ
Retail: Comparison	--	Δ	Δ	•	•		•	Δ	Δ	Δ	Δ
Entertainment: Bars & Restaurants	--	•	•	•		•	•	Δ	•	•	Δ
Entertainment: Theaters	--	--	Δ		•	•	•	Δ	Δ	--	X
Entertainment: Sports	Δ	Δ		Δ	•	Δ	Δ	Δ	•	Δ	X
Health Care		--	Δ	--	--	Δ	--	--	Δ	Δ	Δ

Level of Market Synergy in MXD Source: Urban Land Institute, Real Estate Market Analysis: A Case Study Approach

**MARKET OVERVIEW**

The demand for retail and office land use is not impressive based on an analysis of primary trade area recent market conditions and trends. Unmet retail market demand does exist in some retail

expenditure categories within the primary trade area. Unfortunately, some of this reported demand is likely to be served by three recent developments (the Greene, Dayton Mall expansion, and University of Dayton redevelopment) not included as part of the market report data used for this analysis. This market observation should inform Oregon District business owners and developers but not necessarily dissuade business decisions until after additional consideration is given to individual proposals.

The competition created by the suburban retail market is not new. The Oregon District has been successful in the past despite shrinking populations and increased competition. In order to successfully compete in the future, new retail businesses and restaurants must have a solid business plan and financing to succeed in the competitive Dayton market. Menus, goods, and services must offer a completely different experience than can be found in the suburbs. The District can compete effectively by offering fresher foods, high-quality menus and customer service, and unique items with a local flavor.

The downtown housing market has been relatively robust since the 1990s. Though the number of new housing starts is not overly large, the trend indicates that a demand for housing exists in the downtown environs despite the continued population loss experienced by the Dayton area. Recent studies suggest that inadequate housing supply is a larger problem than housing demand. This may indicate a real opportunity to develop additional housing units in or close to the Oregon District. New housing types and offerings should augment and diversify the existing downtown housing stock.

## RETAIL MARKET ANALYSIS SUMMARY

The Oregon District is well-positioned to take advantage of the increased interest in urban environments and “entertainment centers” nationwide. These centers feature a mix of entertainment attractions, theme restaurants, and entertainment-oriented shops in a coordinated, intensely sociable environment. Below is a summary of the main conclusions of the retail market analysis:

- Restaurants are oversupplied in the PTA, particularly with the additions to PTA from the Greene and other similar developments.
- Restaurant and retailer establishments must take market share from competitors due to the mature nature of the Dayton market.
- Attraction and business development efforts should be aimed at local entrepreneurs with solid business plans and financial backing.
- Differentiation is necessary. Unique menus and product offerings including local flavor and higher quality goods and services are needed to compete with franchise businesses.
- Some opportunities may exist in select retail categories, including furniture and home furnishings; clothing and accessories; sporting goods, hobbies, books, and music; and miscellaneous retailers.
- The District must take advantage of those opportunities in select retail categories in order to effectively compete with new developments based on the “entertainment center” model, such as the Greene.



- The Oregon District must find and communicate its niche in a highly competitive regional market through continuous and improved marketing and recruitment efforts.
- Marketing efforts should target demographic and geographic segments of the Dayton region that are most likely to be attracted to the Oregon District. Potential target demographic groups include:
  - 18-34 and 55-64 age groups
  - Households without children
  - Higher-income households
- Potential geographic target areas include:
  - East Dayton (Smithville Road corridor)
  - Northwest Dayton (Salem Avenue/Cornell Drive)
  - Northern Suburbs (Butler Township, Vandalia, Huber Heights, Harrison Township)
  - Western Trotwood/Jefferson Township
  - Oakwood/West Kettering
  - Eastern Miami Township/Eastern Washington Township/Western Centerville
- The Oregon District Business District can serve as an attractive pedestrian space once the streetscape is improved and more pedestrian amenities are provided.

### OFFICE MARKET ANALYSIS SUMMARY

The office market of the Oregon District can thrive by focusing marketing and economic development efforts, recognizing the District's unique role in the regional market, and by expanding the range of options to potential

businesses. Below is a summary of the main conclusions of the office market analysis:

- Projected employment growth in the Dayton MSA is limited, but is expected to create the need for an additional 640,300 square feet of office space by 2014. Future retention and expansion efforts should focus on select occupational groups that are projected to grow over the next 7 years.
- The size of the Oregon District office market as compared to the Dayton CBD and Dayton area market is small, but appears strong, posting an estimated vacancy rate of 8.1 percent in the first half of 2007.
- The Oregon District can provide features and amenities that other locations in the region cannot provide: close proximity to shops, restaurants, parks, and living opportunities; business networking and marketing opportunities; and unique building characteristics.
- In growing the office market, the Oregon District should recognize and capitalize on the potential development opportunities of parcels just outside the District. New office space in these areas should be multi-storied and part of a mixed-use development.

### HOUSING MARKET ANALYSIS SUMMARY

Prospects for housing in the Oregon District are strong. The District is ideally positioned to take advantage of the surge in rental and owner-occupied housing that has occurred in the adjacent Central Business District in the last five years. The following indicators show evidence of a continued strong housing market in the Oregon District:



- The trend in downtown housing is expected to continue, with low rental and owner-occupied vacancy rates remaining steady.
- The downtown market is being constrained by a lack of quality supply, not demand. The housing supply should be improved through an expansion of options, including quality, variety, and added amenities.
- The Oregon District is uniquely situated to provide lower density, owner-occupied housing options preferred by those interested in downtown living that are scarce in the Dayton Central Business District. These housing types include single-family detached homes and townhouses.
- The District can provide all of the assets of a vibrant urban neighborhood, including access to shops, restaurants, entertainment, and sporting events, desired by urban households.
- Incomes in and around the Oregon District can support the preferred price points of both the rental and owner-occupied housing markets.
- Parking and outdoor amenities, including green space, roof-top features, and balconies, are essential components of all future housing developments in the District.
- In expanding the housing market, the Oregon District should recognize and capitalize on the potential development opportunities of parcels just outside the District. New housing in these areas should be part of a mixed-use development.

**Recommended Actions.** Though demand for restaurant, retail, and office is not impressive, the Oregon District can remain viable amid increase competition by offering unique experiences that can't be found or duplicated elsewhere. To do so, the following actions, as described in the plan, must occur.

1. The Oregon District must be **rich in the arts**. Live musical performances must be scheduled regularly. Street performances should also be scheduled as a collective district benefit.
2. **Beautify** the Oregon District by improving the streetscape, revitalizing storefronts and adding seasonal color.
3. Make the Oregon District a **comfortable pedestrian place** with outdoor seating, art, and visually interesting storefront displays.
4. Enhance the Oregon District with the same qualities as found suburban centers such as a **clean and safe** environment with **ample, conspicuously located parking**.
5. **Bolster the market** by building **new housing** and promoting the Oregon District's numerous assets regionally and at **tourist** locations and hotels and the convention center.
6. Create unique **gateways** and way-finding signage to improve regional visibility; clean District edges with new, **mixed use development**, and **physically connect** the Oregon District to nearby downtown amenities and districts via streetscape improvements and traffic calming.
7. Attract a sophisticated mix of **retailers** as shoppers tend to spend more and stay in one location longer, often resulting in food and beverage purchases.



## Chapter 2

# Environmental Scan

The foundation of a successful strategic plan must be a solid, collective understanding of the existing situation in the Oregon District. An environmental scan identifies strengths, weaknesses, opportunities and threats (a SWOT analysis) and forms a basis for the goals, objectives and tasks of the Strategic Plan.

This plan groups factors into the *internal* and *external* environments. The internal environment refers to characteristics of the Oregon District itself, within the neighborhood boundaries described in Chapter 1. Internal factors are expressed as *strengths* and *weaknesses*. The external environment refers to characteristics outside these boundaries that influence the Oregon District. External factors are expressed as *opportunities* and *threats*.

The consulting team worked with the Oregon District Improvement Task Force early in the planning process to identify and prioritize the Oregon District's strengths, weaknesses, opportunities and threats.

### STRENGTHS

The Oregon District's strengths are positive internal characteristics and resources that contribute to the quality of life of residents and/or the success of businesses in the neighborhood. Strengths are characteristics that give the Oregon District a competitive market advantage.

Table 2.1: Oregon District Strengths

Strengths	Priority Ranking
▪ Strong residential market: among highest property values/sales in City; significant ongoing renovation/expansion	1
▪ Successful entertainment district: draws 1.4 million people per year as of 1999	2
▪ Diverse mix of uses: professional office, retail, entertainment, restaurants, night life.	3
▪ Best example of an established and well-recognized neighborhood in City of Dayton and Downtown. The district already enjoys name recognition throughout greater Dayton. Daytonians often show off the district to out-of-town guests.	4
▪ Dense urban ambiance: architecture, brick streets, pedestrian scale	5
▪ Invites creative businesses: new businesses constantly emerging; incubator for unique, independent businesses	6
▪ Strong sense of identity: history, well-defined boundaries, authenticity	7
▪ Access to performing arts talent and venues in and adjacent to district.	8
▪ Central/gateway location: Highly accessible to the region via US 35 and arterial surface roads.	9
▪ Strong sense of community: active, close-knit residential neighborhood	10
▪ Creative and dedicated business and property owners with financial means to improve district	11
▪ Fifth Street streetscape design (wide sidewalks, landscaping)	12
▪ Resilient: has survived several economic cycles	13
▪ Attractive greenspace in middle of neighborhood	14
▪ Safe environment (according to actual experience, not perception)	15
▪ Access to public transit	16



The District's prioritized strengths are summarized in Table 2.1 and are described in more detail in this section.

- 1. Strong residential market.** Task force members noted that the Oregon District has among highest residential property values in the City. This strength is supported by significant, visible levels of ongoing renovation/expansion of homes in the neighborhood. The Task Force felt that this was the most important defining strength of the District.
- 2. Successful entertainment district.** The Task Force felt that the Oregon District's success as an entertainment destination was the second most important strength. The District continues to draw substantial numbers of visitors, mostly to its bars, restaurants, entertainment establishments.
- 3. Diverse mix of uses.** The Oregon District is a classic traditional urban neighborhood, containing a diverse mix of homes, professional offices, retail, entertainment, restaurants, and night life establishments. Task Force members felt that this diversity was an important, unique asset of the District.
- 4. Name recognition.** Task force members felt that the Oregon District is the best example of an established and well-recognized neighborhood in the City of Dayton. The district enjoys name recognition throughout greater Dayton, and Daytonians often show off the district to out-of-town guests.



5. **Dense urban ambiance.** The Oregon District contains a rich collection of historic buildings and brick streets built at an intimate, pedestrian-friendly scale.
6. **Creative businesses.** The Oregon District serves as an incubator for creative entrepreneurs, particularly in entertainment and hospitality businesses.
7. **Strong sense of identity.** The District's history, ambiance and hard, well-defined boundaries give it a strong sense of identity that distinguishes the neighborhood within the Dayton region.
8. **Performing arts talent and venues.** Businesses in the Oregon District combine food and drink service with performances by talented artists.
9. **Central location.** The Oregon District's central location within the Dayton region and excellent highway accessibility give it an edge in attracting visitors from throughout the region.
10. **Strong sense of community.** The residential portion of the Oregon District is a close-knit collection of residents who are active participants in their community.
11. **Dedicated business and property owners.** Oregon District owes a substantial portion of its success to dedicated property and business owners who have a passion for the neighborhood. Several of these individuals have invested significant resources in the neighborhood.



**12. Fifth Street streetscape design.** Fifth Street is characterized by wide sidewalks, landscaping elements and street furniture that create a comfortable environment for pedestrians.

The Task Force mentioned the following strengths but gave them a score of “zero” in the prioritization exercise:

- **Resilient.** The Oregon District has survived several economic cycles and remains a viable neighborhood.
- **Central Greenspace.** The residential portion of the Oregon District includes an attractive greenspace that provides an oasis in the middle of a dense urban neighborhood.
- **Safety.** Contrary to popular perceptions, the Oregon District is a relatively safe environment.
- **Access to public transit.** The Oregon District is served by several bus lines that run along bordering roadways as well as Fifth Street, including an electric trolley line on Fifth Street.

## WEAKNESSES

The Oregon District’s weaknesses are negative internal characteristics that detract from the quality of

life of residents and/or the success of businesses in the neighborhood. The District’s weaknesses by priority ranking are summarized in Table 2.2 and are described in more detail in this section.



**1. Parking shortage.** Task Force members felt that the Fifth Street business district provides an insufficient number of parking spaces for patrons and employees, resulting in a spillover of parking demand into residential areas. This deprives residents of needed on-street spaces at certain times of the week.

**2. Worn appearance.** The age of streets and buildings in the Oregon District, as well as the intense use of Fifth Street as an entertainment district, have taken their toll on the appearance of the public realm. The neighborhood has a worn appearance due to deteriorating streets and sidewalks, litter along Fifth Street sidewalks, faded street lighting, and some deteriorated buildings (mainly on Fifth Street).

**3. Parking management.** The Oregon District lacks a district-wide, formal shared parking policy. Off-street spaces are currently assigned to individual businesses. There is no management or revenue structure in place to handle the maintenance and improvement of a shared parking facility.

4. **Vacant storefronts.** A single vacant storefront can create a noticeable dead spot in an urban business district. The central portion of Fifth Street contains a cluster of vacant storefronts.
5. **Lack of a shared vision for the commercial district.** The Oregon District does not currently have a comprehensive vision for the Fifth Street business district that is supported by residents and businesses. Past planning efforts have not been fully implemented due to a lack of follow-through by public, quasi-public and private stakeholders.
6. **Parking safety perception.** Available off-street parking areas in the Oregon District, as well as the pedestrian routes to and from these areas, do not feel safe to visitors because they are poorly lit and/or isolated from activity. Several patrons and employees avoid these areas and instead park along residential streets.

Table 2.2: Oregon District Weaknesses

Weaknesses	Priority Ranking
▪ Parking shortage: fewer parking spaces than patron/ employee vehicles – results in spillover in neighborhood.	1
▪ Worn appearance: sidewalks, faded lighting, some buildings on Fifth Street, scattered homes and tired/dirty streetscape.	2
▪ Lack of district-wide parking management policy, regulation, enforcement such as shared parking, parking management system, revenue for maintenance and improvement.	3
▪ Vacant storefronts create noticeable dead spaces in the heart of the district.	4
▪ Lack of a SHARED vision for the commercial district and follow-through on past district plans by public, quasi-public and private stakeholders.	5
▪ Parking safety perception: Lack of well-lit parking for patrons/employees; results in spillover in neighborhood.	6
▪ Saturation of adult bookstores and adult-oriented uses.	7
▪ Lack of regional promotion and co-marketing as a district and neighborhood.	8
▪ Unattractive and uninviting storefronts/poor quality merchandising techniques on part of some retailers.	9
▪ Parking signage: Businesses without off-street parking are using other businesses' parking lots – equity issue – partially explains the need for confusing “no parking” signs on private parking lots.	10
▪ Lack of retail and services uses to attract and keep people in the district before and after lunch and dinner.	11
▪ Entertainment district side-effects: “Party” image, loud music, smoking outside bars, trash, vandalism, fights	12
▪ The neighborhood/district is somewhat land-locked for continued expansion and growth. The district’s perimeter contains hard physical breaks due to the railroad viaduct, wide streets, and automobile-scale development along Wayne and Fifth east of Wayne, resulting in an interrupted and/or uninviting image.	13
▪ Not plugged into greater efforts to improve downtown’s image – limited revenue collected or used for common district good and augment essential public services such as security and cleanliness.	14
▪ “Authenticity” side-effects: Food vendors, panhandling, loitering, unattractive to families, abrupt land use transitions.	15
▪ The district/neighborhood is enclosed and largely hidden making the district hard to find or see by people not aware of its location.	16



7. **Saturation of adult bookstores and adult-oriented uses.** The central portion of the Fifth Street business district contains a concentration of sexually-oriented businesses. Task force members felt that these uses tarnish the reputation of the Oregon District because of both the nature and outward appearance of these businesses.
8. **Lack of co-marketing as a district and neighborhood.** Task Force members felt that many visitors to the Oregon District fail to realize that there is a residential area adjacent to the Fifth Street business district. Awareness of this aspect of the neighborhood might discourage nuisance behavior among patrons and increase interest and investment in the residential area.
9. **Unattractive, uninviting storefronts and poor quality merchandising techniques.** Some Oregon District retailers have cluttered storefronts that block views into the store and do not offer a quickly discernible impression of the merchandise offered. Such arrangements discourage interest from passing pedestrians and contribute to a less attractive retail environment.
10. **Parking signage.** Many Fifth Street businesses do not have off-street parking and are using other businesses' parking lots instead. This has led many businesses to install "no parking" signs on their lots, creating a confusing environment for business patrons searching for a parking space.

11. **Lack of retail and service uses.** Although the Oregon District contains a vibrant collection of restaurants and bars, the neighborhood lacks a viable retail presence that attracts and keeps people in the District before and after lunch and dinner.
12. **Entertainment district side-effects.** The Oregon District's emphasis on bars and nightclubs creates a "party" atmosphere for which the District is well-known. Although this image has created some success, it has also created nuisances for residents and some businesses, including loud music, smoking outside bars, trash, vandalism, and fights.
13. **Hard boundaries.** The district's perimeter contains hard physical breaks due to the railroad viaduct, wide streets, and automobile-scale development along Wayne Avenue and Fifth Street east of Wayne. The Transportation Center



*Hard boundary along Wayne Avenue*



creates an additional hard boundary between the District and the Convention Center to the west. These boundaries hinder expansion of the district and create an interrupted and uninviting image. The railroad viaduct and the Transportation Center disrupt pedestrian access from the Convention Center, which is a potential generator of customers for District businesses.

#### 14. Lack of connection with broader Downtown improvement efforts.

The Oregon District is not part of the Downtown Dayton Partnership or Special Improvement District, which provide elevated levels of security, cleaning of streets and sidewalks, and promotion to the Downtown. The Oregon District needs such services to promote its businesses and augment essential public services.

The Task Force mentioned the following weaknesses but gave them a score of “zero” in the prioritization exercise:

- **“Authenticity” side-effects.** The side-effects of being an “authentic” urban district include food vendors, panhandling, loitering, and abrupt land use transitions.
- **Lack of visibility.** The Oregon District is enclosed and largely hidden from the rest of Downtown, making the District hard to find or



see by people who are not aware of its location.

## OPPORTUNITIES

Opportunities for the Oregon District are positive external characteristics that can lead to growth of the District and/or improvement of its quality of life and business environment. The District’s opportunities by priority ranking are summarized in Table 2.3 and are described in more detail in this section.

1. **Community parking.** The most important opportunity as ranked by the Task Force is the potential for a community parking system, with improved logistics and signage, that shares parking lots among Oregon District businesses and shares with the Cannery area to the northeast.
2. **Vacant and/or underutilized buildings along Fifth Street.** Vacant and/or underutilized buildings, though listed as a weakness, are also an opportunity to house new businesses and residents that enrich the Oregon District.
3. **Pedestrian linkages.** The Oregon District is within walking distance of several significant pedestrian generators, such as the Webster Station area, Fifth Third Field, Neon Movies, and the Dayton Convention Center. Current pedestrian routes from the District to these generators are encumbered by railroad

overpasses, wide streets, deteriorated sidewalks, automobile-scale development, and industrial uses. Improving these pedestrian routes could bring more visitors to the Oregon District and improve options for District residents as well.

4. **Special Improvement District.** An opportunity exists to develop a Special Improvement District (SID). A SID is a property tax on properties within a designated area that can fund infrastructure improvements, security, maintenance and cleaning activities in that area. A SID already exists in Downtown Dayton, but it does not include the Oregon District.
5. **Greyhound space.** The Transportation Center, located immediately west of Patterson Boulevard, includes a soon-to-be-vacated Greyhound bus station. The design of the structure creates a “dead space” and a physical barrier to pedestrians walking from the Convention Center to the Oregon District. The departure of Greyhound will create an opportunity to re-design the ground floor with a more pedestrian-friendly façade and attract a tenant that complements both the Convention Center and the Oregon District.



Table 2.3: Oregon District Opportunities

Opportunities	Priority Ranking
▪ Community parking: improved logistics and signage, sharing with Cannery area (specific locations: lots behind Gem Records, EPA).	1
▪ Redevelop/re-use vacant/underutilized buildings along Fifth Street.	2
▪ Pedestrian linkages (Webster Station area, Dragon’s Stadium, Neon Movies, Convention Center, Double Tree, Stivers School for the Performing Arts).	3
▪ SID/SAD developed for services and improvements	4
▪ Greyhound space (re-use).	5
▪ Wayne Avenue properties (redevelop, extend business district).	6
▪ Up-lighting of architecture.	7
▪ Residential permit parking.	8
▪ Performing arts synergies: Stivers renovation/expansion, Neon Movies, Pacchia’s.	9
▪ DDP membership: Downtown Ambassadors and other benefits.	10
▪ Residential growth of Cannery/Webster Station.	11
▪ Wyandot Area.	12
▪ Potential new nearby services (Wayne/Wyoming redevelopment, big box component of Baseball Village).	13
▪ Development tax advantages from National Register of Historic Places designation.	14
▪ Tax Increment Financing.	15
▪ Promote to academic crowd (Wright Patt AFIT, UD, WSU).	16
▪ Aviation tourism.	17
▪ Branding: Link with heritage (canal, milling, etc), expand upon transportation theme.	18

6. **Wayne Avenue properties.** Wayne Avenue currently consists of a mishmash of land uses and building setbacks that do not provide a positive first impression of the Oregon District. Several underutilized buildings provide opportunities for redevelopment. Redevelopment should create pedestrian-scale buildings and uses that complement and expand upon the Fifth Street business district.
7. **Uplighting of architecture.** Intricately detailed buildings along Fifth Street, combined with an entertainment atmosphere, provide an ideal opportunity for uplighting of buildings. Uplighting can highlight building details, contribute to public safety, and create a festive ambience in a business district.
8. **Residential permit parking.** The current motivation of patrons and employees to park in residential areas creates an opportunity to consider permit parking on residential streets.
9. **Performing arts synergies.** Oregon District businesses that combine food and drink service with performing arts can benefit from synergies with nearby educational and performance venues. For example, the renovation and expansion of the nearby Stivers Performing Arts School may provide a unique source of talent to perform at Oregon District businesses. Neon Movies, just outside the District, is a theater that specializes in independent films and attracts a regional audience. Performing arts synergies can be an asset to District businesses and contribute to the identity and branding of the District.

10. **Downtown Dayton Partnership membership.** As an alternative to developing a separate SID, the Oregon District could become part of the Downtown Dayton Partnership and SID. In return for a property tax increase, the Partnership can provide elevated cleaning, security and promotional services.
11. **Residential growth of Cannery/Webster Station.** The eastern section of Downtown Dayton is experiencing a substantial amount of redevelopment of former industrial buildings into condominiums and apartments. These developments provide new customers for Oregon District businesses. The residential growth also indicates that there may be a market for redevelopment of properties closer to or within the Oregon District.



*Cannery/Webster Station area*



- 12. Wyandot Area.** Wyandot Street is a brick-paved street that runs from Fifth Street to Third Street, providing a direct connection to the Webster Station area. The street contains the Hauer Music building as well as several industrial uses. Redevelopment of this street into residential uses could encourage greater utilization of this street and improve connectivity between the Oregon District and Webster Station.
- 13. Potential new nearby services.** Several redevelopment proposals in nearby neighborhoods may bring services that will benefit Oregon District and Downtown residents. These proposals include a potential grocery store at the intersection of Wayne and Wyoming, and a proposal for a big-box retail center north of downtown at the intersection of Helena and Keowee.
- 14. Development tax advantages from National Register of Historic Places designation.** The historic designation status of buildings within the Oregon District provides an opportunity to utilize historic tax credits as a means of reducing the costs of rehabilitation.
- 15. Tax Increment Financing.** Designating all or a portion of the Oregon District as a Tax Increment Financing district could produce additional revenue to use for public infrastructure projects.

The Task Force mentioned the following opportunities but assigned a score of “zero” in the prioritization exercise:

- **Promote to academic crowd.** The mix of businesses in

the Oregon District appeals to a young crowd. Students at higher education institutions such as University of Dayton, Wright State University, Sinclair College, and the Wright-Patterson AFIT are potential marketing targets for Oregon District businesses.

- **Aviation tourism.** Continuing efforts to attract tourists to Dayton’s aviation heritage sites may generate customers for Oregon District businesses. An opportunity exists to link the Oregon District with broader tourism promotional efforts.
- **Branding related to heritage or transportation.** Efforts to brand and market the Oregon District can build upon unique characteristics such as the District’s history and the confluence of several transportation modes in the area (the former Miami-Erie canal, a rail line, trolley, an expressway, and airplanes flying to and from Wright-Patterson Airforce Base).

## THREATS

Threats to the Oregon District are external characteristics that jeopardize the success and viability of the Oregon District as a neighborhood and entertainment district. Threats generally include market trends, regulatory barriers, external resource limits, barriers to redevelopment, and outside perceptions of the neighborhood. The District’s threats by priority ranking are summarized in Table 2.4 and are described in more detail in this section.

- 1. Competition from suburban retail/entertainment destinations.** The most important threat to the Oregon District, according to the Task Force, is suburban venues that



compete with the Oregon District. Potential competitors include suburban clusters of restaurants, retail, and entertainment venues. The greatest source of suburban competition is The Greene, a mixed-use “lifestyle center” recently constructed in Beavercreek, roughly 20 minutes from the Oregon District. The Greene offers an environment typical of many “lifestyle centers” nationwide: a fabricated, master-planned urban “town center”, complete with national chain stores and restaurants on ground floors, upper-floor offices and apartments in some cases, and heavily programmed public spaces.

The Task Force views the Greene as a threat because it offers an urban entertainment package similar to the Oregon District, but without the “urban” disadvantages of the Oregon District. Unified ownership makes cleanliness and security much easier at The Greene. The Greene is isolated from the crime perception issues that face Downtown Dayton and the Oregon District. The Greene’s newer buildings and an automobile-friendly layout are more conducive to modern retail needs than the older, tightly-spaced buildings and alleys of the Oregon District.

2. **Competition from Ballpark Village.** A potential source of additional competition is the Ballpark Village development, a mixed-use redevelopment project proposed north of Monument Street between Patterson Boulevard and Webster Street. This project, though speculative as of the writing of this plan, proposes a mix of retail and entertainment uses, complete with an interactive flight museum. Like the Greene, this

Table 2.4: Oregon District Threats

Threats	Priority Ranking
▪ Competition from suburban retail/entertainment destinations	1
▪ Competition from Baseball Village	2
▪ Lack of incentive to upgrade/develop vacant and underutilized buildings on Fifth Street and Wayne Avenue	3
▪ Liquor license limitations	4
▪ Declining economy and City budget	5
▪ Lack of nuisance law enforcement (noise from bars, noise from bar patrons walking back to cars in residential area; motorcycle noise, loitering, panhandling)	6
▪ Negative media attention/public perception: feud between residents and businesses, crime levels	7
▪ Lack of building/zoning code enforcement (graffiti, obvious building deterioration)	8
▪ Decreasing population in the region: will more bars and restaurants be supported?	9
▪ Real and/or perceived perception of a “red light” district.	10
▪ High density of social services and transportation (drug, mental health, addiction testing, homeless services, meals programs, bus station) – contribute to negative safety perception	11
▪ Potential transition of marketplace	12
▪ University of Dayton and MADD policies (avoid Oregon District)	13
▪ Lack of knowledge regarding market for commercial and residential uses	14

development will be a master-planned environment with modern retail space and parking facilities. Ballpark Village will be located nearly within walking distance of the Oregon District. Since this project is preliminary, it is too early to determine the extent to which it will compete with or complement the Oregon District.

3. **Lack of incentive to upgrade/develop vacant and underutilized buildings.** Several vacant buildings on Fifth Street and Wayne Avenue may continue to deteriorate if property owners are not motivated to renovate them. Some property owners live outside the state, and some owners simply do not expect a return on their investment for renovating a building. Factors include a lack of or declining market for the space in these buildings, as well as the difficulty and expense involved with redevelopment and rehabilitation.
4. **Liquor license limitations.** Task Force members fear that a limitation on liquor licenses in Dayton will impair the Oregon District's ability to realize its full potential as an entertainment district.
5. **Declining economy and City budget.** The City of Dayton bears the brunt of a stagnant regional economy. The City may therefore have limited resources with which to address the Oregon District's weaknesses.
6. **Lack of nuisance law enforcement.** Task Force members are concerned that the City's ineffectiveness in addressing noise from bars and bar patrons, motorcycle noise, loitering, and panhandling will jeopardize the success of businesses and residential quality of life.
7. **Negative media attention/public perception.** The local media fuels a negative perception of the Oregon District by publicizing the feud between residents and businesses and portraying the area as a high-crime environment.
8. **Lack of building/zoning code enforcement.** Task Force members fear further deterioration of the District if the enforcement of building maintenance codes does not improve.
9. **Decreasing population in the region.** The declining population and economy of the Dayton region has Task Force members doubting whether more bars and restaurants can be supported.
10. **Real and/or perceived "red light" district.** The cluster of adult bookstores on Fifth Street creates an outside perception of the Oregon District as a "red light" district. This perception reduces the appeal of the District and impairs efforts to attract new businesses and residents.
11. **High density of social services and transportation.** The Oregon District is surrounded by a concentration of social services such as testing centers for drug addiction and mental health, homeless services, and meals programs. A Greyhound bus station is located adjacent to the neighborhood as well. Task Force members feel that these characteristics contribute to a negative perception of safety in the area.



**12. Potential transition of marketplace.** Task Force members are concerned that changes in the broader marketplace will reduce demand for housing and businesses in the District.

The Task Force mentioned the following threats but assigned a score of “zero” in the prioritization exercise:

- **University of Dayton and MADD policies.** The University of Dayton avoids the promotion of the Oregon District as an entertainment destination for its students, because of the existence of adult bookstores on Fifth Street. The Mothers Against Drunk Driving (MADD) organization does not provide rides to and from the Oregon District for similar reasons.
- **Lack of knowledge regarding market for commercial and residential uses.** A lack of market knowledge will hinder efforts to attract businesses, residents and redevelopment to the Oregon District.



## Chapter 5 Action Plan

The breadth of recommendations in the Strategic Plan necessitates a condensed list of the major tasks that require action. Two distinct “Action Plan” summary tables are provided on the following pages.

Table 5.1 Prioritized Action Plan starting on the page 5.3 lists all action items in rank priority as defined by the Oregon District Task Force. “Coordination Tasks” provide relational linkages to other tasks listed sequentially in Table 5.2.

Table 5.2 Action Plan on page 5.6 lists each goal and objective and describes tasks that fit under each objective. The tables also define a priority for each task, potential partnerships, implementation tools, and means of evaluating success of each objective.

Combined, the Action Plan tables are intended to be used by the governing body established for the implementation of this plan. All stakeholders can use this chapter to prioritize actions, budget for capital and operating costs, and to review progress.

A more detailed description of each element of the Action Plan tables is provided in the right-hand column.

**Tasks.** Tasks are action steps that must be undertaken in order to achieve the objectives in the Strategic Plan.

**Priority.** Because the magnitude of tasks in the Strategic Plan far outstrips immediately available resources, it is necessary to prioritize the tasks. The “Prioritization Score” column assigns one of three levels of priority to each task.

Stakeholders will vigorously pursue “High” priority tasks during the first year following adoption of this plan. “Medium” priority tasks will require attention as staff and financial resources become available. “Low” priority activities will receive attention only after High and Medium priority actions are significantly underway. An objective that includes mostly High-priority tasks is considered a High-priority objective. Table 5.2 Action Plan are organized under each goal with High priority objectives and tasks listed first, followed by Medium and Low priority tasks.

**Task Leader.** The “Task Leader” identifies the organization that is responsible for keeping the task going from conception to completion. Coordination with stakeholders is a primary duty. The designated leader is not necessarily responsible for funding.

**Partners.** The “Partners” column identifies other organizations that are necessary or at least helpful in implementing a given task. The ODBA must be able to approach projects on a collaborative basis given limited funding.

**Implementation Resources.** This column describes funding, regulations and other resources that are available to implement each task. A description of implementation resources is included at the end of this chapter.



**Evaluation/Milestone.** Objectives in a strategic plan must be measurable. Measurement enables stakeholders to assess the effectiveness of a strategic plan and the performance of individuals and organizations in implementing various portions of the plan. The “Evaluation/Milestone” column provides a general means of measuring the progress of implementation for each objective. Evaluation and milestones can involve quantitative measures such as survey results or vacancy rates, or simply the completion of a task.



Table 5.1 Prioritized Action Plans

Task	Prioritization Score	Task Leader	Timeframe	Coordination Tasks
B2-a. Create a district wide shared parking strategy with professional management to clean and maintain.	4.92 (High)	ODBA	6 months	All B2 Tasks
B2-b. Re-stripe and expand Pacchia's/Gem Records lot.	4.83 (High)	ODBA	3-6 months	B2-a
B2-c. Eliminate confusing signage in Pacchia's/Gem Records lot and EPA lot.	4.75 (High)	ODBA	6 months	B2-a, B2-b
C1-a. Install new sidewalks and planters along Fifth Street.	4.50 (High)	Planning	2 years	B3-d, B4-b
C2-a. Operate a frequent sidewalk and street cleaning service above and beyond existing services.	4.50 (High)	ODBA	Ongoing; initiate within 1 year	
A2-a. Promote residential development on infill properties, upper floors of Fifth Street buildings, and as adaptive reuse of underutilized buildings.	4.42 (High)	Team	Ongoing; initiate review of zoning and conversations with partners within 6 months	C8-a
B8-a. Consider supporting a light rail or street car system proposal that connects major center city activity nodes including the Oregon District.	4.36 (High)	Team	Ongoing	
A1-a. Attract/retain/grow specialty retailers that complement existing successful entertainment venues and restaurants.	4.33 (High)	ODBA	Ongoing; initiate immediately	C8-a
B1-a. Include Oregon District in Downtown Partnership marketing materials.	4.33 (High)	ODBA	6 months	A3-a, A3-d, B6-a, C4-a
B2-d. Create way-finding and directional signage leading to the District and along Fifth Street for parking. Incorporate distinctive Oregon District branding elements in signage.	4.33 (High)	ODBA	1 year	B2-a, C1-a
B4-a. Acquire and redevelop vacant/underutilized properties along Fifth and Wayne as urban-scale, mixed-use developments.	4.33 (High)	Team	Initiate conversations with partners within 6 months	B3-a
C3-a. Acquire and redevelop properties as a sympathetic infill project that includes ground floor retail with office and/or residential on upper stories.	4.33 (High)	Team	Initiate conversations with partners within 6 months	A2-a
B3-c. Rehabilitate and re-tenant the Greyhound space to create a more pedestrian scale and a use that complements the Convention Center and the Oregon District.	4.25 (High)	City	Initiate conversations with partners within 6 months	B3-b
C5-a. Encourage up-lighting of architectural features.	4.25 (High)	ODBA	Complete lighting project within 1 year.	

Table 5.1 Prioritized Action Plans (continued)

Task	Prioritization Score	Task Leader	Timeframe	Coordination Tasks
B3-b. Extend streetscape improvements west to the Convention Center along Fifth Street and mitigate Transportation Center barrier.	4.17 (High)	City	2-3 years	B3-c, B3-e
C4-a. Develop an integrated marketing campaign that promotes the unique and common strengths of the commercial and residential areas.	4.08 (High)	ODBA OHS	6 months	A3-a, B1-a
C6-a. Educate property owners with guidelines for attractive storefront windows and facades.	4.08 (High)	ODBA	Develop guidelines within 1 year	
A3-a. Reflect the District's brand in marketing materials to attract visitors as well as artists and businesses.	4.00 (High)	ODBA	6 months	B1-a, A3-a, A3-d
B3-a. Redevelop Wayne Avenue properties between Fifth and Third Streets, including the Hughes property, with a mix of residential and entertainment/retail uses.	4.00 (High)	CityWide	Identify and initiate conversations with partners within 6 months	B4-a
A3-c. Maintain District brand in the design of beautification projects such as streetscaping and murals.	3.92 (Medium)	Planning	Ongoing	A3-a, B2-d, B3-b, B3-d, B4-b, B5-a, B5-b, C1-a
B2-f. Establish Downtown Ambassador service in the neighborhood through a partnership with DDP.	3.92 (Medium)	ODBA OHS	2 years	B2-a
C8-a. Focus initial efforts on properties closest to either end of Fifth Street, working inward toward the center of the district.	3.92 (Medium)	Team	Ongoing	A1-a, A2-a
A3-d. Organize public events that reflect the district's brand.	3.82 (Medium)	ODBA	Ongoing	A3-a, B1-a
B4-b. Extend Fifth Street streetscape along and across Wayne Avenue.	3.75 (Medium)	City	2-3 years	B3-d, B3-e, B5-a, C1-a
B2-e. Improve pedestrian connections to EPA parking lot.	3.67 (Medium)	ODBA	2 years	A3-f, B2-a
B6-a. Distribute brochures at the Airport, Air Force Museum, hotels, visitor centers, parks, Convention Center, and other tourist venues.	3.67 (Medium)	ODBA	1-2 years	A3-a, B1-a

Table 5.1 Prioritized Action Plans (continued)

Task	Prioritization Score	Task Leader	Timeframe	Coordination Tasks
C6-b. Target building code enforcement efforts along Fifth Street.	3.67 (Medium)	Building Services	Ongoing	
B3-d. Extend streetscape improvements to Webster Station area along Wayne Avenue.	3.58 (Medium)	City	2-3 years	B3-e, B4-b, B5-a, C1-a
C11-a. Work through the leadership of SID and/or Business Association to communicate problems to business owners and law enforcement.	3.50 (Medium)	ODBA OHS	Ongoing	
B5-b. Extend Oregon District streetscaping west to Patterson.	3.42 (Medium)	Planning	1-2 years	B3-b, B3-e, C1-a
B7-a. Enhance the interchange and sidewalks with street trees, landscaping, and hardscaping, create downtown gateway signage.	3.42 (Medium)	Planning	2-3 years	B7-b
B7-b. Encourage mixed-use, urban-scale redevelopment of underutilized properties along Jefferson and Patterson.	3.42 (Medium)	Team	Identify and initiate conversations with partners within 2 years	B7-a
C5-b. Install brighter street lights.	3.42 (Medium)	City	2 years	C1-a
A3-b. Explore partnerships between District businesses and Stivers School for the Performing Arts and other performing arts organizations.	3.25 (Medium)	ODBA	2 years	
B5-a. Create a more prominent gateway at the intersection of Wayne and 5th.	3.25 (Medium)	City	2-3 years	B3-d, B3-e, B4-b, C1-a
C7-a. Install new sidewalks where needed in residential areas.	3.17 (Medium)	City	2-3 years	
C9-a. Implement a zoning overlay with ground-floor use restrictions.	2.92 (Low)	City	4-5 years	
A3-f. Link Comedy Club location and use as an integral part of the District.	2.67 (Low)	City	4-5 years	B2-e
B3-e. Calm traffic along Wayne Avenue, Patterson Boulevard and Jefferson Street.	2.58 (Low)	City	4-5 years	B3-b, B3-d, B4-b, B5-a, B5-b
A3-e. Link Hauer Music to the District as a retail venue and as a part of the District's image.	2.33 (Low)	City	4-5 years	
C10.a Develop and enforce a viable permit parking ordinance on popular streets in the District.	2.00 (Low)	ODBA OHD	4-5 years	

Table 5.2: Action Plan

**GOAL A: CREATE A SOPHISTICATED MIX OF USES THAT FORM AN AUTHENTIC LIVE-WORK-PLAY DISTRICT.**

Task	Priority	Partners	Implementation Resources	Evaluation/Milestone
<b>Objective A1. Strengthen retail component to expand customer base and create a shopping itinerary.</b>				
A1-a. Attract/retain/grow specialty retailers that complement existing successful entertainment venues and restaurants.	High	Property owners, Ohio Small Business Development Center, 2 <sup>nd</sup> Street Public Market	Small business incubator, marketing materials	Types, vacancy and turnover rate of retail establishments
<b>Objective A2. Encourage residential growth in and around the District.</b>				
A2-a. Promote residential development on infill properties, upper floors of Fifth Street buildings, and as adaptive reuse of underutilized buildings.	High	City, Citywide, property owners, developers	Zoning Code, acquisition by partners	Annual increase of housing units within ½ mile of center of District
<b>Objective A3. Establish a unique brand for the district, utilizing existing or emerging themes such as transportation, performing arts, and fine dining based on a real urban experience.</b>				
A3-a. Reflect the District's brand in marketing materials to attract visitors as well as artists and businesses.	High	DDP, Greater Dayton CVB	Brochures, website, TV, radio, periodicals	Annual survey of customers, potential customers
A3-b. Explore partnerships between District businesses and Stivers School for the Performing Arts and other performing arts organizations.	Medium	Stivers School, other performing arts venues		
A3-c. Maintain District brand in the design of beautification projects such as streetscaping and murals.	Medium	City, artists	SID/SA, TIF, fundraising	
A3-d. Organize public events that reflect the district's brand.	Medium	City	Business/neighborhood association dues, fundraising	
A3-e. Link Hauer Music to the District as a retail venue and as a part of the District's image.	Low	Hauer Music	Marketing materials, event programming	
A3-f. Link Comedy Club location and use as an integral part of the District.	Low	City	SID/SA or TIF for streetscape and lighting, marketing materials	

Table 5.2: Action Plan (continued)

**GOAL B: CONNECT THE DISTRICT WITH THE REGION.**

Task	Priority	Partners	Implementation Resources	Evaluation/Milestone
<b>Objective B1. Link promotional efforts with broader efforts by the Downtown Partnership.</b>				Inclusion of Oregon District with DDP marketing materials
B1-a. Include Oregon District in Downtown Partnership marketing materials.	High	DDP	Marketing materials	
<b>Objective B2. Establish coherent, convenient and safe community parking system</b>				Tracking of parking usage in lots
B2-a. Create a district wide shared parking strategy with professional management to clean and maintain.	High	Business owners, property owners	SID/SA, shared parking agreements, Zoning	
B2-b. Re-stripe and expand Pacchia's/Gem Records lot.	High	Business owners, property owners	SID/SA, shared parking agreements	
B2-c. Eliminate confusing signage in Pacchia's/Gem Records lot and EPA lot.	High	Business owners, property owners	SID/SA	
B2-d. Create directional signage leading to the District and along Fifth Street for parking.	High	City	SID/SA	
B2-e. Improve pedestrian connections to EPA parking lot.	Medium	City	SID/SA, TIF	
B2-f. Establish Downtown Ambassador service in the neighborhood through a partnership with DDP.	Medium	DDP		
<b>Objective B3. Enhance pedestrian connections to adjacent districts.</b>				Pedestrian counts before and after improved connections
B3-a. Redevelop Wayne Avenue properties between Fifth and Third Streets, including the Hughes Property, with a mix of residential and entertainment/retail uses.	High	City, Citywide, Port Authority, property owners	USEPA/Clean Ohio Brownfield Grants, acquisition by partners, development agreement	
B3-b. Extend streetscape improvements west to the Convention Center along Fifth Street and mitigate Transportation Center barrier.	High	City, DDP	SID/SA, TIF	
B3-c. Rehabilitate and re-tenant the Greyhound space to create a more pedestrian scale and a use that complements the Convention Center and the Oregon District.	High	City, Citywide, Port Authority	Development agreement	
B3-d. Extend streetscape improvements to Webster Station area along Wayne Avenue.	Medium	City, DDP	SID/SA, TIF	
B3-e. Calm traffic along Wayne Avenue, Patterson Boulevard and Jefferson Street.	Low	City	SID/SA, TIF	



Table 5.2: Action Plan (continued)

**GOAL B: CONNECT THE DISTRICT WITH THE REGION, CONTINUED.**

Task	Priority	Partners	Implementation Resources	Evaluation/Milestone
<b>Objective B4. Extend the Fifth Street business district along Wayne Avenue and along Fifth Street east of Wayne to increase visibility of the District and improve the pedestrian scale.</b>				
B4-a. Acquire and redevelop vacant/underutilized properties along Fifth and Wayne as urban-scale, mixed-use developments.	High	City, Citywide, Port Authority, property owners	USEPA/Clean Ohio Brownfield Grants, acquisition by partners	Completion of streetscape and redevelopment projects.
B4-b. Extend Fifth Street streetscape along and across Wayne Avenue.	Medium	City	SID/SA, TIF	
<b>Objective B5. Strengthen gateways to the Fifth Street business district.</b>				
B5-a. Create a more prominent gateway at the intersection of Wayne and 5th.	Medium	City	SID/SA, TIF	Completion of gateway streetscape enhancement projects.
B5-b. Extend Oregon District streetscaping west to Patterson.	Medium	City	SID/SA, TIF	
<b>Objective B6. Include the Oregon District with broader regional tourism marketing efforts.</b>				
B6-a. Distribute brochures at the Airport, Air Force Museum, hotels, visitor centers, parks, Convention Center, and other tourist venues.	Medium	Greater Dayton CVB, Convention Center, Airport, Air Force Museum, hotel concierges	Marketing materials Training of hotel concierges	Integration of the Oregon District with regional marketing media, placement of materials at key tourist venues
<b>Objective B7. Improve the appearance of the US 35 offramp and views along Jefferson Street and Patterson Boulevard.</b>				
B7-a. Enhance the interchange and sidewalks with street trees, landscaping, and hardscaping, create downtown gateway signage.	Medium	City, ODOT	SID/SA, TIF, Transportation Enhancement Grant	Completion of streetscape and redevelopment projects.
B7-b. Encourage mixed-use, urban-scale redevelopment of underutilized properties along Jefferson and Patterson.	Medium	City, Citywide, Port Authority, property owners	Acquisition by partners	
<b>Objective B8. Support light rail and street car proposals that link downtown activity centers.</b>				
B8-a. Consider supporting a light rail or street car system proposal that connects major center city activity nodes including the Oregon District.	High	City, DDP, RTA	SID/SA, TIF, Operating revenues	Completion of streetcar system.



Table 5.2: Action Plan (continued)

**GOAL C: MAINTAIN A VIBRANT AND COMFORTABLE URBAN AMBIENCE FOR RESIDENTS AND VISITORS.**

Task	Priority	Partners	Implementation Resources	Evaluation/ Milestone
<b>Objective C1. Refresh Fifth Street streetscape with new and/or repaired materials.</b>				Completion of streetscape project
C1-a. Install new sidewalks and planters along Fifth Street.	High	City	SID/SA, TIF	
<b>Objective C2. Maintain a clean appearance on Fifth Street and its sidewalks.</b>				Weekly inspections
C2-a. Operate a frequent sidewalk and street cleaning service above and beyond existing services.	High	N/A	SID/SA	
<b>Objective C3. Demolish and redevelop heavily deteriorated buildings with no historic preservation value</b>				Elimination of deteriorated buildings
C3-a. Acquire and redevelop properties as a sympathetic infill project that includes ground floor retail with office and/or residential on upper stories.	High	City, Citywide, Port Authority, property owners	Acquisition by partners	
<b>Objective C4. Ensure that branding and marketing efforts communicate the value and benefits of living in the residential neighborhood.</b>				Integrate with surveys for Task A3-a
C4-a. Develop an integrated marketing campaign that promotes the unique and common strengths of the commercial and residential areas.	High	DDP Integrate with Task A3-a	Brochures, website, TV, radio, periodicals	
<b>Objective C5. Increase the lighting level along Fifth Street to increase comfort and visual interest.</b>				Completion of bulb replacements and building uplighting projects
C5-a. Encourage uplighting of architectural features.	High	Property owners	Private investment	
C5-b. Install brighter street lights.	Medium	City, DP&L	SID/SA (or DP&L maintenance request)	
<b>Objective C6. Encourage property owners/tenants to create and maintain appealing commercial spaces and buildings</b>				Response rate to building code complaints Establishment of storefront design guidelines
C6-a. Educate property and business owners with guidelines for attractive storefront windows and facades.	High	Property and business owners	Storefront design guidelines	
C6-b. Target building code enforcement efforts along Fifth Street.	Medium	City, business and property owners	Code enforcement	
<b>Objective C7. Refresh the streetscape in the residential portions of the District.</b>				Completion of sidewalk replacements
C7-a. Install new sidewalks where needed in residential areas.	Medium	City, property owners	SID/SA, TIF	

Table 5.2: Action Plan (continued)

**GOAL C: MAINTAIN A VIBRANT AND COMFORTABLE URBAN AMBIENCE FOR RESIDENTS AND VISITORS (CONTINUED).**

Task	Priority	Partners	Implementation Resources	Evaluation/ Milestone
<b>Objective C8. Restore activity to vacant properties in a prioritized fashion, building from existing strengths.</b>				
C8-a. Focus initial efforts on properties closest to either end of Fifth Street, working inward toward the center of the district.	Medium	Property owners, Ohio SBDC, 2 <sup>nd</sup> St. Public Market	Small business incubator Marketing materials	Square footage vacancy rate
<b>Objective C9. Discourage ground-floor uses such as office or residential that generate limited activity.</b>				
C9-a. Implement a zoning overlay with ground-floor use restrictions.	Low	City	Zoning	Adoption of zoning district/amendment.
<b>Objective C10. Discourage on-street parking in residential areas adjacent to the district.</b>				
C10-a. Develop and enforce viable parking strategies that have both stakeholder and neighborhood support.	Low	City	Creation/enforcement of City ordinance	Reduction in resident complaints
<b>Objective C11. Reduce nuisance occurrences by enforcing existing nuisance laws.</b>				
C11-a. Work through the leadership of SID and/or Business Association to communicate problems to business and property owners and law enforcement.	Medium	City, business and property owners	Code enforcement	Reduction in complaints (obtain City recordkeeping data)

## IMPLEMENTATION RESOURCES

### Stakeholder Involvement

It should be the objective of any plan to encourage participants to continue talking and planning after the initial planning effort is over. A coordinated approach among the various interests in the Oregon District will be important to achieving the vision of this plan.

To this end, a stakeholder committee should be established. Such a body, even if advisory, could help to maintain communication, coordination, and cooperation among the participating interests in the District. Such communication, coordination, and cooperation will in the end be one of the key yardsticks by which success will be measured.

### Financing

*Special Assessment (SA).* A special assessment is an additional property tax that applies to a limited geographical area and can be used to fund public improvement projects or ongoing public services that benefit the assessed properties. The assessment is charged by front foot of property, percentage of tax valuation, a proportion to the benefits received, or some combination thereof. Special assessment districts can be created voluntarily through a petition signed by property owners of at least 60% of the front footage or 75% of the area of real property within the proposed district. Alternatively, City Council can initiate an assessment without authorization of property owners. Voluntary special assessment districts can assess 100% of project costs to property owners, while involuntary (City-initiated) districts have legal limits on the assessment amounts.

The advantage of a Special Assessment is that it generates income for enhanced improvements and services in an area without relying on the City's General Fund. The disadvantage is that a special assessment increases the tax burden for property owners.

*Special Improvement District (SID).* A Special Improvement District, or SID, is similar to a special assessment in terms of the method of tax assessment and the potential uses of revenues. The difference is that a SID involves the creation of a non-profit organization with a Board of Directors that oversees the collection and spending of assessed revenues. Creation of a SID must be voluntary and requires the same petition as a special assessment district. A SID also requires the creation and approval by City Council of a plan for public services, improvements, and financing.

A SID has similar advantages and disadvantages of a special assessment district, but a SID permits property owners within the SID boundaries to control collection and spending of revenues. All three benchmark communities described in Appendix A have a Special Improvement District or similar financing structure in place.

*Tax Increment Financing (TIF).* A TIF district raises funds by capturing the incremental property tax from increases in property value over time. Existing property tax collection and distribution is frozen at current levels, while the increment is diverted to a special fund that can be used for public infrastructure improvements. The City must create and oversee a TIF district through legislation and creation of the fund to receive TIF revenues.

The advantage of a TIF district is that it generates income without relying on the City's General Fund or increasing taxes for property owners. A disadvantage of TIF is that revenues are dependent on future property value increases and are difficult to predict unless a specific development project is underway in the district. Additionally, a TIF may divert future property tax increases from the City's General Fund, the School District, County agencies, and other recipients of property taxes.

*USEPA/Clean Ohio Brownfield Grants.* A brownfield is a property that contains contaminants that may complicate redevelopment and/or re-use. Downtown Dayton contains many older industrial buildings that may be considered brownfields. Federal and State grants are available to assess, clean and redevelop brownfield sites. Since brownfield redevelopment is often complex and costly, these grants are highly useful in facilitating redevelopment projects. The City must apply to the State or USEPA for the grants.

*Transportation Enhancement (TE) Grants.* TE grants are available from the federal government to fund a range of transportation enhancement projects, including bicycle and pedestrian facilities, transportation beautification projects, and historic preservation projects. The City must apply through ODOT to receive a TE grant. A potential use of TE grants in the Oregon District would be enhancements to state and federal highways and interchanges that border the neighborhood.

*Historic Tax Credits.* The Historic Tax Credit program is a partnership between National Park Service, Internal Revenue Service and State Historic Preservation Office. A property owner can apply through the State Historic Preservation Office to receive credits of 10% to 20% against income taxes for the rehabilitation of a historic structure. The rehabilitated structure

must house an income-producing use. The Historic Tax Credit can substantially reduce the cost of properly restoring a historic structure.

*Donations.* An alternative means of funding improvement efforts in the Oregon District is through donations. As an example, the Short North district in Columbus, Ohio has managed to raise funds through donations of Business Association members as well as fundraising efforts of the Short North Foundation. The Short North Business Association membership has a broad membership that even includes some members who do not live or operate a business in the Short North, but have an interest in the success of the neighborhood. Some members are connected with corporations and organizations that have substantial resources to contribute to the neighborhood.

The Short North Foundation is an organization that was recently created to raise money for pocket parks and enhancements throughout the neighborhood. Managers of the organization have been trained in fundraising tactics and have already successfully implemented several projects.

## Development

*Development Agreements.* Although there is no explicit legislative authority for such agreements, many communities have used development agreements to achieve a mutual understanding between the developer and community concerning the conditions under which development can occur. Development agreements are often negotiated as part of a planned development approval, allowing the community and developer to address complex issues that cannot be adequately addressed on a typical site plan. Development agreements might prove useful to achieve desired

developments, especially if or when a mixed use development is proposed.

*Shared Parking Access Easements.* An access easement allows public access to parking on private property. Shared parking already occurs informally in the Oregon District because not every property has its own parking lot. Unfortunately, a limited number of property owners are burdened with the maintenance of these parking lots. Access easements, combined with improved signage and layout of parking lots, will formalize and facilitate a shared parking arrangement and improve the convenience for visitors to the District. Agreements for shared management of these lots will distribute the maintenance costs more evenly among property owners.

*Zoning.* Amendments to existing districts or creation of new districts and overlays may help to implement land use-oriented tasks in the Strategic Plan. Overlay districts are frequently used to apply a unique set of standards, such as design requirements or use regulations, to a specific area.

### Marketing and Recruitment

*Training of hotel concierges.* Neighborhood leaders in locations such as the Short North in Columbus have found success in working with concierges in nearby hotels to help in marketing the district. Armed with the proper information, hotel concierges can become a valuable resource by explaining to hotel guests the businesses and amenities that are available in the Oregon District. Concierges can help to steer visitors toward the Oregon District.

*Small Business Incubator.* Directors of business associations and business owners in the benchmark districts expressed that it is difficult to “recruit” the start-up, independent businesses that are

frequently found in neighborhoods like the Oregon District. Recruitment of chain establishments can help a district, but too many can erode a district’s uniqueness and inflate rents, as seen in the Manayunk example (see Appendix A).

An alternative approach is to *grow* businesses rather than recruit them. Building relationships with small business incubators may help to steer successful start-ups toward the Oregon District. The Short North in Columbus, for example, includes the successful North Market, which acts as an incubator for restaurants and specialty food and retail businesses. The nearby 2<sup>nd</sup> Street Market is similar to the North Market and might contain businesses that would be a good fit for the Oregon District.

*Ohio Small Business Development Center (SBDC).* Another potential source of small, independent businesses, as well as a source of help for existing businesses, is the Ohio Small Business Development Center at Wright State University. The SBDC was created to provide ongoing consultation, educational, research, and informational services to existing small business owners and potential entrepreneurs. These services are provided through the center itself and through referrals and networking within the Small Business Development Partnership Ohio Region 4. The Ohio SBDC’s areas of business include:

- Start-ups
- Finance and Accounting
- Marketing
- Sales and Advertising
- Operations Management
- Government Procurement
- Business Law
- International Trade
- Human Resource Management

# Appendix A

## Benchmark Entertainment Districts

McKenna staff researched the history and spoke with local officials or business owners in benchmark entertainment districts to learn about their approach toward achieving and maintaining a vibrant district.

McKenna researched the following districts:

- Midland Street, Bay City, Michigan
- Short North, Columbus, Ohio
- Manayunk, Philadelphia, Pennsylvania

Although these districts differ from one another and the Oregon District due to their location, context, character, and mix of uses, they all share the following common elements:

- Located in the Midwest and/or a metro area facing post-industrial economic decline
- Designated as a Historic District
- Paid staff dedicated to district
- Special Improvement District or similar financing mechanism in place
- Balanced mix of uses
- Formerly a depressed, deteriorated neighborhood

The intent of this exercise is to identify general lessons learned from these benchmark communities that can inform the goals, objectives and strategies of the Oregon District Strategic Plan.



## MIDLAND STREET, BAY CITY, MICHIGAN

### Description

- Entertainment district across Saginaw river from Downtown
- Includes mostly independent restaurants, night clubs, novelty retail
- Promoted as the Entertainment Capital of Mid-Michigan.

### Oregon District Comparison

#### *Similarities*

- Similar district size and building scale
- Post heavy industrial economy
- Survived economic cycles and changing retail trends, i.e. mall and big box
- Mainly local businesses
- Party atmosphere and associated impacts
- Numerous bars and restaurants
- Two colleges are ten minutes away

#### *Differences*

- Adequate parking, no neighborhood spillover
- Adjacent neighborhood with outdated housing; mostly renters
- Library and vibrant riverfront park
- No adult-oriented businesses
- No hotel or convention center
- Poor highway access

### Lessons Learned

- Rapid success can create too much of a good thing from

a management perspective. Night clubs experienced early success and more came on line raising demands for parking, security and grounds maintenance. Business owners successfully applied pressure to elected officials for more parking in areas where it was warranted. As a result the district has peak hour demand parking capacity that rarely gets used and parking spillage into the adjacent neighborhood was reduced.

- Do not include undercapitalized businesses or businesses with a bad business plan in district promotional efforts. Rapid succession in storefront vacancies requires costly updates to marketing print materials. Business churn also sends the wrong message about the district even though failed endeavors left for reasons other than the district.

### Unique Strengths

- Midland Street abuts a premiere riverfront park that hosts several regional events including a powerboat race and rib cook-off.
- A marina in front of Midland Street provides access to Great Lakes waterways.
- Midland Street contains a dense, mixed-use residential component that is viewed as essential to the success of area businesses.

### Ingredients to success

#### *Public Involvement*

- Strong public official leadership led the initial charge to revitalize the district and front funds for necessary physical improvements.
- A staff planner and a consultant was assigned to the district.



- The City and the merchant’s association retained a consultant for technical support. This relationship was in place for over two decades.
- The City prepared an upper-story study to figure out how to best share public elevators.
- The City prepared a historic preservation ordinance with architectural guidelines.
- The City maintains steadfast adherence to architectural guidelines.
- The City created a Tax Increment Financing District.

#### *Organization*

- Tax Increment Financing pays for roadway, utility, parking and landscape improvements. TIF funds also pay for ADA compliance improvements including elevators.
- A SAD pays for parking lot maintenance and clean-up program and marketing/promotional efforts.
- The merchant’s organization serves as the SAD board. They prepare annual operating budgets and capital improvement plans.

#### *Promotion*

- The merchants association creates a marketing brochure with similar businesses listed in groups and mapped with a key (similar to a Mall kiosk).
- The merchants association trains hotel management and staff on Midland Street offerings. This technique is viewed as the district’s most successful marketing endeavor.
- A marketing brochure is planted in hotels and other tourist locations.

#### *Parking*

- Parking is the first thing that is seen when entering the Midland Street district. This was done by design to remove any ambiguity that might result if parking was hidden. Local officials did this in recognition of suburban shopping center success.
- Parking pulls double duty – its serves retailers and restaurants during the day and night clubs at night.
- Grounds crews clean parking lots and common areas every day after night club activity. Retailers and their patrons do not tolerate beer cans or broken bottles.
- Employees are not permitted to park in convenient parking lots.
- Parking lots are in good condition and well-lit.
- Bay City Police personnel provide security.

#### *Building Revitalization*

- The City installed elevators to comply with ADA requirements using TIF funds.
- The City targeted CDBG funds in the district for façade improvements.



## SHORT NORTH, COLUMBUS, OHIO

### Description

- Premier arts district in Ohio – attracts visitors from all over the state
- Located along High Street, between Downtown and Ohio State University campus (not within walking distance of either)
- Name derived from police slang term in the 1970s, when the district was crime-ridden and deteriorated
- Contains mix of galleries, restaurants, bars, novelty retail, offices, and condos, with an emphasis on visual arts; peak hours are between 3 PM and 9 PM.
- Attracts young and old, urbanites and suburbanites
- Currently trying to maintain independent mix of businesses in face of rising rents
- Example of a gradual, grassroots-led revitalization process

### Comparison with the Oregon District

#### *Similarities*

- Midwestern
- Near Convention Center/Arena District
- Adjacent to thriving residential areas
- Includes adult-oriented businesses
- Competition from Easton and Arena District (similar to The Green and Fifth Third Field/Baseball Village, respectively)
- Parking problems

#### *Differences*

- Larger City
- Younger demographics
- Growing metro area
- Highly visible district
- Daytime and early evening crowd
- Wide street with heavy traffic

### Lessons Learned

- Think big with organizational efforts. A strong and influential business association can attract attention and resources to the District. Find people who are interested in the success of the District and give them a role in its success.
- It is difficult to “recruit” independent, start-up businesses – you need to grow them. There is no set formula for doing this, although ideas include sponsoring workshops on how to start/run a business, and developing relationships with local business incubators.
- Pedestrian continuity with adjacent neighborhoods and nearby activity generators is critical. The Short North is well-integrated with surrounding neighborhoods and has recently been connected to the Convention Center via a “cap” over I-670. The result is an increased customer base without an associated parking demand.
- Planned, coordinated events are critical in generating positive publicity, attracting customers and improving safety. The Gallery Hop has been a key to the Short North’s success, and other area events such as ComFest, the Doo-Dah parade, and the Columbus Marathon have helped as well.

### Unique Strengths

- High visibility
- Lit arches span High Street and provide a unique visual cue and identity to the district
- Proximity to North Market: an incubator for independent businesses
- Thriving upper-floor condo market



- Presence of large park a block from the district

### Ingredients to Success

#### *Business Mix:*

- Largely independent, unique mix of businesses have withstood competition from chain-oriented suburban lifestyle center (Easton) and downtown entertainment district (Arena District)

#### *Pedestrian connectivity/continuity:*

- The High Street overpass over I-670 was recently reconstructed with a “cap” over I-670 that includes retail buildings. The Cap eliminates the former scar created by the freeway and creates a seamless link between the Convention Center/Arena District/North Market area and the Short North.
- Years of well-designed infill development has filled “holes” in the District while adding businesses and upper-floor condos. Two neighborhood historic commissions have helped to ensure this by developing historic preservation standards and reviewing all proposed new construction.

#### *Organization:*

- Paid directors of the business association and SID are able to focus on promoting and enhancing district. The business association focuses on promotion while the SID funds enhancements such as the High Street arches and planters, as well as cleaning and snow shoveling.
- The business association board covers a geographic area that extends well beyond the core business district
- Board members include well-connected individuals who

do not live or work in Short North, but have an interest in its success, such as the director of the Wexner Center for the Arts.

- The Short North Foundation was established to raise money for District improvements. So far the organization has funded several pocket park projects.

#### *Promotion:*

- Highly successful events such as Gallery Hop attract customers and generate positive publicity throughout the region.
- The business association works with downtown businesses and hotels to promote the District.
- Murals throughout the district have helped to enhance the district and establish its identity.



## MANAYUNK, PHILADELPHIA, PENNSYLVANIA

### Description

- Hillside neighborhood next to river and historic canal, five miles from downtown
- Formerly a neighborhood of rowhouses, declining industry and a deteriorated neighborhood business district
- Mix of galleries, restaurants, bars, furniture stores, clothing boutiques, beauty salons, and national retail chains
- Attracts college crowd and young adults
- High rents, rowdy bar patrons, and neighborhood leadership problems have led to recent departure of several businesses, though district remains viable
- Example of a City-facilitated revitalization process

### Comparison with the Oregon District

#### *Similarities*

- Excellent access
- Poor visibility
- Well-defined boundaries
- Party atmosphere and associated problems
- Declining region
- Parking problems, conflicts with residential area

#### *Differences*

- Larger city
- Pedestrian culture
- Midtown location
- Hilly terrain
- Perceived as a safe area
- No nearby activity generators such as hotels or a convention center

### Lessons Learned

- It is possible to attract national retail chains and mix them with independent businesses.
- Chains can sometimes drive up rents and push out independent businesses, because they can afford the higher rents.
- Businesses that create a rowdy atmosphere can drive out other businesses.
- Unique pedestrian amenities and gathering spots can attract visitors.
- A coordinate theme and marketing effort is helpful in attracting established businesses such as chains.
- Planned events help to establish an area's identity regionally.

### Unique Strengths

- The district includes a restored canal with a park and pedestrian path
- Manayunk has managed to attract national retail chains typically found only in mall settings, as well as independent businesses.
- The neighborhood is adjacent to affluent residential neighborhoods.
- A thriving residential market has led to construction of condos on upper floors within the district and in large-scale projects adjacent to the district.
- The district is less than a mile from a heavily used riverfront bike trail.
- A portion of the district's identity is tied to a major annual bike race that runs through the district.



## Ingredients to Success

### *Public Involvement*

- The City initiated a market study, created a brochure and set up a development corporation.
- The City funded the canal restoration, canal walk and park, and streetscaping.
- Political connections helped to attract resources to the neighborhood.
- The City funded the construction and management of public parking lots.

### *Pedestrian amenities:*

- The canal walk and park attract visitors, provide a gathering spot and contribute a unique ambience to the district.

### *Organization:*

- Development corporation with paid staff, funded by SID

### *Promotion:*

- Early marketing efforts focused on creating a theme to attract a critical mass of shoppers.
- Favorable publicity has attracted businesses.
- Planned events such as the Manayunk Arts Festival and the Philadelphia International Championship Bike Race help to generate positive publicity and attract customers to the district.



# Appendix B

## Retail Market Analysis

### INTRODUCTION

The purpose of the retail analysis is to identify national and regional trends that affect the Oregon District retail market, and to identify specific opportunities to grow and improve the retail mix in the District. Increased interest in urban entertainment districts like Oregon is creating opportunities for such districts across the nation. Local market conditions, however, are complicating the Oregon District's efforts to grow and evolve. The District will need organizational leadership and aggressive promotional efforts in order to remain competitive as a retail venue.

### NATIONAL RETAIL TRENDS

A relatively recent trend in the retail industry is the emergence of the Urban Entertainment Center. The Urban Land Institute defines an Urban Entertainment Center as a mix of entertainment attractions, theme restaurants, and entertainment-oriented shops in a coordinated, intensely sociable environment. Urban Entertainment Centers draw large and diverse audiences throughout the day to activate the space.

The following factors, as described by the Urban Land Institute, have led to the proliferation of Urban Entertainment Centers throughout the country:

- **Intense Retail Competition.** Several mall developers have switched to Entertainment Centers in an effort to remain competitive in the face of aging regional malls, consolidation of anchor department stores, and competition from “big-box” discount stores and online shopping.
- **The Rise of Lifestyle Retailing.** While people historically identified themselves according to their trade, they are increasingly identifying themselves according to their lifestyle and leisure interests. Retailers cater to specific lifestyle profiles through the products they sell and the experiences that their stores create.
- **Strength of Out-of-Home Dining.** Dining is an essential component of Urban Entertainment Centers. According to the Bureau of Labor Statistics, food away from home constituted 44.4% of total food expenditures in 2005, up from 37.8% in 1995. This trend is a result of a lack of time to cook meals at home and social changes that include increased divorce rates, the increase of single-parent and dual-income households, and the reduction in family size.
- **Availability of Entertainment.** Improved technology, social changes, and entertainment industry expansions have resulted in increased availability of entertainment. The rise of dual-income households, single parenthood, job insecurity, and children's conflicting school schedules have created a demand for frequent, economical, and brief leisure pursuits as opposed to the extended, expensive, infrequent vacations of the past. Technological improvements and entertainment industry expansion have made available new forms of entertainment equipment and facilities that cater to the changing leisure demands.



- Urban Revitalization.** Efforts to revitalize urban cores have created excellent opportunities for Urban Entertainment Centers. Cities are repositioning their cores as mixed-use neighborhoods and as leisure destinations. An early example of this trend is the redevelopment of Baltimore's Inner Harbor over the past several decades.

Urban Entertainment Centers exist either as revitalized urban neighborhoods or as cohesive, managed properties that are built in suburban, "greenfield" locations, similar to malls. Both types of Urban Entertainment Centers emphasize pedestrian-friendly design and a synergistic mix of entertainment, dining, and entertainment-oriented retail.

The Oregon District already offers many components of a successful Urban Entertainment Center and is positioned well to take advantage of increasing interest in these centers. However, the conditions of the local retail market are complicating the District's efforts to reach its full retailing potential.

### RETAIL SUPPLY

Vacancy and absorption statistics point to a stagnant retail market in the Dayton region, despite a vibrant nationwide retail economy. Recent retail development such as the Greene and redevelopment near the University of Dayton will exacerbate this problem by adding retail space that

may be competitive with the Oregon District.

### Regional Vacancy

Gem Real Estate Group, Inc. conducts an annual survey of retail shopping centers in the Dayton region. Although this survey excludes non-shopping center space, it nonetheless reflects the condition of the Dayton regional real estate market, in which the Oregon District is located.

The survey is divided into a "Dayton Area Market" and a "Regional Market". The latter includes the Dayton Area as well

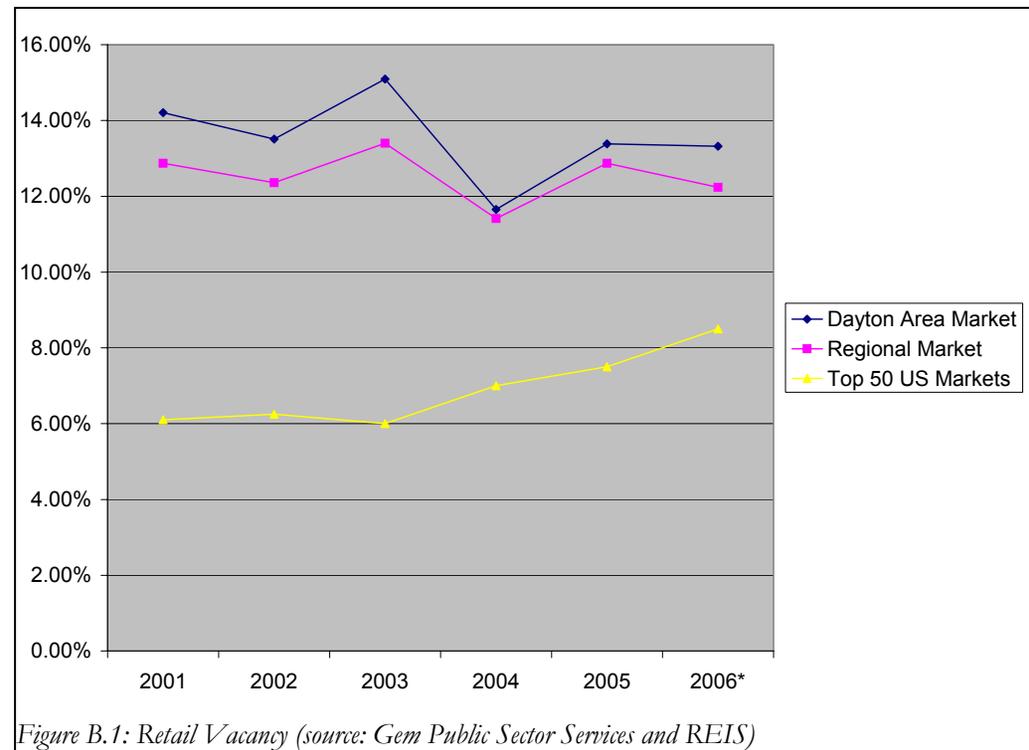


Figure B.1: Retail Vacancy (source: Gem Public Sector Services and REIS)

as Springfield, the Upper Miami Valley, Xenia, Franklin-Springboro, and Lebanon-Middletown. Based on Gem’s inventory, the Regional Market has a total of 26.2 million square feet of retail space in 266 shopping centers. The Dayton Area Market has a total of 17.9 million square feet of retail space in 194 centers.

According to Gem’s survey, retail vacancy has decreased in the Dayton Area and Regional Markets since 2001. As illustrated in Figure B.1, retail vacancy in the Dayton Area Market decreased from 14.2% in 2001 to 13.3% in 2006. Vacancy in the Regional Market has been consistently lower than the Dayton Area Market, decreasing from 12.9% in 2001 to 12.2% in 2006.

Vacancy in both markets remains considerably higher than the rest of the nation. According to REIS, the retail vacancy rate in the nation’s top 50 markets have remained below 9% during this same time period. Additionally, the Urban Land Institute indicates that nationwide retail spending has been strong and development of new retail space is at its highest rate since 1990.

**Regional Absorption**

In addition to high vacancy rates, the Dayton region has experienced negative absorption of retail space since 2000. According

*Table B.1: Retail Space Absorption, 2000-2006*

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2000-2006
Dayton Area Market	-223,797	44,647	-237,893	224,393	-257,060	120,927	-328,783
Regional Market	26,267	-166,806	-242,908	131,190	-311,716	274,571	-289,402

*Source: Gem Public Sector Services*

to the Gem Real Estate Group, absorption has fluctuated since 2000 in the Dayton Area and Regional Markets, but net absorption has been negative (see Table B.1). The Dayton Area Market has seen a net negative absorption of 328,783 square feet, while the Regional Market has witnessed a net negative absorption of 289,402 square feet.

High vacancy rates and negative absorption indicate a stagnant or declining local retail market, in the face of robust national retail economy. The condition of the Dayton retail market relates to overall demographic growth. According to the U.S. Census, the population of the Dayton Metropolitan Statistical Area has declined by 1.1% since 2000. As Dayton’s population base stagnates, retail demand remains flat.

**New Development**

Despite less-than-optimal local retail market conditions, retail developers have found reasons to invest substantially in the Dayton market. Three significant projects completed within the past two years have signaled a new direction for retail in the Dayton region.

- *The Greene:* The Greene Town Center in Beavercreek, developed by Steiner and Associates, is a mixed-use

development designed to resemble a small town. The Greene features 85 retail, entertainment and dining



establishments, 100,000 square feet of office, and 136 housing units arranged around a “town square” in a pedestrian-friendly environment.

- *Dayton Mall Expansion:* Also during 2006, the Dayton Mall opened a 97,000 square foot open-air addition that includes a mix of retailers and restaurants. The addition updated the mall’s appearance, improved its restaurant offerings and boosted its competitiveness with pedestrian-focused “lifestyle” centers such as the Greene.
- *University of Dayton Redevelopment:* Roughly a mile and a half south of the Oregon District, the University of Dayton is investing in redevelopment of the Brown Street corridor adjacent to its campus. Several thousand square feet of retail space have already been added, and the most recent project is the mixed-use University Place, which includes 30,000 square feet of retail and 48 graduate student apartments. Future plans include mixed-use redevelopment of 50 acres formerly owned by NCR, between the university’s campus and the Great Miami River.

These projects are examples of new retail development in the Dayton region that create an urban, pedestrian-oriented ambience that resembles older neighborhoods such as the Oregon District. These developments are viewed as competitors with the Oregon District, because they offer a somewhat similar experience yet offer the conveniences of modern retail space and plentiful, on-site parking.

## Oregon District Supply

The Oregon District contains approximately 157,000 square feet of retail, according to a 2000 survey by Gem Public Sector services. Nearly half of this retail space is occupied by either bars or restaurants. The remaining retail space consists largely of specialty shops that sell clothing, recorded music, used merchandise (thrift shop), gifts, and other products and services. The retail mix also includes a limited number of adult-oriented businesses.

A 2007 survey found approximately 13,640 vacant square feet of retail space, or roughly 8.7% of the District’s total retail space. This vacancy rate places the Oregon District significantly below the regional vacancy average.

## RETAIL DEMAND

### Trade Area

This analysis of retail demand focuses on the Primary Trade Area (PTA) for the Oregon District. The PTA is the geographical area from which a retail center (or street) will derive 70 to 80 percent of its regular customers.

A 1999 survey of Oregon District businesses by the City of Dayton provides useful input in defining the PTA. The survey estimated the general areas from which the District draws its customers, as follows:

- City of Dayton: 45.8%
- Suburban Dayton (Kettering, Huber Heights, etc.): 32.8%
- Greater Miami Valley (Tipp City, Greenville, etc.): 14.5%



- Out of town: 6.8%

According to the survey, the Oregon District attracts 78.6% of its customers from the City of Dayton and its suburbs, which roughly equates to a 20-minute drive time.

Conversations with community leaders during the market analysis process confirmed that the area within a 20-minute drive of the District remains the primary source for District customers. Therefore, the 20-minute drive area represents the PTA.

### Primary Trade Area Demographics

The demographics of a trade area strongly influence the type and magnitude of retail businesses that are in demand. Population and household trends and characteristics affect

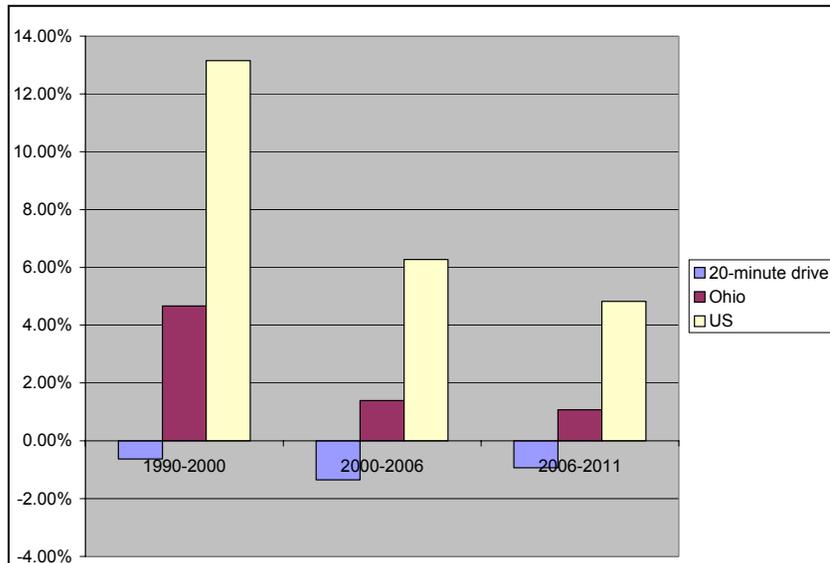


Figure B.3: Change in Population

the size, resources and spending habits of potential customers. Below is a summary of key demographic characteristics and trends in the PTA. Demographic information was provided by Claritas and Demographics Now.

### Population and Households

Population and household trends in the PTA are consistent with the conditions of the Dayton region that were discussed earlier. As indicated in Figure B.3, population has declined consistently since 1990, and is projected to continue declining through 2011. The conditions in Dayton are somewhat reflective of statewide trends, which show relatively modest growth from 2000-2006 and 2006-2011. It is clear from Figure B.4 that the PTA and the State of Ohio are lagging significantly behind the growth of the nation as a whole.

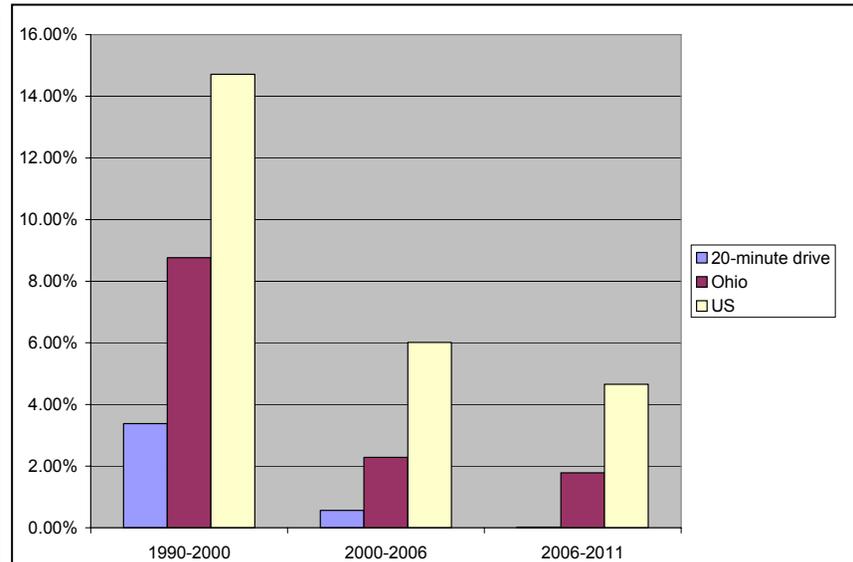


Figure B.4: Change in Households



Household trends show slightly higher rates of growth in all three geographical areas. This indicates that average household sizes are decreasing. Declining household size, rather than net out-migration of residents, explains the population loss in the PTA, since the number of households are projected to remain essentially level through 2011. This indicates that the PTA is relatively stable in terms of net migration.

#### *Age*

Different age groups of consumers have different spending habits. For example, surveys completed by Scarborough Research between April 2006 and March 2007 indicate that nearly 95% of Dayton area residents between the ages of 18 and 24 visited a sit-down restaurant within the past 30 days (relative to the survey time). Approximately 87.5% of residents in the 25-34 and 55-64 age groups visited a sit-down restaurant in this same time period. The average for residents of all age groups was roughly 85%. Roughly 34.1% of residents in the PTA fall within these age groups.

#### *Household Type*

The composition of households can have a substantial impact on consumer spending habits. For example, the National Restaurant Association indicates that employed persons living alone posted the highest per-capita expenditures on food away from home (\$1,769 per household) and allocated the largest portion (51.5%) of their food dollar to food away from home in 2004. Additionally, households consisting of only a husband and wife recorded average expenditures on food away from home of \$1,347, which is 45% higher than husband-wife households with children (\$866).

Roughly 59% of households in the PTA fall under the categories of single or married-couple with no children.

#### *Household Income*

Income levels play a significant role in determining consumers' choices. According to Bureau of Labor Statistics figures, higher-income consumers tend to spend higher amounts on food away from home. It should be noted, however, that lower-income consumers tend to spend a greater proportion of their income on food away from home.

Median household income levels in the PTA increased by roughly 11% from 2000 (\$41,597) to 2006 (\$46,319). This rate of increase was less than the rate of inflation during this time period (17% according to Consumer Price Index figures from the Bureau of Labor Statistics), indicating that real income levels actually declined during this time period.

### **Retail Opportunity Analysis**

While the demographics analysis offers an overview of potential consumer buying habits and trends, the Retail Opportunity Analysis examines actual consumer expenditure patterns and compares them to sales by retail businesses within the PTA. This comparison shows whether excess purchasing power is available and is being spent in surrounding trade areas, otherwise known as "leakage". If leakage exists for a particular type of retail, an opportunity may exist to capture the excess expenditures with new retail development within the PTA.

#### *Overview*

Figure B.5 provides an overview of retail store categories and the difference between consumer expenditures and sales in each category. A positive number indicates that there is "leakage" in a

particular retail category. A negative number indicates that there is a surplus of retail space in a retail category. A surplus in retail space occurs when stores attract consumers from outside the PTA.

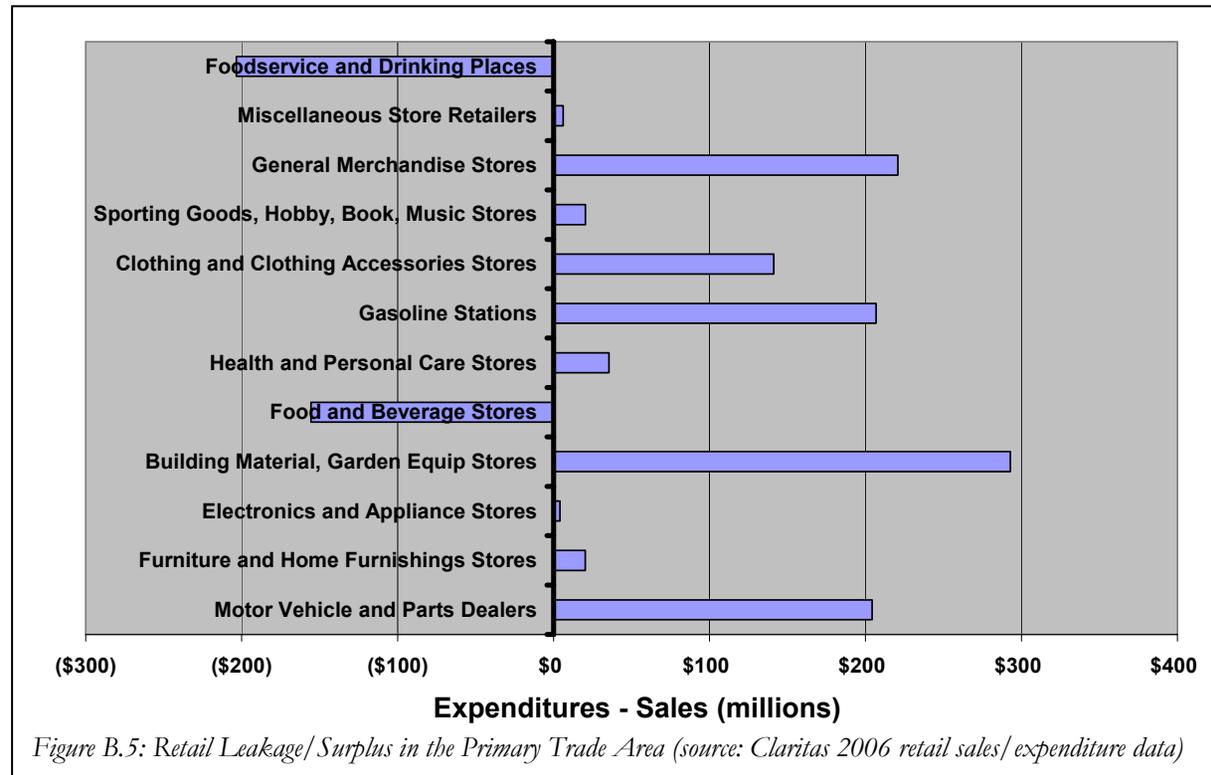
Figure B.5 indicates that leakage is occurring in nearly all general retail categories, with the exceptions of Food Service and Drinking Places and Food and Beverage Stores. The largest area of leakage appears to be the Building Materials/Garden Equipment category. It appears that Dayton area consumers are seeking products in other markets such as Cincinnati and Columbus, or in areas immediately adjacent to the PTA. Given the high vacancy rates and negative absorption mentioned earlier, it is possible that PTA residents are shopping outside the PTA because some Dayton area retail space is obsolete and does not offer the tenant mix demanded by Dayton area residents.

#### *Oregon District Market Penetration*

In order to understand the retail opportunities specific to the Oregon District, it is necessary to understand the District's market penetration. Penetration is the percentage of customers in the PTA that patronize the Oregon District. The penetration rate was calculated by dividing the total number of Oregon District visitors that reside in the PTA by the total

PTA population. The total PTA population was obtained from Claritas, while the total number of Oregon District visitors that reside in the PTA was estimated as follows:

- Annualizing daily visit data from the business survey completed by Desman Associates in 2007, for retail, bars, nightclubs and restaurants (estimated 796,536 total annual visits).
- Calculating total customers per year, accounting for repeat visits by the same person, using information from Desman's visitor survey completed in 2007 (estimated 19,212 customers).



- Accounting for percentage of visitors originating from the Primary Trade Area, based on the 1999 City of Dayton visitor survey (78.6%).
- Dividing total customers by total adult population in the PTA (18 years and older).

The Oregon District's penetration rate is estimated to be 3% of the adult population in the Primary Trade Area. This rate is used to estimate the proportion of consumer expenditures that the Oregon District may be able to capture in select retail categories.

#### *Supportable Space*

A primary purpose of the retail market analysis is to identify specific retail opportunities for the Oregon District. This analysis found that opportunities exist to capture leakage from the PTA in several retail categories. It should be noted, however, that the data used in this analysis precedes the completion of the Greene, the Dayton Mall addition and University Place near the University of Dayton. These competitors may reduce or eliminate several retail opportunities that exist.

Using consumer expenditure and sales data, opportunities exist when expenditures exceed sales in a trade area. Using the penetration rate, these opportunities can be scaled down to reflect a portion of the trade area, such as the Oregon District. The magnitude of these opportunities can be translated to square feet by applying estimated sales per square foot. This analysis uses a range of between \$150 and \$250 per square foot.

Opportunities only exist in retail categories that are

appropriate to the context of the Oregon District. For example, space constraints would hinder the development of a "big-box" general merchandise store, and a gas station would not be consistent with the pedestrian-friendly ambience of the District. The Oregon District currently consists of small-scale, independently-owned, specialized stores and restaurants. The Strategic Plan recommends to continue this mix of stores and maintain an emphasis on fine dining establishments.

With this framework in mind, this analysis estimates supportable space for the following categories, which either already exist in the District or could potentially fit with the context of the District, based on knowledge of other similar urban districts. Table B.2 summarizes the discussion.

- Furniture and Home Furnishings Stores. Specialty home furniture and accessory stores might find a niche in the Oregon District, as they have in comparable districts in other cities such as Columbus (Short North) and Cincinnati (Oakley). Opportunities exist for between 2,433 and 4,055 square feet of furniture and/or home furnishings space.
- Food and Beverage Stores. Specialty food stores and beer, wine and liquor stores are often found in comparable urban districts. The Oregon District already includes one such establishment. An opportunity exists for 1,352 to 2,254 additional square feet of specialty food store space. It is estimated that a surplus of 2,740 to 4,567 square feet of beer, wine and liquor store space exists. This space is likely drawing visitors from other similar stores or from outside the PTA. Since supportable space in the Oregon District is tied to data for the entire PTA, it is possible that stores elsewhere in the PTA are skewing the data.



- Clothing and Accessory Stores. Niche clothing and personal accessory stores are another potential addition to the urban shopping itinerary. An opportunity exists for between 16,935 and 28,225 square feet of retail space in this category. It should be noted that clothing stores are a significant component of the recently opened Greene Town Center, which will reduce or eliminate the opportunity in this category.
- Sporting Goods, Hobby, Book, Music Stores. Specialized hobby, book and music stores can complement the leisure-oriented mix of an urban entertainment district. Gem Records is an excellent local example. An opportunity exists for 2,447 to 4,079 square feet of retail space in this category.
- Miscellaneous Store Retailers. Florists and gift shops are examples of businesses in this category. A slight opportunity of between 734 and 1,223 square feet exists in this category.
- Food Service and Drinking Places: Food service establishments are a key ingredient of an urban entertainment district, and they occupy nearly half of the retail square footage in the Oregon District. This category includes full-service and limited-service restaurants, catering establishments, and bars. Surpluses exist in all subcategories of food services and drinking establishments, except for special food services

Table B.2: Oregon District Retail Opportunities

	Consumer Expenditure Leakage/ (Surplus)	Oregon District Capture	Supportable Square Footage (@ \$250/sf)	Supportable Square Footage (@ \$150/sf)
Furniture and Home Furnishings Stores	\$20,276,335	\$608,290	2,433	4,055
Food and Beverage Stores				
• Specialty Food Stores	\$11,268,804	\$338,064	1,352	2,254
• Beer, Wine and Liquor Stores	(\$22,833,092)	(\$684,992)	(2,740)	(4,567)
Clothing and Accessory Stores	\$141,125,296	\$4,233,759	16,935	28,225
Sporting Goods, Hobby, Book, Music Stores	\$20,394,469	\$611,834	2,447	4,079
Miscellaneous Store Retailers	\$6,113,229	\$183,397	734	1,223
Food Service and Drinking Places				
• Full-Service Restaurants	(\$53,243,836)	(\$1,597,315)	(6,389)	(10,649)
• Limited-Service Eating Places	(\$157,855,603)	(\$4,735,668)	(18,943)	(31,571)
• Special Foodservices	\$10,593,273	\$317,798	1,271	2,119
• Drinking Places - Alcoholic Beverage	(\$2,967,845)	(\$89,035)	(356)	(594)

Source: Claritas 2006 retail sales/expenditure data



such as catering. The surplus in limited-service eating places is particularly large, although this figure may be skewed by fast-food establishments in the region that cater to pass-through traffic.

It should be noted that restaurants are significant components of the Greene, the Dayton Mall expansion, and the redevelopment surrounding the University of Dayton. Restaurants will be a highly competitive category of retail in the PTA within the foreseeable future.

### Marketing Opportunities

Although the figures in Table B.2 suggest that several retail opportunities exist for the Oregon District, recent and planned retail development throughout the region may have already eliminated these opportunities. The Dayton region is currently a highly competitive retail market, particularly for restaurants. In order to remain competitive, the Oregon District must distinguish itself from the competition and find a niche in the Dayton retail market. Knowledge of target audiences can facilitate the process of finding a market niche.

The target audience for the Oregon District includes those most likely to be attracted to the District's offerings. Characteristics of the target audience within the Dayton area include the following:

#### *Location*

Convenience and familiarity can be deciding factors between visiting the Oregon District and visiting competitive centers. Those living closest to the Oregon District are more likely to be familiar with the District. Additionally, those living closer to the Oregon District than competitive centers may find it

more convenient to visit the District. Competitive centers include significant clusters of restaurants and entertainment retail in the region, including the Dayton Mall, the Greene, the Mall at Fairfield Commons, and the Miller Road Corridor.

#### *Demographics*

The Demographics discussion earlier in this section mentioned several demographic categories that affect spending on restaurants:

- Age: The 18-34 and 55-64 age groups visit restaurants more frequently than other age groups in the Dayton area.
- Household Type: Households without children tend to spend more per capita on food away from home than households with children.
- Income: Although lower income levels spend a higher percentage of their income on food away from home, higher-income households have more resources available for restaurant and retail spending.

The locational and demographic characteristics of the target audience were combined and mapped at the Census Block Group level (see Figure B.6) to identify geographic areas that should be targeted with Oregon District marketing efforts. Each characteristic was given a score based on its magnitude in relation to other block groups in the greater Dayton region. Block groups closer to the Oregon District than competitive centers were given a higher score. The Dayton Mall, Miller Road and Fairfield Commons were given lower weight than the Greene, since the Greene is viewed as a more direct competitor with the Oregon District.



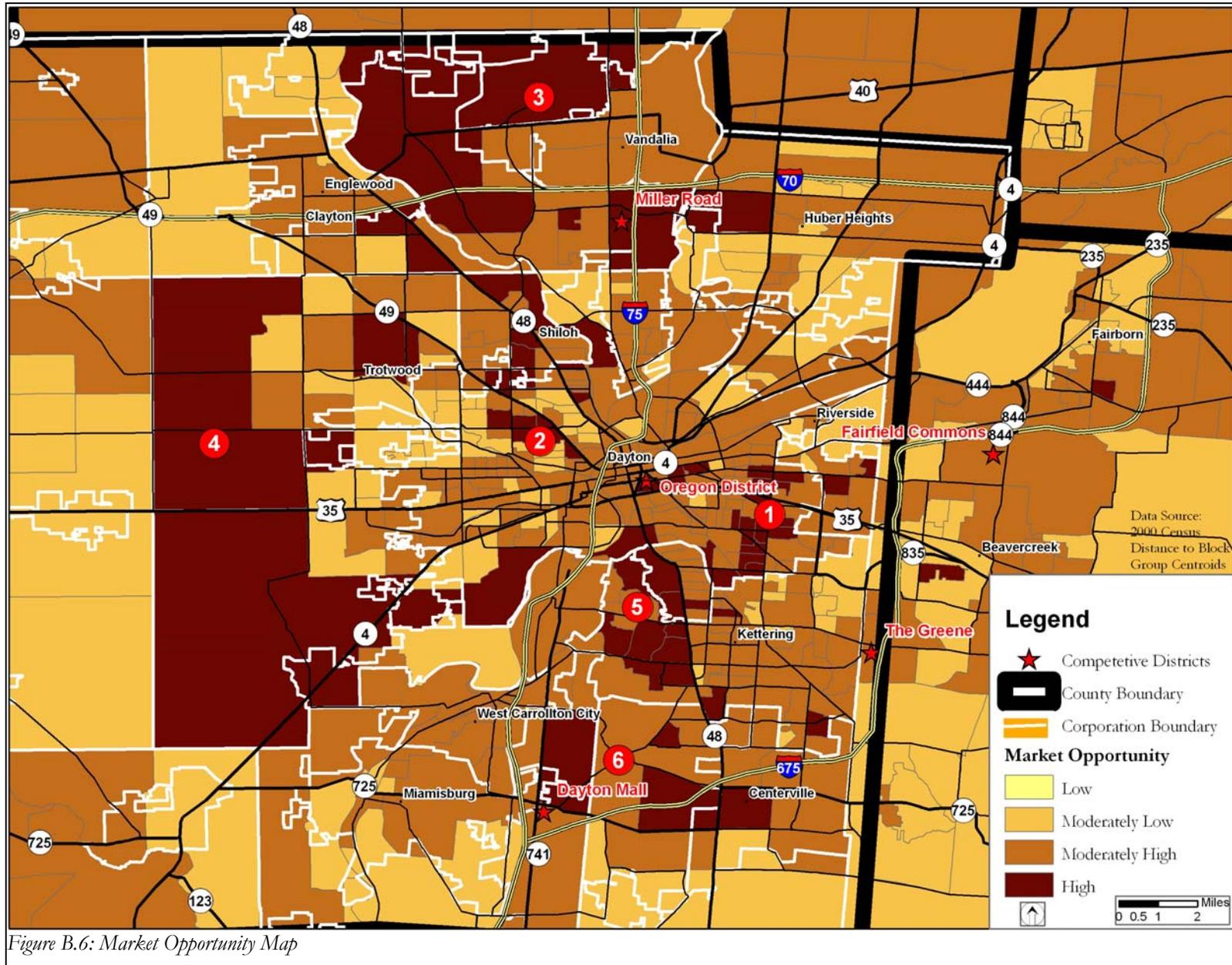


Figure B.6: Market Opportunity Map

Table B.3: Market Opportunity Areas

Map #	Area	Highlighted Characteristics	Distinctive Advantages
1	East Dayton (Smithville Road corridor)	<ul style="list-style-type: none"> <li>• High percentages of households without children</li> <li>• High % of population in 25-34 age group</li> <li>• Low to moderate incomes</li> </ul>	Close to the Oregon District Younger population
2	Northwest Dayton (Salem Ave./Cornell Drive Area)	<ul style="list-style-type: none"> <li>• Incomes above PTA median</li> <li>• High % in 55-64 age group</li> </ul>	Close to Oregon District
3	Northern Suburbs (Butler Township, Vandalia, Huber Heights, Harrison Township)	<ul style="list-style-type: none"> <li>• High % in 55-64 age group</li> <li>• Incomes above PTA median</li> </ul>	Relative lack of nearby competitive retail/entertainment venues
4	Western Trotwood/Jefferson Township	<ul style="list-style-type: none"> <li>• Sparsely populated</li> <li>• High % of households without children</li> <li>• Incomes above PTA median</li> <li>• High % in 55-64 age group</li> </ul>	Relative lack of nearby competitive retail/entertainment venues
5	Oakwood/West Kettering	<ul style="list-style-type: none"> <li>• High income levels</li> <li>• High % in 55-64 age group</li> <li>• High % of households without children</li> </ul>	Affluent “empty nestor” communities near Oregon District
6	Eastern Miami Township/Eastern Washington Township/Western Centerville	<ul style="list-style-type: none"> <li>• Similar to Oakwood/West Kettering</li> </ul>	Similar to Oakwood/West Kettering, although further from Oregon District and closer to Dayton Mall

Block groups also received higher scores for having relatively high percentages of their population in the target age groups, as well as relatively high percentages of households without children. Block groups with relatively high median household income levels also received a higher score.

Figure B.6 illustrates the results of the block group market opportunity analysis. The block groups shaded in dark brown (labeled in the legend as “High” market opportunity) represent potential target areas for marketing efforts. Table B.3 identifies and describes clusters of the High-market-opportunity block groups.

## CONCLUSIONS

Below is a summary of the main conclusions of the Retail market analysis:

- Increasing nationwide interest in urban environments and “entertainment centers” will boost interest in neighborhoods like the Oregon District.
- Dayton’s sluggish regional retail market will continue to complicate efforts to attract new retail to the District.
- The recent construction of several competitive “urban entertainment centers”, particularly the Greene, have dramatically increased competition for restaurants and entertainment-oriented retail in the Dayton region.

- Opportunities exist to develop specialty retail establishments in several categories in the Oregon District, although the Greene and other recent developments will likely reduce these opportunities, particularly for clothing stores.
- The Oregon District must find and communicate its niche in a highly competitive regional market through continuous marketing and recruitment efforts.
- Marketing efforts should target demographic and geographic segments of the Dayton region that are most likely to be attracted to the Oregon District. Potential target demographic groups include:
  - 18-34 and 55-64 age groups
  - Households without children
  - Higher-income households

Potential geographic target areas include:

- East Dayton (Smithville Road corridor)
- Northwest Dayton (Salem Avenue/Cornell Drive)
- Northern Suburbs (Butler Township, Vandalia, Huber Heights, Harrison Township)
- Western Trotwood/Jefferson Township
- Oakwood/West Kettering
- Eastern Miami Township/Eastern Washington Township/Western Centerville



# Appendix C

## Office Market Analysis

### INTRODUCTION

An office market assessment was conducted to determine the overall potential for office space in the Oregon District. This analysis is based on a comprehensive survey of local (Dayton Central Business District) and regional (Dayton Suburban Market) office space trends, including availability, vacancy, and absorption. While the findings from the comprehensive survey will shed light on market conditions affecting the current market for office space, it does not include the relatively small amount of office space in the Oregon District. Office space in the Oregon District will be assessed separately.

### EMPLOYMENT

The demand for office space is based on the increase or decrease in employment sectors with primarily office-using jobs. We have identified the following occupations as those most likely to have a majority of jobs located in an office environment:

- Business and Financial Operations, including chief executives, general and operations managers, and

computer and information system managers, and other similar occupations.

- Architecture and Engineering Occupations, including architects, drafters, electronics engineers, and other similar occupations.
- Legal Occupations, including lawyers, paralegals and legal assistants, law clerks, and similar occupations. There is currently strong support for this sector in the Oregon District.

According to projections provided by the Department of Job and Family Services, the employment for all occupations in the Dayton metropolitan statistical area (MSA), which includes Greene, Miami, Montgomery, and Preble Counties, is expected to increase by 6.3 percent over a ten-year period from 432,700 jobs in 2004 to a projected 460,000 jobs in 2014. Of the projected 27,300 new jobs, approximately 3,370 will be in the

Table C.1: Employment

Major Occupational Group	Employment		Change in Employment 2004-2014		Estimated Need for Additional Office Space (square feet)
	2004 (Actual)	2014 (Estimate)	Number	Percent	
Business and Financial Operations	19,970	22,540	2,570	12.9%	488,300
Architecture and Engineering Occupations	11,760	12,220	460	3.9%	87,400
Legal Occupations	2,420	2,760	340	14.0%	64,600
Total	34,150	37,520	3,370	9.9%	640,300

*Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information, February 2006; Journal of Property Management, "Wide Open Spaces: Cubicle-Ridden Offices Transition to More Open-Office Formats – a Result of Advanced Mobile Technology", 2006; McKenna Associates, Inc.*

three occupations characterized by office use, as identified in Table C.1.

The estimated need for additional space is based on the total number of additional employees projected and average space per employee estimates. Nationally, the average office space per employee has decreased by more than 20 percent to an average estimated rentable square foot per employee of approximately 190 square feet. This number includes proportionate shares of public space, corridors, and restrooms per employee. This reflects the trend of office space arrangements away from closed, hard-walled offices to offices with a greater use of open, flexible space.

These estimates do not take into account the full potential and growing impact that technology will have on office spaces. Technology is not only allowing traditional office spaces to become more flexible through open workspace plans, but it is also providing the necessary tools for virtual office arrangements including telecommuting, reserving office space only on an as-needed basis, and working on the road or at customer sites without a traditional office. These trends will likely continue to reduce the average office space required per employee for the foreseeable future.

While the projected need for additional office space in the Dayton MSA is limited, the Oregon District should focus business retention and expansion efforts on those occupational groups most likely to grow. By focusing on these sectors, the Oregon District can successfully accommodate a portion of the projected job growth.

## LOCAL AND REGIONAL OFFICE MARKET TRENDS

While projections for employment are positive in the Dayton MSA, current office market trends are required to determine where job growth will likely be absorbed. This analysis of office market trends will be focused on the local office market, including only the Dayton Central Business District (CBD), and the region, including the Dayton Suburban Market. The local market will likely be the primary source of competition for office space in the Oregon District. The Dayton Suburban Market includes the following areas:

- *Dayton East* includes Beavercreek, Fairborn, Kettering, Mad River Township, Riverside, and Xenia, and a small portion of Dayton.
- *Dayton North/West* includes Clayton, Englewood, Harrison Township, Trotwood, and Vandalia.
- *Dayton South* includes Centerville, portions of Dayton, Kettering, Miami Township, Moraine, Oakwood, Washington Township, and West Carrollton.

As indicated in Table C.2, the total office market, including the local and regional market, had 14,658,142 square feet of office space in 2006. Between 1996 and 2006, the total area of office space in the local market has increased slightly (4.3 percent), but at a much slower rate than the regional market (30.0 percent) which added more than 2.2 million square feet of office space. Overall, space in the total office market has increased by 20 percent over the last 10 years.



While regional markets have posted strong numbers in the total increase of office space, the absorption of office space and relatively low vacancy rates in these markets also suggests that it is much stronger than the local office market and is supporting most of the growth exhibited by the total market.

Based on vacancy and absorption data from 2002 through 2006, it appears that the regional market has taken off in the last two years (see Table C.3). The spread between local and regional vacancy rates increased to 4.0 percentage points in 2005 and 5.47 percentage points in 2006, while over the same period local vacancy rates remained relatively constant. Absorption in the regional market increased significantly between the 2003-2004 and 2004-2005 periods, from 61,027 square feet to 280,133 square feet. This absorption trend continued through the 2005-2006 period with a positive absorption in the regional market of 447,417 square feet.

Table C.2: Total Office Space and Market Share

Location	1996 Total Area	Percent of Total in 1996	2006 Total Area	Percent of Total in 2006	Total Change 1996-2006	Percent Change 1996-2006
Dayton CBD (local)	4,751,262	38.9%	4,957,202	33.8%	205,940	4.3%
Suburban (regional)	7,463,146	61.1%	9,700,940	66.2%	2,237,794	30.0%
Dayton East	2,296,198	18.8%	3,000,184	20.5%	703,986	30.7%
Dayton North/West	1,205,979	9.9%	1,432,143	9.8%	226,164	18.8%
Dayton South	3,960,969	32.4%	5,268,613	35.9%	1,307,644	33.0%
Total	12,214,408		14,658,142		2,443,734	20.0%

Source: Dayton Regional 2006 Office Market Study, The Gem Real Estate Group, Inc.

Table C.3: Vacancy and Absorption

	Percent of Office Space Vacant				
	2002	2003	2004	2005	2006
Dayton CBD (local)	14.47%	18.05%	17.85%	18.22%	18.24%
Class A Market	10.09%	12.62%	12.95%	12.39%	16.46%
Class B/C Market	17.27%	21.43%	21.40%	22.37%	19.61%
Suburban (regional)	14.52%	14.21%	17.12%	14.22%	12.77%
Total Market	14.50%	15.56%	17.37%	15.59%	14.62%
	Absorption				
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Dayton CBD (local)	(5,023)	(30,076)	5,708	(16,625)	(14,011)
Class A Market	52,162	(51,275)	(29,812)	14,284	(91,739)
Class B/C Market	(57,185)	21,199	35,520	(30,909)	77,728
Suburban (regional)	65,661	29,524	61,027	280,133	447,417
Total Market	60,638	(552)	66,735	263,508	433,406

Source: Dayton Regional 2006 Office Market Study, The Gem Real Estate Group, Inc.

In the 2005-2006 period, the local office market saw positive absorption in the Class B/C market and negative absorption in the Class A market of 91,739 square feet. This corresponds with a gain of 1,173 jobs and a loss of 1,584 jobs, creating a net job loss of 411. Over the past five years, either the Class A or Class B/C market experienced negative absorption, but the data does not lend itself to a definite trend in absorption of office space by class type. As of mid-2007, additional known jobs leaving the local market include 483 jobs from the Dayton Daily News, 200 jobs from Woolpert, 250 jobs from NewPage Corp., and 230 jobs from MeadWestvaco.

The loss in jobs in the local office market is likely due to combination of the following factors:

- **Corporate downsizing and mergers.** This may result in the relocation of existing jobs, the reduction in the number of existing jobs, or both.
- **Office class availability.** Class A buildings are more desirable to many businesses due to the high-grade finishes and amenities offered to the tenant. Often Class A buildings are typically newer buildings or buildings that have been rehabbed in the last ten years.
- **Location.** While many occupations still require the amenities and proximity to similar or complementary occupations offered by the local office market, many occupations now find that a firm can be located most anywhere, within certain limits. The advance of technology, as discussed previously, is also allowing for more flexibility in terms of a firm's location.
- **Size and Flexibility.** The two largest costs for businesses are staffing costs and office space. Through more flexible work environments, free from hard-

walled offices, companies can reduce costs and simultaneously accommodate increases and decreases in employment with relative ease. Such flexible spaces can also decrease businesses moving time and expense. These options are likely more widely available in the suburban environment.

- **Features and Amenities.** The biggest draw to regional (suburban) office markets may be the relative abundance of land and associated location and abundance of easily accessible parking. Other amenities that can be more easily obtained in a suburban office environment include campus-style office park environments with increased open space.

## OREGON DISTRICT OFFICE MARKET

While the analysis of local (CBD) and regional (suburban) office markets helps to identify trends in the total office market, the data analyzed above does not include office space located in the Oregon District. This section will identify total office space in the District, current vacancy rates, and will also identify a competitive framework for promoting and marketing and the District's existing office space, and recommendations for creating additional office space. This section will also discuss the largest challenge to future office growth in the District.

According to a survey completed by the Gem Real Estate Group, Inc. in 2000, the Oregon District office space had the following characteristics:

- Total office space is approximately 247,834 square feet and is located in approximately 15 to 20 buildings.



- Office spaces range from a low of 2,645 square feet to 50,932 square feet.
- Median area of 6,000 square feet.
- The vacancy rate for office space is approximately 8.1 percent. Nationally, a vacancy rate as high as the mid-teens should be considered healthy. The vacancy rate was calculated using a survey of occupied and vacant office space completed in May of 2007 by McKenna Associates and total area office space in 2000 in the District as provided by The Gem Real Estate Group, Inc. The survey found that there were approximately seven separate vacant office spaces, with a total vacant area of 20,100 square feet. The square footage of vacant office space observed in May and the total area of office space from 2000, which likely has not changed due to inactivity in both new construction and demolition, was used to determine the vacancy rate.

When compared to the Dayton CBD vacancy rate of 18.24 percent in 2006 and the suburban vacancy rate of 12.77 percent, the small office market of the District appears to be rather resilient. While available office in the District will certainly not meet every businesses needs, the office space and the Oregon District as a whole can provide features and amenities to a variety of businesses that cannot be made available in a suburban setting. These features and amenities include the following:

- **Close proximity to shops, restaurants, parks, and living opportunities.** The mixed-use concept has been steadily growing traction throughout the nation and in the Midwest. These environments incorporate living, working, shopping, and entertainment opportunities all

on the same site. Urban neighborhoods, like the Oregon District, are the pre-cursor to this notion of mixed uses. Offices in the District should promote proximity to shopping, restaurants, parks, and other attractions that can serve the needs of employees and visitors to offices alike. In addition, adjacent residential neighborhoods offer a wide range of housing opportunities to accommodate any office worker, ranging from market rate apartments to high-end historic single-family detached homes.

- **Marketing Opportunities.** A recent article published in the *Dayton Business Journal* recounted that the head of marketing firm recently moved his company from the suburbs to the Dayton CBD. Through downtown networking events, he has found new clients and expects to grow revenue on par with previous year's growth. With a location close to the Dayton CBD, firms can take advantage of such networking opportunities to gain exposure in the market and additional business.
- **Unique Building Characteristics.** While the Oregon District may not be able to easily offer the flexible layouts common in many offices today, they can offer originality, quality construction, and architectural features that are often absent from the sterile suburban office building. Occupations that would likely value such amenities, including architects, graphic designers, and lawyers, are all expected to grow in employment between 2004 and 2014.



The largest limitations to future office growth in the District include the following:

- **Lack of convenient parking facilities.** While the District has a number of amenities to offer, ample and convenient parking is certainly not one of them. Plan recommendations in Chapters 4 and 5 address this limitation.
- **Building Characteristics.** While unique building characteristics have been identified as a positive District element above, the limiting nature of the office stock may pose limitations for a number of businesses and occupations. The building characteristics of existing buildings that may prove to be a deterrent for future tenants, including hard-walled offices and limited technological improvements, should be evaluated to determine whether sufficient interest exists to accommodate additional businesses in new office space, preferably as part of a mixed-use development. Such office space would not detract from the features that draw current tenants to the District, but may provide additional Class A space to the area.
- **Lack of raw land within the District.** Although development opportunities for office space are limited within the Oregon District, redevelopment opportunities do exist outside of the District, adjacent to Wayne Avenue and Patterson Boulevard. New office space in these areas should be incorporated in multi-story mixed use developments, and could be located on large, underutilized parcels. Mixed-use developments in these locations would further strengthen the vitality of

the District through increased visibility of Fifth Street and increased District visits.



# Appendix D

## Housing Market Analysis

### INTRODUCTION

This housing market analysis will focus on drive times 2-, 10-, and 20-minutes from the center of the Oregon District. These drive areas represent the primary market area for potential housing market growth. The 2-minute drive area allows for analysis of current primary housing characteristics, including age of housing, vacancy rates, number and tenure of units, and housing values. An analysis of the current housing stock will provide the foundation for understanding current housing market conditions in the Oregon District. The 2-minute drive

area also allows for an analysis of recent trends in the housing market, including the changes in household type and composition. This information will be supplemented with information from a recent housing study performed by the Danter Company which will reveal preferences for downtown living. This analysis will also suggest areas of the housing market where the Oregon District can be successfully compete with suburban development and more recent projects in Downtown Dayton.

While this analysis focuses on areas in and around the Oregon District where current data is available, it should be noted that the Oregon District is a virtual island of housing and household prosperity in comparison with some other Dayton urban neighborhoods. The most recent data for the Oregon District, as provided by the U.S. Census Bureau, is from 2000 and can

Table D.1: 2000 Census Housing Data

	Median Household Income	Median Family Income	Housing Units	Owner Occupied Housing Units	Renter Occupied Housing Units	Vacancy Rate (All Units)
Census Tract 21	\$22,927	\$31,398	2,389	606	1489	8.1%
Census Tract 21, Block Group 3 (contains all Oregon District housing units)	\$33,417	\$68,750	565	155	361	11.5%
	Total Population	Median Age	Households	Average Household Size	Median Gross Rent	Median Value of Owner-Occupied Units
Census Tract 21	3,969	36.7	2,095	1.81	\$428	\$88,400
Census Tract 21, Block Group 3 (contains all Oregon District housing units)	835	45.0	536	1.49	\$313	\$160,330

Source: 2000 U.S. Census Bureau



be found in Table D.1. A map of Census Tract 21 and Oregon District Block Groups is available at the end of Appendix D. While the numbers from 2000 do not show the total picture of the Oregon District as it stands today, it does highlight the differences between the District (located in Census Tract 21, Block Group 3) and neighborhoods immediately surrounding the District (Census Tract 21, *includes* the Oregon District).

## HOUSING STOCK AGE

Although significant housing growth has occurred in the Dayton Central Business District (CBD) since 2000, the 2-minute drive area is dominated by houses built more than 65 years ago, before 1939 (51.9 percent fall into this category). Housing starts between 1960 and 1979 account for nearly one-third (28.94 percent) of housing units in the 2-minute drive area. Following a lull in the 1980s and 1990s, growth appears to have picked up between 1999 and 2006, with an estimated 136 new housing units within a 2-minute drive area of the Oregon

Table D.2: Housing Vacancy

	2000		2003		2004		2005		2006	
	Home-owner	Rental								
United States	1.6%	8.0%	1.8%	9.8%	1.7%	10.2%	1.9%	9.8%	2.4%	9.7%
Midwest	1.3%	8.8%	1.7%	10.8%	2.0%	12.2%	2.2%	12.6%	2.6%	12.4%
State of Ohio	1.3%	9.0%	1.9%	11.8%	2.1%	13.0%	2.6%	13.4%	2.7%	12.3%
In Principal Cities	1.9%	8.2%	2.0%	10.0%	2.2%	10.8%	2.4%	10.0%	3.1%	10.0%
Dayton MSA	1.6%	8.2%	3.4%	11.1%	1.9%	15.0%	3.9%	14.6%	3.1%	16.4%
Dayton CBD	n/a	n/a	n/a	25.3%	n/a	2.4%	n/a	7.7%	n/a	4.6%
Census Tract 21	5.8%	9.2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Housing Vacancy Survey, U.S. Census Bureau, The Gem Real Estate Group, Inc.

District. While the 2-minute drive area has the greatest percent of its housing stock built before 1939 when compared with the 10- and 20-minute drive areas, it also has the largest growth in housing starts between 1999 and 2006.

## VACANCY RATE

While vacancy rates in and around the Oregon District have been higher than those in the Dayton metropolitan statistical area (MSA), vacancy rates for owner-occupied units are healthy and those for rental units have been decreasing. Estimated vacancy rates in 2006 for drive times were as follows:

- 2-minute drive area: 13.8 percent
- 10-minute drive area: 12.1 percent
- 20-minute drive area: 8.3 percent

2000 vacancy rates provided by the U.S. Census Bureau for



Census Tract 21, which includes the Oregon District and South Park, suggest that the vacancy rate for rental units was considerably higher than for homeowner units. The total vacancy rate in 2000 for Census Tract 21 was 12.3 percent, with a homeowner vacancy rate of 5.8 percent and a rental vacancy rate of 9.2 percent. This distribution of vacancy rates is typical for the Dayton MSA.

The 2007 Dayton Regional Apartment Market Study, provided by The Gem Real Estate Group, Inc., showed that 1<sup>st</sup> Quarter 2007 vacancy rates for apartments in the Dayton Central Business District were 3.97 percent. This rate was the lowest of any area included in the Greater Dayton Area. The 2007 vacancy rate was also lower than the vacancy rate of 4.57 percent in 2006. This indicates strong and continued interest in downtown housing.

Rental vacancy rates for the area immediately adjacent to the Oregon District in the Dayton CBD were lower than similar rates in the United States, the Midwest, State of Ohio, Dayton MSA, and in principal cities, as shown in Table D.2.

The table also shows that the market for homeowner units is strong in the Dayton MSA. While the vacancy rate is higher than national, Midwestern, and statewide numbers, a homeowner unit vacancy rate of 3.1 percent indicates a healthy market that can accommodate normal turnover of units.

## TENURE AND DISTRIBUTION

Typical of urban neighborhoods, homeownership rates in the Oregon District and surrounding neighborhoods were relatively low. Estimated homeownership rates in 2006 for drive times

were as follows:

- 2-minute drive area: 21.7 percent
- 10-minute drive area: 57.3 percent
- 20-minute drive area: 64.8 percent

Despite the relatively low homeownership rates in and around the Oregon District, as demonstrated by the 21.7 rate in the 2-minute drive area, a study commissioned by the Downtown Dayton Partnership and conducted by the Danter Company found that those most interested in living downtown would prefer homeownership over renting. In a survey of downtown employees in Midwestern markets, approximately 70 percent of those who claimed they were very likely to live downtown would prefer to own housing, not rent. The preferences as it relates to housing prices will be discussed later in this Chapter.

Housing in the 2-minute drive area is dominated by units in buildings of 50 or more units (47.04 percent). This is likely due to a few high-rise towers in the area immediately surrounding the District. Approximately one-fifth of all units were single-family detached while 6.78 percent of units were single-family attached.

## LISTING AND SALE PRICES

Although the homeownership rate in the 2-minute drive area is drastically lower than those in the 10- and 20-minute drive area, the median value of those units is considerably higher than those in the 10-minute drive area and moderately higher than those in the 20-minute drive area.



The estimated median value of owner occupied housing units in 2006 for drive times were as follows:

- 2-minute drive area: \$125,636
- 10-minute drive area: \$86,685
- 20-minute drive area: \$119,420

Approximately two-thirds of the entire housing stock in the 2-minute drive area is valued at less than \$150,000. This proportion is comparable to values in the 10- and 20-minute drive areas. The percent of housing units valued at more than \$200,000 is approximately 20 percent, resulting in the higher median value of owner occupied housing units in the 2-minute

drive area.

These higher price points observed in the Oregon District are now also being observed in other areas of the downtown Dayton through the condo market. Table D.3 highlights a sample of price points for existing and one project in pre-sale, the Excelsior Lofts (located in the Oregon District):

*Table D.3: Recent Downtown Housing Development*

Property	Address	Opening	Units	Size of Unit (square feet)*	Price
Cooper Lofts	114 N. St. Clair Street	2003	24	1,400 - 2,800	\$242,000 to \$319,000
Performance Place	109 N. Main Street	2003	27	1,600 - 4,400	\$215,000 to \$697,000
Brooks House	41 E. First Street	2002	3	800 - 3,000	\$111,000 to \$280,000
Firefly Lofts	123 Webster Street	2001	3	3,100	\$350,000
Ice House	215 Ice Avenue	2001	17	900 - 1,800	\$90,000 to \$220,000
St. Clair Lofts	101 St. Clair Street	1996	6	1,400 - 1,500	\$150,000 to \$160,000
Cooper Place	109 W. Cooper Place	1986	34	n/a	n/a
Excelsior Lofts	207 E. Sixth Street	currently in pre-sale	12	1,400 to 2,600	\$249,900 to 484,000

*Source: Downtown Dayton Partnership, Market Feasibility Study of Dayton Waterfront Apartments (2007). \* All unit sizes are rounded to the nearest hundred.*



## POPULATION

Between 1990 and 2000, the Dayton region, including the 2-, 10-, and 20-minute drive areas, have experienced steady population decline. As shown in Table D.4, this decline is projected to continue through 2011. Between 2006 and 2011, the greatest projected population decrease is expected to occur within the 2- and 10-minute drive time areas (a loss of 3.51 percent and 4.02 percent, respectively). However, population estimates may undervalue population gained in the 2-minute drive time area due to new housing starts since the 2000 Census. Between 1990 and 2000, as the population has decreased, the number of households has also decreased, but at a slower rate. Growth in the Oregon District can only occur through the creation of new housing units that provide what current renters and homeowners are looking for and by addressing negative perceptions that currently plague downtown, including the Oregon District. These perceptions include a lack of entertainment and shopping, high crime rates, high prices for new units, traffic, lack of convenient parking, congestion, and noise.

## GENERAL HOUSEHOLD CHARACTERISTICS

Households located within in the 2-minute drive time are overwhelmingly single (67.9 percent) with householders 25 to 44 years of age. These characteristics are consistent with the average downtown resident as identified by the Danter Company. The average resident is single, has no children, and is in their mid-thirties. Approximately 15 percent of households were married. Of those who expressed interest in living

Table D.4: Population and Household Trends

	2-minute drive	10-minute drive	20-minute drive
<b>Population</b>			
2000 Census	3,243	232,359	660,678
2006 Estimate	3,189	220,773	651,761
2011 Projection	3,077	211,900	645,730
Percent Change 2000-2006	-1.67%	-4.99%	-1.35%
Percent Change 2006-2011	-3.51%	-4.02%	-0.93%
Average Annual Percent Change 2000-2006	-0.28%	-0.83%	-0.23%
Average Annual Percent Change 2006-2011	-0.70%	-0.80%	-0.19%
<b>Households</b>			
2000 Census	1,929	95,459	268,426
2006 Estimate	1,932	92,092	269,924
2011 Projection	1,881	89,039	269,965
Percent Change 2000-2006	0.16%	-3.53%	0.56%
Percent Change 2006-2011	-2.64%	-3.32%	0.02%
Average Annual Percent Change 2000-2006	0.03%	-0.59%	0.09%
Average Annual Percent Change 2006-2011	-0.53%	-0.66%	0.00%

Source: Claritas

downtown in the Danter study, 38 percent were married and 36 percent were over 45 years of age. While the Oregon District currently has a large proportion of its population over 45 (51.6 percent), it should look to attract more of those married couples and young professionals with a stated interest in living downtown.

The population in the 2-minute drive area, as evidenced by the estimated median age in 2006, is considerably older than the 10- and 20-minute drive areas. The estimated median age of the population in 2006 for drive times are outlined below. Potential family types that could be attracted to the Oregon District are also discussed.

- 2-minute drive area: 46.0 years of age (Family Type: Empty-nesters, driven by opportunities for low-maintenance homeownership and amenities found in the Oregon District and surrounding neighborhoods, including shops, entertainment, sports venues all within close proximity).
- 10-minute drive area: 35.5 years of age (Family Type: Young families, driven by access to quality, affordable housing, whether rental or owner-occupied units).
- 20-minute drive area: 37.4 years of age (Family Type: More established families, driven by amenities the District has to offer, similar to the empty-nester, and the potential to live and work in close proximity).

The older population in the 2-minute drive area corresponds to the relative lack of married couples with children (4.03 percent) and the small percentage of the population under 24 years of age (16.13 percent in 2-minute drive area compared with 36.11 and 33.85 percent in the 10- and 20-minute drive areas respectively).

Table D.5: Housing Costs

Tenure	Preferred Housing Cost	Minimum Required Income	Percent of Households with Income Greater than \$25,000 by Drive Area		
			2-minute	10-minute	20-minute
Rental Unit	\$600 - \$749	\$24,000 to \$29,960	45.57%	63.57%	74.75%
Owner-Occupied Unit	\$100,000 to \$199,999	\$26,612 to \$53,224			

*Source: Danter Study, Claritas. Note: Housing costs do not include utilities, closing costs, or other related housing costs. Required income based on annual cost to homeowner or renter. Owner-occupied unit cost assumes 7.00% fixed rate, \$0 down, and 30-year term.*

## HOUSEHOLD INCOME

The median income of the Oregon District and the area immediately surrounding it was far lower than those in the 10- and 20-minute drive areas. The estimated median household income in 2006 for drive times was as follows:

- 2-minute drive area: \$21,287
- 10-minute drive area: \$34,834
- 20-minute drive area: \$46,314

The relatively low household median income in the Oregon District and surrounding neighborhoods can be partly attributed to the presence of government subsidized housing units and an older population, some of who may be on fixed retirement incomes. Lower median incomes also correspond with a high number of single-person households.

While the initial picture on income in the Oregon District may seem bleak, there are recent indications that incomes in the area may be improving. According to information provided from the Home Mortgage Disclosure Act, the median borrower income for owner occupied purchases (1 – 4 units) in Census Tract 21 (Oregon District and South Park) was \$66,000 in 2005. In addition to incomes above the estimated area median income for the Oregon District and surrounding areas, new borrowers also had incomes that were considerably higher than the current residents. The ratio of the median income of borrowers (purchase only, no refinancing) to the median household income was 2.5 to 1.

The study completed by Danter included survey data on preferred rental and owner-occupied units. This information is helpful in determining whether the current and future Oregon District housing stock will likely be acceptable to potential future residents. Table D.5 outlines tenure, preferred housing cost, and corresponding required income to obtain the housing with no cost burden (annual housing cost equal to more than 30 percent of total income):

At existing income levels nearly half of households in the 2-minute drive area, two-thirds of households in the 10-minute drive area, and three-quarters of households in the 20-minute area could be accommodated at the stated preferred housing cost levels without becoming cost burden.

### COMPETITIVE FRAMEWORK

The Danter Company found that the current downtown housing market has been limited by supply, not demand. To date, there has not been a full selection of alternatives for those

looking at the downtown housing market, including price, style, and location. While projects over the last five years have started to address limited options provided by the housing market, future projects in the planning and pre-sale phase can help to diversify the available housing stock based on housing preferences. Based on this assumption, the following findings will highlight opportunities for growth in the housing market that are consistent with housing preferences, as found in the Study performed by the Danter Company.

- 20 percent of all those surveyed reported that they were very likely to live downtown. Based on a downtown employment base of 27,000, this equals approximately 5,400 persons.
- Of those who reported they were very likely to live downtown, most (70 percent) said that they would prefer to own rather than rent.
- Both owners and renters preferred lower density housing options. For those who preferred to own, nearly half preferred single-family detached homes, roughly more than one-quarter preferred townhouse style homes, and only 10 percent preferred loft style condos. Preferences for renters were similar, with more than one-quarter preferring townhouses, one-fifth preferring duplexes or fourplexes and 16 percent preferring units in 2 to 3 story buildings.

The Oregon District is uniquely situated to take advantage of the current wave of interest in downtown housing. Most of those who have interest in downtown living also have an interest in lower density housing options which can be accommodated by the current District housing. Most new housing in downtown over the last five years has been the



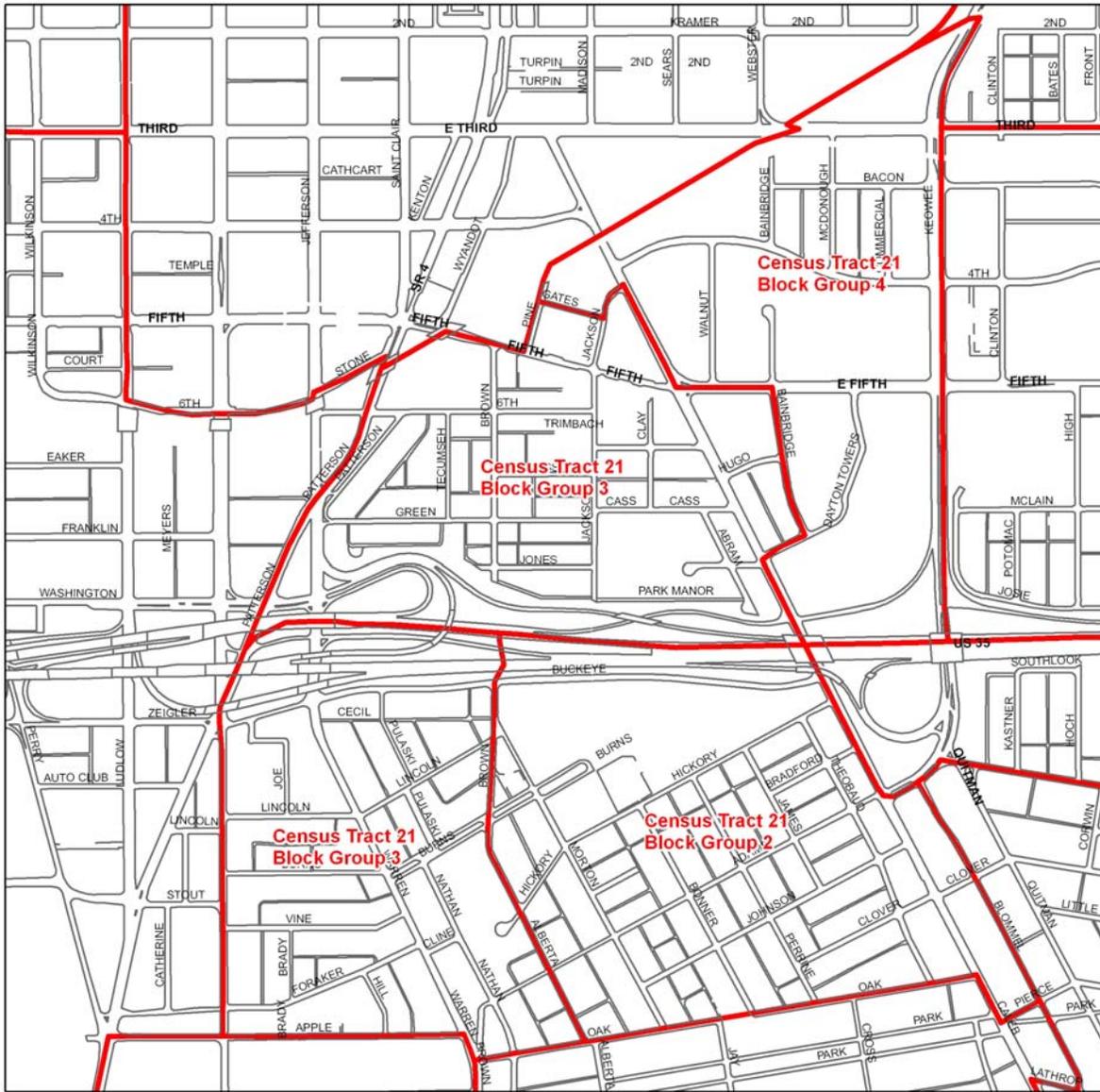
conversion of old warehouses or office to housing units, at a higher density. Future housing in the Oregon District should provide lower density housing options that are preferred both by owners and renters.

An analysis of absorption for owner and rental units at specific price points and size levels is beyond the scope of this study. However, this study does suggest that current preferences for housing price points for rental units are \$600 to \$749 and \$100,000 to \$199,999 for owner-occupied units. Incomes of households currently exist in and around the Oregon District to accommodate those price points.

The supply of future housing, and the redevelopment of existing housing, must adequately address the needs and preferences of future residents. Even in an urban environment with walkable streets and easy pedestrian access to shops and entertainment, the automobile will likely continue to remain an essential part of most households. All projects should include adequate parking, at least one space per unit, in a safe and convenient location. Most households also value open space.

The Danter Study found that open space can be accommodated in a number of ways including through the use of traditional open space, plazas, courtyards, roof-top amenities, or balconies. These amenities will help to ensure that the Oregon District housing market remains vibrant through future growth.

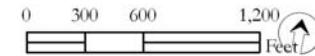




Oregon District  
Dayton, Ohio

2000 Census  
Block Group  
Boundaries

 Block Group Boundary



Basemap Source: Montgomery County  
Basemap Date: March, 2007  
Map Data Source: McKenna Associates

