

## APPENDIX 2

# PRELIMINARY MARKET ASSESSMENT AND DEVELOPMENT OPTIONS FOR NEWBURY TOWNSHIP TOWN CENTER

Prepared by the Cobalt Group, Inc. – February, 2008

### Background and Project Scope

The Cobalt Group was engaged in January 2008 to conduct a preliminary market assessment and prepare a summary of development options for the town center area. The focus of the preliminary market assessment included exploring optimum uses for a site located on S.R. 87 adjacent to the Newbury School Building and the integration of the site into a comprehensive development strategy for the Township. This assessment also incorporated the planning work completed to date by the Cleveland Urban Design Collaborative (CUDC) who had been engaged to develop a Town Center Plan for the Township in 2007.

The scope of work involved:

- Conducting Key Leader Interviews with economic development, planning and real estate professionals in Geauga County and Northeast Ohio to gather local economic data relevant to this project including:
  - Anita Stocker, Director, Economic Development, Geauga County
  - David Dietrich, Director of Planning, Geauga County
  - Michael Cantor and Damon Taseff, Allegro Realty Advisors
  - Farley Helms, Colliers Real Estate Brokers
  - Cindy Sayre, Business and Property Owner, Newbury Township
  - Terry Schwarz, Cleveland Urban Design Collaborative (CUDC)
  - Amy Holthouse Brennan, Chagrin River Watershed Partnership
  - Linda Nemeth, Director, Office of Tourism, Geauga County
- Gathering and analyzing demographic data and preparing a “community investment prospectus” which included:
  - Preparing a Lodging and Meeting Accommodations Matrix for a geographic area within a 20-mile radius of the study site (See Appendix 3);
  - Reviewing Key Leader Interview Summary Data from the CUDC’s town planning process; and
  - Collecting and analyzing secondary demographic data from the State of Ohio, Geauga County and local economic data sources (See Appendix 3).

- Determining regional influences likely to increase or decrease the project’s likelihood of success;
- Understanding and/or reviewing existing development plans/investments or related studies underway for Newbury Township, Geauga County, and the properties or public infrastructure located in the vicinity of the subject property.
- Preparing development options/scenarios that reflect the optimum land/building use for the subject property and the next steps for developing the site given the market and site conditions.

### **Trends and Findings**

While the process for executing this preliminary market assessment began with specific focus on the Town Center area, the assessment approach involved taking a regional approach to market analysis given the regional nature of retail, hospitality and commercial development in Northeast Ohio. The market assessment philosophy of approach utilized for this assessment process embraced three basic principles for development:

1. Identify, manage and leverage existing natural and built environment assets;
2. Acknowledge existing site and market conditions and constraints; and
3. Identify strategies that leverage private stakeholder needs and investments.

The findings of this assessment are clustered in the following categories:

- Existing Conditions (Natural and Built Environment)
- Regional Influences and Market Conditions
- Assets and Opportunities
- Next Steps

### **Existing Conditions (Natural and Built Environment)**

- Newbury Township is located in the Chagrin River Watershed. There are several secondary tributaries that traverse the Township thereby creating a patchwork of sensitive development areas. These environmental conditions require additional regulatory approvals for development to occur.
- Because of its location and existing infrastructure, physical development in the Township, particularly development with unit density, is highly constrained by the level of access to sufficient water, storm water management, and sanitary sewer infrastructure.
- While existing commercial corridors provide adequate access to the Township from local and regional destinations (both along major east-west and north-south corridors), any major development that is likely to increase traffic volumes and circulation will require roadway improvements such as widening for additional turning lanes and signaling.

- While multiple opportunities exist to connect park amenities to each other and to new trails that connect major park amenities like Punderson State Park, an overall land use strategy is needed to determine the density and layout of future residential and commercial development.
- Access to natural areas exists, but should be better identified at trailhead and park locations.
- Retention and growth of commercial land uses has been able to occur because individual business and property owners have made site-specific improvements to accommodate their own infrastructure needs (e.g., water, sewer, storm water management). However, future infrastructure improvements are much more likely to be more highly regulated and costly given current local, state and federal regulatory policies.
- While much attention is paid to retaining and helping Geauga County businesses grow in the County, many businesses move to more mature communities within the County when they have growth/expansion needs. Business growth in the County continues to remain relatively flat.
- During the data collection phase of the Town Center planning activities, “a lack of identity” was identified as a major issue/challenge for the Township. Unifying the built environment is a factor to consider when planning for physical development projects, but more importantly must be integrated into the planning for major public infrastructure improvements.
- Related to the previous item, making roadway streetscape improvements on S.R. 87 is an opportunity that would begin to unify the Town Center district with a common physical identity and appearance (while other studies are underway or infrastructure plans are being developed).

### **Regional Influences and Market Conditions**

- While Newbury Township is situated in central Geauga County and along two major state routes, data from the Town Center planning process indicated that the Township is perceived as a “pass-through” community and not a destination.
- Local daily traffic counts for the five major corridors near Newbury Township do not represent significant volume to create a “regional retail node” at S.R. 87 and Auburn Road (source of traffic counts: NOACA) given the other major traffic generator nodes (and established retail nodes) which exist in the county including Chester Township, Chagrin Falls and Chardon.
  - S.R. 87 and Caves – 5,880
  - S.R. 87 and S.R. 306 – 11,230
  - S.R. 87 and Munn Road – 7,260
  - S.R. 87 and Auburn Road – 7,875 (north) and 5,360 (south)
  - S.R. 87 and S.R. 44 – 7,040

- Exploratory activities regarding tourism and commercial development activities in the Town Center uncovered several regional conditions that can influence or impact development in Newbury Township including, but not limited to:
  - As indicated during key leader interviews, most business stakeholders identified that their business customers, vendors and suppliers prefer to stay near more dense regional commercial districts in order to enjoy a wider selection of lodging, shopping and restaurant amenities.
  - The local hotel/lodging market is fairly saturated with over two dozen lodging and hospitality enterprises that exist within a 20-mile radius of the study site. Research into the strength of this market indicates that the “lowest average nightly rate” falls into the “low and moderate” price range that may not support a financing proforma for a new facility in Newbury Township.
  - The Punderson State Park facility presents a unique public-private partnership opportunity for the Township. Rather than pursue a strictly private commercial enterprise in the Town Center area, there is an opportunity to explore the development of a more networked regional concept for Punderson and its lodging and outdoor amenities.
  - Interviews with lodging real estate/site selection professionals familiar with the Northeast Ohio market indicated that the market is highly dependent on concentrated development and special attractions to support new investments. One major property in an adjacent county with similar demographics is looking for a buyer and/or an adaptive re-use plan.
  - Because of stagnant population trends in Northeastern Ohio, demand for retail and related services is highly dependent on existing market demographics/supply, not projected growth. Furthermore, the tightening of credit in the real estate market is causing a delay or cancellation of retail and lodging investments. Local and regional investors expressed caution when asked about the market demand for a high-density, mixed-use development in central Geauga County that is not near a highway interchange.
  - Other regional development conditions may pose competition for Newbury Township including those in Mentor (Lake County), Aurora/Geauga Lake vicinity, Streetsboro, and Solon (Cuyahoga County). The closing of the Geauga Lake complex is likely to create market surplus for lodging establishments in both Aurora and Streetsboro. An adaptive reuse of the complex is likely to take several years.
  
- Indicators of the continued decline in population and a shifting of residents from older suburban communities to ex-urban/rural communities in Northeastern Ohio is causing a consolidation of retailers and the shuttering of “big box” retailers in older suburban retail districts.
  
- The housing market crisis will continue to add surplus housing to the regional market (new and existing), and will constrain new housing development for the foreseeable future. Several reputable homebuilders/developers have filed for bankruptcy protection because of slow absorption rates of new units and maturing acquisition and development (A&D) loans.
  
- Overall market conditions in Ohio can be characterized as site specific and heavily dependent on tangible economic development investments by public and private entities.

## **Assets and Opportunities**

There are multiple assets and investments that Newbury Township can leverage and integrate into a larger, long-term development plan. They include, but are not limited to:

- Punderson State Park
- Kinetico
- Geauga County Park District
- Oberland Park
- Nancy Panzica Property
- Sayre Retail Property
- Chagrin River Watershed Partners
- Geauga County
- Newbury Schools
- Newbury Township Leaders Commitment to Responsible Development
- Other Newbury Township businesses
- Geauga County Sewer District
- Western Reserve Nature Conservancy

Newbury Township has several assets to leverage. It is within this context, that the initiative to create a Town Center Plan is critical to a planned, orderly development and future for the community.

The NOACA retail classification on the following page outlines the types of retail that the Township should consider when identifying opportunities for retail and commercial uses. The table “Potential Retail and Commercial Uses” outlines specific suggestions for the Township that are the most likely types of retail to succeed in a new mixed-use retail/commercial development at the intersection of S.R. 87 and Auburn Road. A blend of “local” retail uses that meet the need of current County residents, home-based business owners and tourists/visitors to the County should be pursued. Given the overall market conditions in Northeast Ohio, the Township should seek to pursue uses/tenants that meet the demands of existing traffic to the area.

## NOACA Classifications System for Retail/Commercial Establishments

<u>Retail Category</u>	<u>Retail Classification</u>	<u>Typical Establishments</u>
(A) Convenience Goods and Services	Supermarkets	Supermarket
	Other Food	Delicatessen; convenient foods; meat, poultry, fish, produce markets; bakers; candy/nut stores; dairy product stores; beverage stores
	Food Service	Restaurants; cafeterias; sandwich, donut shops; taverns; liquor; catering halls
	Drugs	Drug, discount drug stores
	Other Convenience Goods	Hardware, paint, wallpaper stores; garden, flower shop; record, video stores; key, card, gift shops; bookstores; stationary shops; beauty supply stores
	Convenience Services	Beauty, barber shops; watch, shoe repair stores; dry cleaners, Laundromats; photo studios; appliance and household repair, travel agencies
(B) Shopping Goods and Services	Department Stores	Department stores
	Other General Merchandise	Discount, junior department, variety stores
	Clothing and Shoes	Men's, ladies', children's wear stores; shoe stores; millinery, fur, and bridal shops
	Other Shopping Goods	Yard goods, sporting goods, photo equipment, musical instruments, jewelry stores; pet shops; toy stores
	Furniture	Furniture, appliance, carpeting; radio, TV, stereo stores; kitchen, bath accessories; lamp stores; computer sales and accessories
(C) Automobile Sales, Parts and Services	New Auto Sales	New car dealerships; used car lots directly adjacent to and part of new car dealership
	Used Auto Sales	Used car lots
	Auto Parts Sales	Auto parts stores; tire, batteries and accessories
	Auto Repair	Auto repair garages other than gasoline service stations; auto/truck rentals
	Gas Stations	Gasoline service stations, with or without repair facilities; car washes
(D) Commercial Amusements	Enclosed Amusements	Indoor movie theaters, auditoriums; bowling alleys; billiard parlors; roller/ice skating rinks; racquet clubs; health clubs
	Social Halls	Dance halls, private; semiprivate social halls
(E) Other Retail	Hotels, etc.	Hotels, motels, tourist courts
	Funeral Homes	Funeral Homes
	Animal Hospitals	Animal hospitals, kennels
	Training Schools	Dance studios, music stores; beautician, barber schools
	Business Services	Photocopying, addressing stores; linen, uniform supply stores
	Unidentified	Retail establishments of an unidentifiable use
(F) Vacant Retail	Existing Vacant	Vacant stores and offices
	Incomplete Vacant	Retail structures under construction
(G) Office Space	Local Office	Banks; finance companies, insurance, real estate, medical, health services; legal, engineering, management consultant offices

## **Next Steps and Recommendations**

Based on the preliminary market assessment conducted, the “next steps” outlined in the following section have been written and intentionally integrated with the development options that should be considered as separate, but parallel, next steps (decision points) for Newbury Township’s leaders and residents.

### **Option A – Infrastructure and Process for Development**

The Geauga County Sewer District’s Water Resources and Sewer Study underway currently needs to be completed in order for property owners and prospective tenants to make informed decisions about the optimum land use, density, and scale of development in the Township and in the Town Center area. Because any significant retail, commercial or hospitality use will need adequate water and sewer capacity, infrastructure needs should be defined in order to be calculated into the site development costs. Sources of significant public subsidy to finance these improvements do not exist at the local or state level at this time.

However, regardless of the Study’s findings and recommendations, the Town Center site should be planned for and developed in manners consistent with the outcome of the discussion called for in “Option B.”

### **Option B – Community Image and Land Use and Preference**

Two major findings have emerged during the CUDC’s Town Center Planning process and this preliminary market assessment process.

While the Township and the County tend to favor lower density and less development, development nonetheless has occurred throughout the County over the last 25 years. It is within this context that the community of Newbury Township must first formally determine its “community preference” for density in the future with regards to all types of development (e.g., residential, greenspace, commercial, retail, industrial, etc.). This intentional choice will help guide the Community’s preference for density and scale of development, which will in turn narrow the development options for property owners. New roadways, greenspace connections, and commercial uses must be planned for together and with design principles that complement, not compete, with each other.

The planning processes’ second finding has been that the Township is lacking a distinctive image or identity, and in fact, may have to overcome the image of being a “drive-through on your way to any” community. Decisions about land use and density can help define the Township’s image much more than a generic description of being “centrally located in Geauga County.” Location and image are critical to maximizing development investments and leveraging intangibles such as community pride or desirability as a “community of choice” for residential dwellers and/or businesses.

It is within this context that the community image of Newbury should not only promote location, but include high quality local retail offerings not readily available within a 10-mile radius. These offerings are outlined in the table below.

Retail and commercial development is more likely to be sustainable if it presents a cluster of “local” amenities and creates convenience for residents and businesses in the surrounding area. Ideally, this cluster of local retail options should build off of other high-traffic generating businesses and uses in the area such as Punderson State Park.

**Potential New Retail and Commercial Uses**

**(Local Niche vs. Existing Regional Options)**

	<u>Newbury Twp. (Local)</u>	<u>Suggested Local Retail/Commercial Niches</u>	<u>Regional</u>
Appliances/Furniture	Y	Geauga Co./Amish furniture; kitchen and bathroom cabinetry showroom	Y
Art Galleries/Supplies, Craft and Gift Shops	Y	Artists (cooperative) gallery	Y
Attorneys	Y	Local law offices, mediation services, county child support office	Y
Automobile Parts/Repairs	N		Y
Automobile Sales	Y		Y
Bakeries	Y	Amish pie/baked goods or commercial bread maker with small retail store	Y
Barber Shops and Beauty Shops	Y	Family barber and hair salon	Y
Book Stores	Y	Merchandised with local tourism board “welcome center”, public restrooms, parking, map store	N
Catering	Y	Catering kitchen for a local caterer with small retail café	N
Churches	Y		Y
Communications and Electronics	N		Y
Community Based Organization	Y	See “bookstore” above	Y
Construction and Trades	N		Y
Cultural Club/Center	N		Y
Dentist	Y	Second office for orthodontist or dentist	Y
Discount Stores	N		Y
Dry Cleaners, Tailors and Dressmakers	Y	Recruit local clothing designer wo needs studio space and small retail area	Y
Entertainment	Y	Quality tavern/restaurant which features local, live entertainment	N
Financial Institutions	Y	Research other banks in need of new retail space	Y
Florists	N		Y
Funeral Homes	N		Y
Furniture Stores	Y	Geauga Co./Amish furniture; local craftsman	Y
Gas Station	N		Y
General Industry	N		Y
General Office	Y	Create small business incubator space for businesses <10 employees	Y
General Office/Industry	N		Y
General Office/Residence	Y	Research number of home-based businesses in the county to determine need for office expansion space	Y
General Office/Retail	Y		Y
Groceries, Markets, Delicatessens	Y	Create a year-round farmer’s market with unique retail offerings (local to county , wine, meats, etc.)	Y

Hardware Stores	Y	Local hardware store (with national brand affiliation)	Y
Health Products	Y	Identify opportunities for “organic” products	N
Laundromats	N		Y
Medical Centers and Doctor's Offices	Y	Second office for larger practices	Y
Music and Records	N		N
Pharmacies	N		Y
Photographers	Y	Identify opportunities for studio and/or gallery space	Y
Printers and Shipping Store	Y	Identify opportunities to recruit national brand facility	Y
Real Estate	Y	Identify opportunities for local branch office	Y
Restaurant	Y	Identify small “themed” locally-owned establishments	Y
Specialty Retail	Y	Create small spaces for Northeast-based retailers to open new location	Y
Specialty Services	Y	“See general office”	Y
Sporting Supplies & Equipment	N		Y
Sports Facilities	N		Y
Tavern	Y	“See entertainment”	Y
Thrift Stores	N		Y
Transportation	Y	Identify opportunities for livery (limousine) service headquarters; regional transportation node/pick-up location for students, older adults	Y
Travel Agencies	N		N
Union Office	N		N

### **Option C – Zoning Review**

In addition to pursuing Options A and B, the Township should conduct a zoning review and make changes to the existing code which reinforce and promote the desired outcomes determined in Options A and B decision-making processes. Currently, the zoning code does not support high density, urban and/or mixed use developments in a way that is optimum for creating a “sense of place” and promoting complementary land use decisions within a parcel or with contiguous parcels. The unregulated and diverse pattern of development that has emerged over the last 25 years contributes to a lack of uniformity on major corridors and a patchwork of isolated development that is a stark contrast to the community’s intrinsic rural character. The current process for seeking zoning approval and heavy reliance on zoning variances is perceived as a risk and barrier to high quality development.

### **Summary Statement**

A land use philosophy, realistic expectations for public infrastructure improvements and a 20<sup>th</sup> century zoning code are needed for “development infrastructure” to support future development decisions in a way that is consistent with the Township leaders’ and stakeholders’ vision for a high quality, desirable community.

Regardless of the physical development opportunities on the table, the natural environment and conditions (e.g., wetlands, watershed forces, etc.) should be viewed as assets in the overall development process. In fact, these assets can help define the community’s image and desirability.