



2013 SEPTEMBER PROGRESS REPORT

- ▶ Downtown is experiencing increased interest, investment and momentum.
- ▶ Downtown is attracting small businesses, entrepreneurs and other job-creators.
- ▶ Downtown housing remains extremely popular, with new living options under construction.
- ▶ Downtown is growing as a regional recreation destination and bike-friendly city where it's easy to have an active lifestyle.
- ▶ Downtown is becoming a more pedestrian-friendly, attractive place.
- ▶ Downtown remains a regional destination for arts, entertainment, culture and history.



For additional information about the Plan, visit www.downtowndayton.org/plan or www.daytonohio.gov or call 937-224-1518.

Greater Downtown Dayton is experiencing a reawakening. Interest and investment in our region's core are stronger than has been the case in many years.

This momentum is part of a national trend as more people — and the businesses that want to hire them — are turning toward urban centers. They're seeking the active, convenient lifestyle an urban center affords. They want to be part of a distinct community full of locally owned businesses that capture the unique character of a place.

In the Dayton region, Greater Downtown is that place. The Greater Downtown Dayton Plan is a long-term, strategic economic development initiative. It's designed to attract jobs and investment by building on and selling downtown's business advantages, such as easy access to a rich variety of amenities, central location and competitive lease rates.

The annual economic impact of Greater Downtown — which includes the central business district and the key neighborhoods and institutions surrounding it — is approximately \$5 billion, making it vital to the Dayton region's prosperity. While we still have work ahead of us, the community is galvanized behind the Plan and a great deal of progress is being made. The work accomplished to date in 2013 is outlined in this progress report.

Since the Plan's launch in 2010, the public and private sectors have invested millions to improve Greater Downtown. The public sector investments alone total tens of millions. Total public sector investments since the Plan's May 2010 launch are below:

	Private and Public Sector Investments	I-75 Investments
Projects Currently in Development	\$82 million	\$16 million
Projects Currently Underway	\$86 million	\$298 million
Projects Completed Since the Launch of Greater Downtown Plan	\$376 million	\$140 million

Photo credits: top, Laura Loges; bottom left, Josh Mayes.

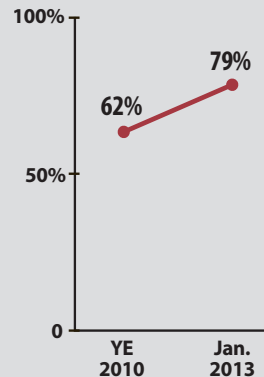
ECONOMIC DEVELOPMENT: Downtown is experiencing increased interest, investment and momentum.

Economic development — growing businesses and jobs — is at the crux of the Greater Downtown Dayton Plan. Small businesses continue to account for much of downtown's growth, along with robust health care and education sectors. In addition, enhanced facilities throughout Greater Downtown positively position the area for the future.

Growth also is taking place in Greater Downtown's storefronts, which are so important because a city's vibrancy is measured on its streets. A Downtown Dayton Partnership analysis of first-floor occupancy rates found that, from year-end 2010 to mid-January 2013, downtown experienced a net gain in first-floor occupancy of 17 percent.

Below is some of the economic activity in Greater Downtown this year.

First Floor Occupancy Rates



Professional Services Choose Region's Business Hub

Business Furniture

(8 N. Main St.)

- 25 employees
- company investing approximately \$250,000 in build out

Coolidge Wall

(33 W. First St.)

- renovating 20,000 s.f. at its offices
- retain 60 jobs
- City of Dayton support: \$60,000 development grant

HORAN

(Kettering Tower)

- merging with Advanced Benefit Planning; expanding space and staff

Midmark

(1700 S. Patterson Blvd.)

- \$1.8 million relocation of headquarters
- 60 executive-level jobs, create six jobs
- City of Dayton support: three-year ED/GE grant for \$100,000



Business Furniture — and its 25 employees — is moving into this space at 8 N. Main St.



Midmark is investing \$1.8 million to move its headquarters to the South Patterson Boulevard building also occupied by the UD Research Institute.

WHY DOWNTOWN?

Dayton's urban center is becoming an increasingly desirable business address. When it comes to the "Why?," those choosing a downtown location say it best.

"We've experienced a very tight-knit community. I can walk to the post office, to get my lunch, almost anywhere. You can't beat that. Some customers have said that they chose to use us because of our downtown location."



David Malseed, manager of the downtown location of Two Men and a Truck, talking about how business has increased since moving downtown

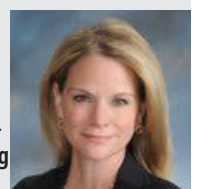
"My partner and I are supporters of both the arts community and the revitalization activities occurring in downtown Dayton. We're excited about our move to Performance Place, the creative center of the downtown Dayton community, and are proud to be part of the city's revival efforts."



John Buscemi, co-owner of TriComB2B along with Chris Eifert, when announcing the company's move downtown

"To grow the business core is important to our region. It's a nice central location for staff and clients. The office space and amenities downtown are very reasonable for what you get. I look forward to walking places downtown and seeing people I know. Downtown has a real community environment. It's also cosmopolitan, and I feel a real vibrancy downtown. Its renaissance has begun."

National Processing Solutions President Natalie King-Albert, telling the *Dayton Business Journal* about the company's move downtown



ECONOMIC DEVELOPMENT

WHY DOWNTOWN?

Dayton's urban center is becoming an increasingly desirable business address. When it comes to the "Why?," those choosing a downtown location say it best.

"In today's marketplace, we felt the need to be downtown and more visible in the business community. It's a lot more complicated, but it's where the future is. If we don't invest in the city in redevelopment, then the suburbs will not be successful."

"We started this business in Chicago seven years ago, but both of us grew up in Dayton, and we love being back home. Maybe it is because we loved the city life in Chicago, or maybe we just like the atmosphere of downtown, but we never even thought about opening a studio anywhere else but in Dayton. Our location is in the middle of everything, and that is exactly where we love to be. It is great to have an awesome urban environment right outside our door."



Dick Oakes, chairman and owner of Business Furniture, talking about the company's move downtown

"This move is part of our strengthened commitment to downtown Dayton and the central business district. At no point did we even consider moving out of the downtown area, as we have always known the importance of being in the central business district and supporting the 'heart of the city.' (Downtown) is hopping with activity and an increasing number of business decision makers are locating here. I'm excited about the future of downtown Dayton and with the Greater Downtown Plan, we will continue to see more and more improvements to attract businesses and residents. This is where we belong and where we want to remain."



Carol Clark, Dayton Business Journal publisher, when announcing the company's move to new offices in the Kettering Tower

The Carrs Photography owners Michael and Grace Carr



Miller-Valentine GEM Real Estate Group (Barclay Building)

- invested \$400,000 in new downtown executive offices
- retained 17 jobs, will add 26 full-time jobs in next two years
- City of Dayton support: \$185,000 development grant

Two Men and a Truck (33 Eaker St.)

- corporate moving business increased from 5 percent to 24 percent since moving downtown in 2011
- jobs increased to 32 employees

Vaughn Interior Concepts (531 E. Third St.)

- purchased facility at 140 N. Keowee St.
- investing approximately \$1 million in renovations
- add up to six jobs
- also establishing Vet Town, entrepreneurial academy
- City of Dayton support: \$80,000 sustainability grant from Energy Efficiency fund



Miller-Valentine Group moved its executive offices to the Barclay Building downtown.



Vaughn Interior Concepts purchased this building on Keowee Street and is investing approximately \$1 million in upgrades to the facility.



New to downtown is freezeframe|bloombeads, located in a renovated former warehouse on Third Street near the PNC 2nd Street Market.

Creative-Minded Businesses Get Inspired Downtown

Designers Consignment (949 S. Patterson Blvd.)

- expanding with a 10,500-square-foot building

freezeframe | bloombeads (905 E. Third St.)

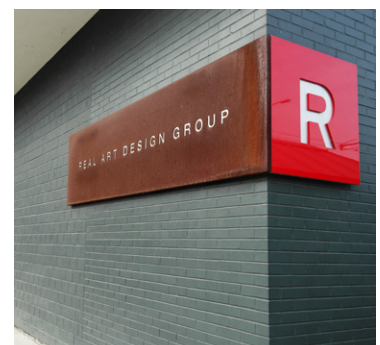
- 12,000-square-foot space in renovated former warehouse
- 11 employees

Real Art Design Group (520 E. First St.)

- leased 8,000-s.f. building next door for lab space

Shumsky Enterprises (811 E. Fourth St.)

- investing \$759,000 for interior and exterior renovations
- will add 20 jobs by end of 2015
- City of Dayton support: \$50,000 grant and \$200,000 low-interest loan



Real Art Design Group is expanding into a building next door to its First Street office.

ECONOMIC DEVELOPMENT

Square One Salon and Spa

(The Cannery)

- renovated 2,000-square-foot space adjacent to current location
- opened centralized call center; six new jobs

TriComB2B (Performance Place)

- 31 employees
- 10-year lease for 18,000 s.f.
- City of Dayton support: \$90,000 development grant



Square One Salon and Spa added a call center, new stylists' stations and this special events room to its salon in The Cannery.

New Restaurants Strengthen Downtown as a Dining Destination

Agnes All-Natural Grill (PNC Center lower level)

Carmen's Deli (Kettering Tower lobby)

El Rancho Grande (signed lease at corner of Brown and Stewart near UD)

Lily's Bistro (Oregon District)

Riff Raff Tavern on the Canal (Patterson Boulevard)

Salar Restaurant & Lounge (Oregon District)

Serendipity Bistro (St. Clair Lofts)

Third Street Food Court (44 W. Third St. across from Courthouse Square)

Wheat Penny Oven and Bar (Wayne Avenue in Oregon District)



Carmen's Deli moved into a renovated, previously vacant space in the lobby of the Kettering Tower.



Serendipity Bistro opened in a previously vacant space in the St. Clair Lofts.

Three New Breweries Part of Statewide Trend

Fifth Street Brewpub (St. Anne's Hill)

Warped Wing (under construction in Foundry Building)

Toxic Brew Co. (Oregon District)



Toxic Brew Co.'s owners renovated a building, vacant for years, in the Oregon District to open the brewery.

POP-UP SHOP SUCCESSSES

The Activated Spaces' Pop-Up Project is helping fill vacant street-level space downtown while creating jobs and making the city more vibrant. Since the program launched in the fall 2011:



Beaute Box, preparing to celebrate its second anniversary, is one of seven Pop-Up Shops that have become long-term additions to downtown's business community.

- nine new businesses have opened, and seven remain open
- two new stores plan to open in fall 2013: Hicks' Barber Shop and Spice Paradise
- American Pi and Sew Dayton expanded into new space almost double their original size
- the Pop-Up Shops have absorbed 10,285 square feet of previously vacant street-level space
- 21 jobs have been created
- the Pop-Up Project has been featured in more than 40 positive news stories
- other businesses have been attracted to downtown

Activated Spaces is managed by a group of volunteers from the young professional organizations UpDayton and Generation Dayton, with support from the Downtown Dayton Partnership and the City of Dayton's Neighborhood Mini Grant Program. Activated Spaces is a key strategy in the Greater Downtown Dayton Plan and it aims to reactivate and beautify vacant storefronts; encourage entrepreneurs, artists and community groups to occupy storefronts; and showcase downtown properties and increase interest and investment in available space.



American Pi, which opened in spring 2012 as a Pop-Up Shop, expanded into a previously vacant space twice the size of its original location.

Visit www.activatedspaces.org for more information and to get involved.



ECONOMIC DEVELOPMENT

DOWNTOWN BUSINESS GROWTH BY THE NUMBERS

Includes businesses from year-to-date in 2013.

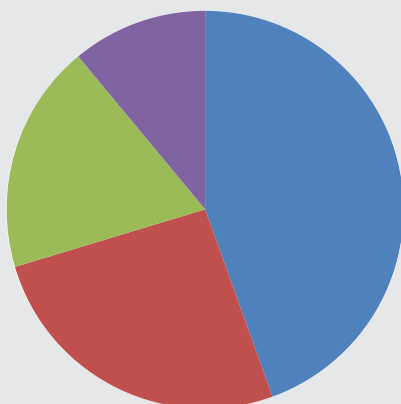
New Greater Downtown Businesses

Food & Beverage - 12

Professional Services - 7

Retail - 5

Non-profit - 3



Expanding Greater Downtown Businesses

Professional Services - 12

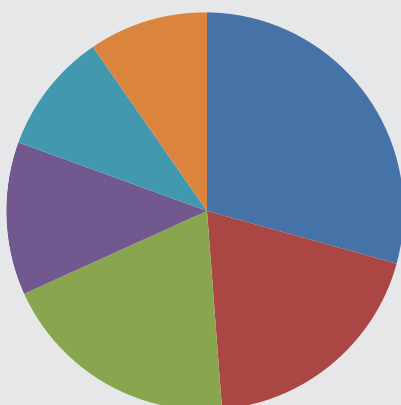
Health Care - 8

Nonprofit - 8

Consumer Services - 5

Education - 4

Retail - 4



Health Care Sector Helps Keep Downtown Healthy

CareSource

- adding 260 employees between now and Dec. 31

Dayton Children's Hospital

(1 Childrens Plaza)

- \$2 million campaign to build a new CARE House

Grandview Hospital

(405 W. Grand Ave.)

- completed \$40 million campus update, construction of five-story wing



CareSource already has outgrown its headquarters that opened in 2009 and is adding hundreds of new jobs downtown.

Goodwill Easter Seals Miami Valley

(South Main Street)

- building new \$11 million human services center
- will transform key downtown gateway
- 80,000-s.f. facility on 5.8 acres will house 125 employees
- 50 more jobs in next five years, expanded services



The \$11 million Goodwill Easter Seals building will open in summer 2014 and completely transform a key downtown gateway.

Miami Valley Hospital

(1 Wyoming St.)

- renovation and expansion of emergency department
- five-phase, \$12 million project

Downtown Technology Firms on the Cutting Edge

DataYard (130 W. Second St.)

- \$1.85 million investment in renovated 12,000-s.f. facility
- double previous size of company (formerly Donet)
- plans to grow from 15 to 40 employees by 2016



DataYard invested \$1.85 million in its new, larger offices downtown.

EnseQuence (Oregon District)

- moved to 411 E. Fifth St.

Intelligent Decisions

(Tech Town)

- joins community of 43 businesses at Tech Town

National Processing Solutions

(KeyBank Tower)

- five-year lease for 3,000-s.f. office
- six employees, plan to hire more by end of year
- space almost double previous location in suburbs



High-tech company EnseQuence continues to grow downtown and has moved into new offices in the Oregon District.

ECONOMIC DEVELOPMENT

Education, Nonprofits Prosper Downtown

Chaminade Julienne

(505 S. Ludlow St.)

- opened \$3.6 million CJ STEMM Center
- new labs, learning spaces

Clothes That Work

(Job Center)

- 1,600 s.f. expansion

Dayton Metro Library

(215 E. Third St.)

- library system project includes reconstruction of main library
- add 100,000 s.f., new services
- construction to begin in 2014

Epilepsy Foundation of Western Ohio

(11 W. Monument Ave.)

- moved office downtown; five employees



Chaminade Julienne opened its \$3.6 million CJ STEMM Center at the start of this school year.

Foodbank Inc. (corner of Armor Place and Hartford Street)

- constructing 31,000-s.f. facility
- \$2 million building creates four jobs, allows for expanded services

Habitat for Humanity & ReStore

(115 W. Riverview Ave.)

- purchased and renovated building



The \$2 million Foodbank building now under construction will be completed in early 2014.

Life Essentials

(40 S. Perry St.)

- nonprofit organization moving downtown this fall

Sinclair Community College

(West Third Street)

- developed campus master plan
- will invest millions in campus upgrades during next several years

University of Dayton

(College Park Drive)

- \$1.6 million exterior improvements to College Park Center, \$5 million interior renovations
- \$10 million renovation of dorm Founders Hall
- starting \$6 million in renovations to athletics facilities

NEW MARKET TAX CREDIT INVESTMENT TOOL CONTINUES TO AID GROWTH

The Dayton Region New Market Fund has received \$31 million in federal allocation and \$12.8 million in Ohio New Market Tax Credits since 2011, which helps finance redevelopment by providing tax credits to investors that generate below-market financing products for businesses in targeted communities. The tax credits are a tool that can attract private investment to neighborhood revitalization projects. It's spurred more than \$111 million of investment in such projects as **Premier Health's corporate headquarters** at 110 N. Main St., the **GE EPISCENTER** at the University of Dayton and other projects in the reach of Greater Downtown.

Through a competitive award process, funds are awarded annually by the U.S. Treasury and State of Ohio, and the programs work in tandem. Well-received projects are transformational to the community: by creating high-quality jobs, adding amenities that promote vibrancy, and those that embrace elements of neighborhood development strategies, such as those outlined in the Greater Downtown Dayton Plan.



Employees have moved into the new \$52 million GE EPISCENTER near UD's campus, where they're conducting cutting-edge aerospace research and development. Employment at the EPISCENTER is expected to steadily increase during the next five years.

RIVERFRONT PROJECT ON THE DRAWING BOARD

A proposal is being examined for a new mixed-use development along downtown's riverfront: The Dayton City Commission has approved a pre-development agreement with Water Street Redevelopment, LLC to begin negotiations for the \$36 million mixed-use Water Street Project.

The development would be located on property owned by the City of Dayton between Patterson Boulevard and Webster Street



Renderings of the proposed Water Street Development

along the river. Phase one of the proposed development would include construction of a commercial building, parking structure and apartments.



Water Street Redevelopment, LLC will be continuing its due diligence and assembling its financial package through the end of this year, when it will determine whether or not to proceed with the project.

HOUSING: Downtown housing remains extremely popular, with more and more people attracted to the active, convenient downtown lifestyle.

Housing remains a strong spot for Greater Downtown, particularly the downtown core. The most recent Miller-Valentine GEM 2013 Dayton Regional Apartment Market Study showed the downtown market has the region's lowest vacancy rate at 2.37 percent. This rate reflects DDP research, which for several years has shown high occupancy rates of at least 90 percent in both rental apartments and owner-occupied properties.

In addition to the proposed Water Street Project, which includes housing, a number of new housing developments are underway or in the works. Those are listed below.

Patterson Place (First Street near Patterson Boulevard)

- \$5 million development ; 31 townhomes under construction
- Charles Simms Development; across the street from its Patterson Square development
- City of Dayton support: \$160,000 in federal HOME funds

Sixth Street Lofts (Oregon District)

- \$2.9 million development; 18 environmentally friendly condos
- construction nearing completion
- City of Dayton support: \$500,000 HOME funds and \$50,000 energy efficiency fund grant

131 E. Third St. Building

- exterior and interior renovations underway; includes 18 apartments



Redevelopment of former Dayton Daily News building (Fourth and Ludlow streets)

- \$22 million student housing complex
- 200 units, 350 beds
- new construction and renovation of historical portion of DDN building
- demolition has begun; scheduled to open fall 2014
- City of Dayton support: \$1 million to support property acquisition, asbestos remediation and demolition



Germantown Broadway Housing (Germantown and Broadway streets)

- \$11.5 million project
- 60 townhouse units
- City of Dayton support: \$1.5 million

Construction is underway on a \$22 million student housing complex in the heart of downtown, scheduled to open in fall 2014.

BULLISH ON DOWNTOWN



Thanks to the popularity of Patterson Square, developer Charles Simms has begun construction on the similar Patterson Place across the street; eight condos already have been sold.

Only two years ago, Charlie Simms was embarking on his first housing development in the City of Dayton after success building in the suburbs. Now, he has just started his third.

"Things are looking really promising for people who want to buy downtown," said Simms, president of Charles Simms Development. "I'm very bullish. That's where the market is going."

The company's first development, Patterson Square, sold out in August 2012, just nine months after it broke ground. Rubicon Square in the Fairgrounds Neighborhood near Miami Valley Hospital and UD was the next development, and the company broke ground on Patterson Place this summer. Located just across the street from Patterson Square, Simms said he already has sold eight of the new Patterson Place condos.

Another new downtown housing development has seen similar results. Already, nearly a dozen of the 18 units in the Sixth Street Lofts are under contract.

"The interest in the Sixth Street Lofts has been more than just casual," said Realtor Denise Swick. "We are looking forward to this project and others to spur even more activity in bringing homeowners back downtown."



Construction is nearing completion on the \$2.9 million Sixth Street Lofts in the Oregon District; more than half the units have been sold.

ACTIVE LIFESTYLES: Downtown is growing as a regional recreation destination and bike-friendly city.

Creating a city where it's easy to have an active lifestyle is a critical strategy in the Plan since more people are looking for new ways to enjoy the outdoors, remain fit and get around using alternative modes of transportation. Greater Downtown's compact environment is becoming increasingly conducive to active lifestyles: The City of Dayton uses its Livable Streets policy to guide development. RiverScape River Run will create a regional recreation destination in the heart of downtown. The League of American Bicyclists awarded Dayton bronze-level bike-friendly status, and the City has a long-term plan to achieve the top platinum-level distinction. Some developments this year are outlined below.

New Bikeways

- Mad River Bikeway, 3.6-mile trail connects downtown with Wright-Patterson Air Force Base
- Great Miami River Bikeway connects Stewart Street Bridge to UD softball field, Courtyard Marriott
- \$1.3 million Southeast Bikeway Connector between Irving Avenue and Shroyer Road under construction; will create dedicated bikeway between downtown and UD when completed in late 2013



The Mad River Bikeway and other paved trails connect downtown and surrounding areas and help make Dayton a more bike-friendly city.

RiverScape River Run

- local Army Corp of Engineers office currently reviewing permit
- Ohio EPA signed off on its portion of permitting process this summer
- consulting engineer working with Miami Conservancy District and FEMA to ensure River Run maintains flood protection
- construction scheduled to begin in about a year with anticipated opening in 2015
- \$4 million project is fully funded and includes removal of dangerous low dam, construction of two boulder-like structures with passageways for canoes and kayaks in Great Miami River



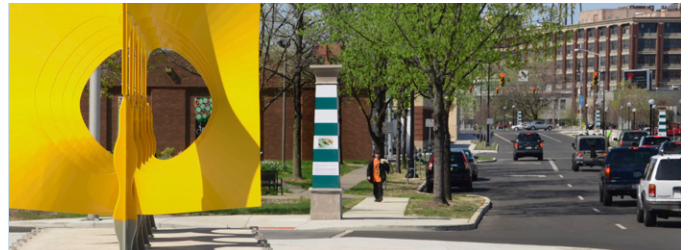
RiverScape River Run will create a new regional recreation destination in the heart of downtown.

Power 10 Project

- Greater Dayton Rowing Association is proposing new rowing facilities near downtown and Island MetroPark

PLACEMAKING: Downtown is becoming a more pedestrian-friendly, attractive place.

Creating an attractive center city that likewise attracts people, businesses and investment is a key strategy in the Greater Downtown Dayton Plan. The City of Dayton has invested more than \$20 million in major infrastructure improvements, such as street reconstruction, new bike racks and upgrades to public spaces. Some other improvements are below.



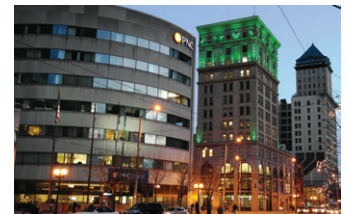
Fluid Dynamics and informational pylons brighten this new \$2 million walkway.

Patterson Boulevard Canal Parkway Connects Downtown Hotspots

- \$2 million project completed this summer
- connects RiverScape MetroPark and Fifth Third Field with Oregon District
- includes new sculpture Fluid Dynamics at intersection of Fifth Street with St. Clair and Patterson; donated by George A. Pflaum family

New Murals and Lighting Add Color Downtown

- Third Street murals near PNC 2nd Street Market
- mural at 21 S. Main St. on vacant building
- lighting on Greater Dayton RTA building
- City of Dayton installed colored lights under U.S. 35 underpass



New lighting on the RTA building is one of several fun, colorful additions to downtown's landscape.

I-75 Modernization Project

- \$126 million reconstruction of highway through downtown
- expected completion in fall 2017



Once completed, the new I-75 will create new riverfront green space downtown.

ARTS & ENTERTAINMENT: Downtown is being positioned as a regional destination for arts, entertainment, culture and history.

The arts are critical to maintaining a vibrant downtown. The Victoria Theatre Association alone yielded a \$26.5 million economic impact locally during the fiscal year that ended June 30, while it also is celebrating the 10th anniversary of the Schuster Center this year. An estimated seven million people visit downtown every year to be entertained.

Urban Nights continues to be a very popular biannual event that showcases all downtown has to offer. The Oregon District Business Association partnered with the Miami Valley Restaurant Association to launch the Taste of Oregon District festival in late August. Several longstanding festivals continued successful runs downtown, including the summer music festivals and the Hispanic, Celtic, African American and FilmDayton festivals.

However, this has been a challenging year for other events downtown. Organizers of the Cityfolk and Downtown Dayton Revival Music Festival announced they would not hold events moving forward. As part of the Plan, a group has been convened to examine best practices for urban events to help maintain other downtown events.

Some other A&E-related news is at right.



The Taste of Oregon District was a new addition to downtown's vibrant festival scene.

K12 Gallery for Young People/TEJAS

- purchased former S&V Office Furniture building at 341 S. Jefferson St.
- K12 will move from 8,000 s.f. in The Cannery into the 39,000-s.f. building
- plans to partner with other arts organizations at facility

Dayton Performing Arts Alliance

- completed merger of Dayton Philharmonic, Ballet and Opera
- being used as national model for other arts organizations

Dayton Grand Hotel (11 S. Ludlow St.)

- renovation project to include all rooms, restaurant and common areas
- new, experienced owners will rebrand as Doubletree by Hilton

Dayton Art Institute

- (456 Belmonte Park North)
- renovation created new Museum Store and cafe space

THE SQUARE IS WHERE ... IT'S ALL HAPPENING!

Downtown's free lunchtime entertainment program, **The Square Is Where ...**, gained a great deal of momentum this summer. An exciting lunchtime program in the heart of downtown helps make it an even better place to work, so the program is part of a long-term strategy to grow and strengthen downtown as a place to do business and invest. Improvements this year include:

- new attractions added, including three holes of golf, giant chess and checkers games, cornhole, patio tables with umbrellas, colorful banners, and additional planters
- special themed weeks and activities held, including a cornhole tournament; ice cream social; I Love Working Downtown, Jazz and arts weeks
- formed the Square Squad to help plan and promote activities
- added Fridays Rock! series, presented by PNC Bank

The Square Is Where ... was added to downtown programming three years ago due to popular demand. It's presented by the Downtown Dayton Partnership and Montgomery County, with support from KeyBank, Fifth Third Bank and PNC Bank.



For additional information about the Greater Downtown Dayton Plan, visit www.downtowndayton.org/plan or www.daytonohio.gov or call 937-224-1518.