

# ULI DEVELOPMENT CASE STUDIES



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## South Campus Gateway

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**Columbus, Ohio**

Project Type: **Mixed Use/Multiuse**

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Case Number: **C037009**

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### PROJECT TYPE

South Campus Gateway is a \$153 million, seven-building mixed-use entertainment complex located on the southern edge of the Ohio State University campus in Columbus. The result of an almost ten-year partnership between the city and the university, the project's five-story structures contain restaurants and nightspots, an eight-screen arts cinema, a 50,000-square-foot (4,645-square-meter) campus bookstore, a 14,000-square-foot (1,301-square-meter) natural foods grocery store, locally and nationally owned boutique shops, 184 market-rate apartments, 88,000 square feet (8,176 square meters) of office space, and a 1,200-space parking garage.

### LOCATION

Other Central City

### SITE SIZE

7.5 acres/3.03 hectares

### LAND USES

Entertainment Center, Community Retail Center, Apartments, Office Building(s), Cinema, Restaurants, Structured Parking

### KEYWORDS/SPECIAL FEATURES

- Public/Private Partnership
- Nonprofit Developer
- Main Street Design



- Infill Development

### **PROJECT WEB SITE**

[www.southcampusgateway.com](http://www.southcampusgateway.com)

### **DEVELOPER**

Campus Partners  
Columbus, Ohio  
614-294-7300

[www.campuspartners.osu.edu](http://www.campuspartners.osu.edu)

### **ARCHITECT**

Elkus Manfredi Architects  
Boston, Massachusetts  
617-426-1300

[www.elkus-manfredi.com/](http://www.elkus-manfredi.com/)

### **PLANNER**

Goody Clancy  
Boston, Massachusetts  
617-622-2760

[www.goodyclancy.com](http://www.goodyclancy.com)

### **DEVELOPMENT MANAGER**

Jones Lang LaSalle  
McLean, Virginia  
703-269-0600

[www.joneslanglasalle.com](http://www.joneslanglasalle.com)

### **CONSTRUCTION CONTRACTOR**

Turner Construction  
Worthington, Ohio  
614-781-8550

[www.turnerconstruction.com](http://www.turnerconstruction.com)

### **ENGINEER**

EMH&T  
Columbus, Ohio  
614-775-4500

[www.emht.com](http://www.emht.com)



## GENERAL DESCRIPTION

After nearly ten years of work by the city Columbus and Ohio State University (OSU), a portion of High Street along OSU's southern border has been transformed from a strip of dilapidated buildings and run-down bars into a center of 24/7 activity. The mixed-use project features restaurants, nightspots, an eight-screen arts cinema, a campus bookstore, a natural foods grocery store, locally and nationally owned boutique shops, 184 market-rate apartments, office space, and a 1,200-space parking garage.

South Campus Gateway was designed not only to make an impact on the southern entrance to Ohio State's campus, but also to spur future redevelopment and revitalization along the entire High Street corridor and its adjacent neighborhoods. As universities across the country begin to take a renewed interest in revitalizing their urban surroundings, South Campus Gateway provides a template for how to shape redevelopment along the edge of an urban campus.

The Columbus campus of OSU has an enrollment of approximately 50,000 students, making it one of the nation's largest campuses. Home to 8,500 students and 21,000 permanent residents, the University District—a group of neighborhoods at the urban edge of OSU's campus—had become seriously deteriorated after decades of disinvestment.

By the early 1990s, the south campus area had become a notorious strip of run-down buildings and low-end campus bars. The area was turning into a crime-filled place for students and other residents. Because it is located in a federally designated Empowerment Zone and therefore eligible for business tax credits and other incentives dedicated to economic development, municipal and university officials took advantage of these and other financial mechanisms to clean up the area, improve the adjacent neighborhoods, and stimulate private investment. To that end, the city and university teamed up in 1995 to form Campus Partners for Community Urban Redevelopment to lead efforts to revitalize the University District. A 501c3 that is closely affiliated with the university, Campus Partners acts as the coordinating entity between the city, the university, and the various stakeholders, neighborhood groups, and citizens who are interested in revitalizing the area.

Campus Partners led a multiyear public planning process to develop a plan for the 2.5-mile (four-kilometer) stretch of High Street in the University District. The first major project in the implementation process was the construction of South Campus Gateway, which was seen as an opportunity to build an urban infill project that would benefit the immediate area as well as spur revitalization in the surrounding neighborhoods and elsewhere along the High Street corridor.

South Campus Gateway moved from the conceptual planning phase to the design phase during an extensive request for qualifications/request for proposals (RFQ/RFP) process. This developer competition both validated the years of planning initiated by Campus Partners and the financial and market feasibility of the South Campus Gateway project. After lining up financial backing from the university, city, and state and gaining access to tax-exempt bonds, \$35 million in New Markets Tax Credits (NMTCs), tax increment financing (TIF) revenues, and other financial tools, Campus Partners decided to assume the role of developer. According to Campus Partners staff, this decision allowed them to include important design and construction material enhancements in the project that a traditional private developer model would typically exclude.

## SITE AND BACKGROUND

Situated north of downtown Columbus, the South Campus Gateway project is bisected by High Street, the city's major north-south thoroughfare. Historically, the campus portion of High Street was one of the major commercial corridors in Columbus, and the surrounding neighborhoods were well established with predominantly owner-occupied housing. After World War II, however, the increase in the student population and the flight of middle-income earners to the suburbs led to the conversion of many of the old houses to student apartments. Likewise,

the commercial corridor along High Street deteriorated as automobile-oriented development transformed its urban character, and existing commercial structures suffered from disinvestment.

Aside from the South Campus Gateway project, revitalization is beginning to occur along the High Street corridor. Going north from downtown, the street runs through the burgeoning Short North arts and entertainment district, which has many galleries, bars, and restaurants and is surrounded by two revitalized historic neighborhoods, Italian Village and Victorian Village. As High Street continues north toward campus, however, the neighborhoods and the character of the thoroughfare start to deteriorate. Storefronts give way to strips of check-cashing establishments, discount shops, and dilapidated apartment buildings.

The area south and east of Ohio State's campus, Weinland Park, is one of the poorest in Columbus and has one of the city's greatest concentrations of government-subsidized Section 8 housing. (Campus Partners played the lead role in working with stakeholder groups to put together the federal "Mark-to-Market" restructuring plan for most of this housing.) The aforementioned University District, which lies north and east of campus, is saturated with large old houses that long ago were subdivided into high-density campus apartments.

## PLANNING PROCESS

The idea for mixed-use development at High Street and 11th Avenue dates back to the founding of Campus Partners. The site and development type were identified at the beginning of the lengthy planning process that Campus Partners embarked upon as it sought to fulfill its revitalization mission. EDAW Inc., engaged by Campus Partners as the lead planning consultant, first proposed this redevelopment area as part of its 1995 study of major planning concepts. The University Area Commission and University Community Business Association confirmed its validity as part of Campus Partners' 1996 effort to get approval for its University Neighborhoods Revitalization Plan. In 1997, this revitalization plan was approved and adopted by OSU's board of trustees as well as the Columbus city council.

The plan was refined through a series of additional planning exercises. In 1997, Goody Clancy evaluated the site program and urban design parameters for the project and performed additional market feasibility studies to aid with the implementation of the plan for revitalizing High Street. A 40-member advisory committee representing the full spectrum of area stakeholders assisted in this effort. The resulting planning document, *A Plan for High Street: Creating a 21st-Century Main Street*, was completed in 1998 and created the conceptual blueprint for developing South Campus Gateway and reinvigorating High Street.

The planning process validated the development of South Campus Gateway at High Street and 11th Avenue to address three major problems:

- Bars and fast-food establishments were plentiful on High Street, but there was not a range of other businesses that would help the commercial corridor capture its market share from students, residents, and Ohio State employees.
- Traffic circulation, inadequate public parking, and the lack of a major gateway to campus limited the High Street market.
- The area surrounding 11th Avenue was the most distressed and highest-crime area of High Street in the University District, which directly affected the level of safety on campus and in adjacent neighborhoods.

Following this planning phase, Campus Partners solicited developer interest by issuing an RFQ. From this effort, three firms were selected in 1999 to submit RFPs and the developer teams were required to participate in open houses and meet with students and neighborhood residents prior to submitting their concept plans. These concept plans were then publicly exhibited and presented. A panel of students, faculty, administrators, city staff, neighborhood representatives, and other experts participated in the evaluation of the concepts and approaches. At the end of this process, Campus Partners tentatively chose the Boston-based Druker Company as the master developer.

Once the planning efforts were completed, Campus Partners' role in the development of South Campus Gateway was threefold: assemble the site, secure funding for the public infrastructure (including the parking garage), and then ground-lease the site to a private developer. In the early days of the project, this is indeed how things moved forward.

Druker worked on a number of predevelopment issues including traffic and parking studies, utility relocation, market demand studies, and assisting with the planning of numerous public improvements. The firm also started leasing portions of the retail and entertainment spaces, the most notable of which was securing a 50,000-square-foot (4,645-square-meter) Barnes & Noble to serve as the main campus bookstore and retail anchor for the project. During this time, Campus Partners assembled the land, helped relocate existing businesses, completed the economic development agreements with the city of Columbus, sought additional financial resources for the project, and secured project-related commitments from the university.

In 2002, it was becoming increasingly evident to Campus Partners that it would make more sense for a nonprofit organization to develop the project with the assistance of a fee development service provider. As a nonprofit entity and university affiliate, Campus Partners had access to a lower cost of capital; it had formed a community development entity and secured \$35 million in NMTCs; and due to other financial arrangements and university commitments, it had successfully reduced a significant portion of the financial risk that is usually assumed by a private developer.

Since Druker did not offer development services on a fee basis, Campus Partners bought out the company's interest by paying it for third-party expenses that would be reused, such as legal work, design, and engineering. Because it felt the design approach was on target, Campus Partners also retained the firm's architect, Boston-based Elkus Manfredi.

After another RFP process, Campus Partners selected Jones Lang LaSalle in 2003 as the fee-based development manager for South Campus Gateway. Campus Partners chose Jones Lang LaSalle primarily because the company had extensive experience working with university-led, mixed-use redevelopment projects, including Sansom Common at the University of Pennsylvania and Technology Square at the Georgia Institute of Technology. It also had an extensive depth of corporate resources that were deemed important in the implementation of a complex mixed-use project. As development manager, Jones Lang LaSalle managed and coordinated the design, construction, and leasing of the project. It also provided oversight and advice for the overall development budget, as well as maintenance of the project's pro forma.

Site acquisition was critical to the success of South Campus Gateway. Because the private market usually does not have the financial patience to deal with time-consuming land assemblage, Campus Partners formed a subsidiary—Gateway Area Revitalization Initiative (GARI)—in 1999 to acquire the properties that were needed for the Gateway development site. GARI is also the entity that entered into a development agreement with the city of Columbus that specified the municipality's financial and other commitments to the project. Among other things, the development agreement outlined the responsibilities for property acquisition, including requirements for a relocation plan for existing businesses and residents. As part of the agreement, the city agreed to use its power of eminent domain to acquire properties that Campus Partners could not get on its own. This was key to the success of the project because once land acquisition commenced, it was critical that every parcel be purchased in order to make the development feasible.

Campus Partners created a relocation program for existing businesses that exceeded the traditional standards set forth by state statute and was approved by the city council after several public meetings. The relocation costs were calculated based on the cost of replicating the business in today's dollars in a typical box retail setting. A total of 26 businesses were relocated at a cost of \$2.2 million. Several businesses stayed in the campus area or moved to other nearby neighborhood commercial nodes.

Although Campus Partners was able to use eminent domain to acquire property, in the end it was required for less than 10 percent of the properties in the development area. The total cost of property acquisition (including

business relocation and demolition of the existing buildings) came to \$20 million and was financed as an investment by OSU's endowment fund.

## **FINANCING**

South Campus Gateway was funded using a variety of financial mechanisms and sources. As mentioned earlier, a \$20 million equity investment from OSU's endowment fund provided critical "patient capital" during the four years of land assemblage. As the owner of the land, the endowment fund ground-leases the South Campus Gateway site to Campus Partners and began receiving ground rent payments equal to a 5 percent return on its equity investment when the project opened.

Construction was initially funded using a university line of credit. However, this line of credit was eventually replaced by two sources. OSU issued \$59 million of tax-exempt bonds for the construction of the office, housing, and parking garage portions of the project, which are owned by the university and managed by Campus Partners. The retail portion of the project, which is owned by Campus Partners, was financed privately with two NMTC-enhanced loans. The first loan was enhanced by a \$12 million NMTC allocation from the Enterprise and Social Investment Corporation, and the second loan was enhanced by a \$35 million allocation won by Campus Partners. These are both seven-year loans.

As part of the aforementioned development agreement with Campus Partners, the city of Columbus contributed \$7.5 million out of its capital improvement and utility funds for infrastructure improvements, including overhead utility burial, street reconstruction, new sanitary and storm sewers and water lines, and streetscape enhancements. The city also established a TIF district (using nonschool revenues) to help fund the construction of the parking structure. An additional \$4.5 million from a state of Ohio capital grant also went to subsidize the costs of the parking garage.

The land and the office, housing, and parking improvements—all owned by OSU—are property tax exempt. The retail portion of the project pays real estate taxes. However, the nonschool portion of this tax revenue is funneled back to Campus Partners through the city-approved TIF to underwrite the cost of the parking structure. Even with a significant portion of the project being tax exempt, estimates suggest that the school district will likely receive nearly three times the revenue as was produced through the site's previously developed condition.

After the payment of all ground rent and debt service, there is also a revenue-sharing program with the university and the endowment fund based on the financial performance of South Campus Gateway. Campus Partners stands to be the biggest recipient if the project performs well. After its first year of full operations, the project is meeting its commitment to pay ground rent to the endowment fund and is meeting its debt payments.

## **PLANNING AND DESIGN**

The overarching goal for South Campus Gateway was to create a destination for both on- and off-campus users. To do this, Campus Partners needed to attract anchors and a range of dining and retail options that previously had not existed on High Street. Campus Partners felt it was critical to build a project that would create value and encourage further private investment in the revitalization of the High Street corridor and its adjacent neighborhoods. To achieve this, the design team placed a strong emphasis on several key urban design principles.

Buildings are built to the sidewalk edge with a strong orientation to, and engagement of, the street. The project's sidewalks are intended to provide a pleasant experience and allow space for outdoor dining. On-street parking is provided (at some loss in net leasable space) to help mitigate the impacts of vehicular traffic on the five-lane High Street corridor. The 1,200-space parking structure is hidden from High Street behind buildings and is screened from adjacent residential streets by three-story residential structures. Buildings are scaled to frame the street and designed to relate to, but not mimic, the surrounding urban fabric. Retail storefronts are not constructed as part of

the core and shell, but rather are the obligation of the retail tenants (with appropriate design review) to express their brand and provide design diversity along the street.

South Campus Gateway comprises seven new buildings located within three city blocks. It reestablishes the urban grid, which had been disrupted by one-way and closed-off streets. Gateway's three anchors are designed and scaled to fit in with the overall project and are placed throughout the site to have maximal impact. Sunflower Market, a natural foods grocery store, is located at the southern end of the project; the Gateway Theater occupies the interior of the pedestrian alley; and the Barnes & Noble/OSU bookstore is placed at High Street and East 11th Avenue—one of the project's most prominent corners. A fourth anchor that was not in the original plans has also emerged on the north end of the project: Eddie George's Grille 27, a sports-themed restaurant in which former OSU football star Eddie George has a stake. The dining establishment has been an attraction for alumni and other patrons from across Columbus.

As mentioned previously, the five-story garage is hidden behind the main complex and is fronted on two sides with three-story apartment buildings containing a total of 26 units. The main entrance to the parking garage has a glass elevator structure and spills out to a pedestrian alley that runs through the heart of the project. Part of the original design concept of the Druker Company and Elkus Manfredi Architects, this public space is home to the movie theater, boutique retail, and several bars, nightclubs, and restaurants with outdoor seating areas. Two of the bars and nightclubs have second-story balconies that overlook the pedestrian alley and add a third dimension to the public space.

The pedestrian alley features specialized LED and fiber-optic lighting, seating made from granite, street trees, and other streetscape elements to create a gathering place that is Gateway's locus of activity, especially during evening hours. Various retail and restaurant establishments that have outdoor seating and transparent facades occupy the remainder of the High Street frontage and are intended to activate the street and stimulate interest from passersby. An additional 158 apartments occupy the upper levels of structures fronting High Street, and 88,000 square feet (8,176 square meters) of office space is concentrated on the three upper floors of the Barnes & Noble building. The OSU human resources and legal affairs offices are the primary tenants in this office space.

One of the elements critical to creating this urban redevelopment project was to mitigate the impacts of the automobile on the character of the streetscape, while still accommodating cars in terms of both access and parking. To this end, Campus Partners convinced the city to convert two streets—including one that provides primary access to the garage—from one-way to two-way operation. This allows for greater choice in access, calms traffic, and provides more efficient traffic flow into the existing city street grid.

Despite Campus Partners' efforts to reduce the width of the roadway, High Street maintained its five-lane section comprising two travel lanes, a center turn lane, and two lanes of dedicated on-street parallel parking. This parking calms traffic and provides an extra buffer between cars and the pedestrians and outdoor eating areas. All four of the major High Street intersections within the project have been signalized, which has further slowed traffic and made it easier for pedestrians to get around.

At significant expense, overhead utility lines were buried as part of the city's infrastructure improvements. Narrow sidewalks were replaced with ones that are 15 to 22 feet (4.6 to 6.7 meters) wide and accommodate street furnishings and outdoor dining areas. The furnishings include steel bike racks that complement the streetlights and trashcans. All streetlights and street trees are aligned with the building columns to ensure that storefronts are visible and the sidewalk is comfortable for pedestrians.

Mature, high-canopy street trees of five- to six-inch (13- to 15-centimeter) caliper were chosen to further reduce the impact on storefront visibility and to provide more immediate shade for the sidewalks. Other efforts to create an uncluttered streetscape included combining streetlights with stoplight posts at intersections. Campus Partners also opted to improve the city-standard sodium vapor light fixture with white metal halide fixtures to provide a more aesthetically pleasing environment.

The architecture of South Campus Gateway represents an increase in the scale and density of the neighborhood while responding to its historic urban context. Each building has a distinct bottom, middle, and top. The retail frontages have traditional bay widths and ground-level materials that are intended to be reminiscent of a traditional Main Street. Facades are transparent and entrances are easy to find. However, there are modern touches. While stone and brick are the predominant building materials, differentiated materials and architectural elements define building entrances and facades. The upper stories of the three- to five-story structures feature a large amount of glass and metal to lend a more contemporary take on a traditional building style. Even though the project is somewhat denser than the surrounding neighborhood, Campus Partners believes that in the next 20 or 30 years South Campus Gateway will blend in seamlessly with other developments as similar building types are encouraged to replace the older structures.

In keeping with its intention to have the redevelopment project reach beyond its physical boundaries, Campus Partners decided to erect a five-story garage with 300 spaces more than its demand studies suggested were needed to support the project. Furthermore, creating safe, affordable parking makes the development more attractive to off-campus users. The first two floors of the garage are for public use, and various types of permits are required to park on the upper levels.

As of May 2007, Campus Partners sells 600 monthly passes ranging from \$35 to \$60, depending on the location within the garage and category of user. Permit parkers primarily include Gateway apartment residents, office workers (who are generally gone for the project's peak parking demand in the evening hours), and employees of Gateway businesses (whose demand is distributed throughout the day). The vast majority of residents purchase a parking permit, which is not included in the apartment's base rent. The peak hours for the parking garage demand are related to the project's entertainment components and generally occur from around midnight Thursday through Saturday night.

As is often the case with urban redevelopment sites, it was a challenge to reconstruct all of the public infrastructure, demolish buildings, clear the site, and erect a totally new urban environment while accommodating traffic and pedestrian access. Undocumented buried trolley tracks, manholes, and underground utilities slowed the infrastructure schedule. Also, public records were inaccurate when it came to locating major bundles of existing fiber-optic lines. Underground storage tanks and asbestos remediation were challenges when it came to demolition. Moreover, taking down old buildings, most of which had basements, required a large amount of fill to level the site. In addition, there were topographic and geological issues to deal with. The site slopes gently south to north, so setting the height and position of retail bays was difficult. Further, the depth to bedrock on the north side of the garage was substantially deeper than on the south side, making special foundation work necessary.

The design of the project, while successful, has had a few snags. Due to the depth and size of most of the retail spaces, it was a challenge to have enough smaller spaces to serve the needs of small businesses. The HVAC rooftop locations that were identified during design for retail operations had to be rethought to accommodate the specialized needs of restaurants, as they sometimes selected different store locations than originally expected. Also, the light-gauge steel construction that was designed for the three-story apartments fronting the parking garage (two-story, three-bedroom townhouses over one-story, one-bedroom flats) was much more expensive than the alternatives and limited the number of builders who felt comfortable bidding on the work through a multiprime public bidding/procurement process. Further, the inclusion of a state-of-the-art security system in the project was not identified early enough in the design process, making it more difficult and costly to integrate during construction.

## **MARKETING AND MANAGEMENT**

Campus Partners conceived of South Campus Gateway as a project that not only would serve university students, but also would meet the needs of nearby residents, workers, and faculty and attract visitors from across Columbus. With that in mind, Campus Partners sought to make Gateway a regional destination. The movie theater, which is one of only a handful in the area showing art films, is intended as a significant draw, as are the

restaurants, many of which are unique to the Columbus market. And as mentioned previously, having abundant, low-cost parking is key for attracting noncampus users.

Campus Partners decided not to build undergraduate housing or cater to that market and instead erected higher-end units that would appeal to graduate students and young professionals. A significant portion of the residences are occupied by law students from Ohio State's nearby Moritz College of Law. Other residents include OSU faculty and staff, owners and managers of Gateway businesses, and individuals who simply like the mixed-use environment. As of June 2007, the apartments are 100 percent leased and rates average \$1.15 per square foot (\$12.36 per square meter). Office space is 78 percent leased and is occupied entirely by OSU uses.

The merchandising mix of Gateway is approximately one-third anchors (Barnes & Noble, Sunflower Market, and the Gateway cinema), one-third restaurants and bars, and one-third apparel, service, and general retail. The overarching retailing strategy for South Campus Gateway was to provide products that previously were not available in the University District. Since there is a plethora of fast-food establishments along the rest of High Street in the University District, Campus Partners decided to focus on sit-down restaurants. The bars and nightclubs at the project tend toward the trendy and upscale.

Overall, the retail portion of the project is 83 percent leased as of April 2007. According to Campus Partners, the restaurant and nightclub spots are mostly filled, but the retail space has been the slowest to lease because the project does not fit into the traditional categories of national retailers (e.g., strip center, lifestyle center, typical mall). Many national retailers have been cautious about locating in the less well-understood urban campus environments. That said, sales at South Campus Gateway average \$350 to \$550 per square foot (\$3,762.50 to \$5,912.50 per square meter).

It is still too early to calculate return on investment, but given the softness in the retail and office markets in Columbus, Campus Partners believes that the vacancy rates are not too out of line, and that the remaining space will be absorbed, albeit at a slower pace than originally projected. To mitigate the impacts of slower-than-projected retail absorption, Campus Partners structured the project financing to allow for a period of capitalized interest and structured portions of the benefits from the NMTC financing to provide additional time to reach stabilized occupancy.

With the intention of maintaining the project's distinctiveness in the area market as well as its Main Street character, Campus Partners is committed to incubating local startup businesses in addition to attracting established local and national brands. For example, Campus Partners has helped a bath and beauty boutique and a restaurant concept developed by two recent OSU graduates get off the ground by providing financial and other assistance.

Campus Partners has hired CB Richard Ellis as its on-site management firm. CB Richard Ellis has a lead property manager, a full-time marketing manager, and four maintenance professionals. The firm is also responsible for overseeing Towne Properties, which manages the apartments; Standard Parking, which manages the garage; and Valor Security, which handles on-site security and monitoring. Costs for these services are allocated to users on a per-square-foot basis and based on the needs of the various user groups and the services being allocated.

## **EXPERIENCE GAINED**

As the development team had anticipated, the impact of South Campus Gateway is reaching beyond the confines of the redevelopment site. Apartments and other structures that were previously dilapidated are now being fixed up as landlords and other property owners take advantage of the increasing desirability of the location. The completion of the project has given Campus Partners the credibility it needs to tackle additional redevelopment within the community.

Reflecting on the success of South Campus Gateway, Campus Partners identified three critical elements. Since Campus Partners was working in such a diverse neighborhood serving many different constituents, a thorough,

transparent, and public planning process was key to getting buy-in from the neighborhood and support from the university community and the city. This lengthy process allowed everyone to have their voices heard and made them part of the decision-making process. Acting as the coordinating entity between the city and the university, Campus Partners was able to enhance the credibility of the redevelopment vision and get the financial and political support necessary to complete the project.

Another key to the development’s success was patience—on two fronts. One, Campus Partners had access to a significant amount of patient capital that allowed development to proceed at a pace that made achieving the vision possible. In another sense, Campus Partners had to manage the expectations of the public throughout a lengthy process. It took four years to assemble the site. While buildings were being boarded up or torn down, there were complaints that redevelopment was not moving fast enough and that businesses were being displaced. It was essential to have good public relations and a generous relocation package to help smooth over the criticism.

The final key element contributing to the project’s success was the development model that Campus Partners eventually chose. Because Campus Partners was able to secure advantageous financial terms, such as tax-exempt bonds, tax credits, and grants, a fee-based development model became more appropriate. Before making this decision, however, Campus Partners had the advantage of working with a private developer who helped articulate the vision and validate the planning process that created the overall design for South Campus Gateway. This, in addition to the increased public funding, gave Campus Partners the confidence it needed to become the sole developer of the project and have full control over the design vision and construction.

<b>PROJECT DATA</b>		
<b>LAND USE INFORMATION</b>		
Site area (acres/hectares): 7.5/3.03 Floor/area ratio (not including public streets): 2.91		
<b>GROSS BUILDING AREA</b>		
<b>Use</b>	<b>Area (Gross Square Feet/Square Meters)</b>	
Office	98,000/9,104	
Retail	249,000/23,133	
Parking	390,000/36,232	
Apartments	205,000/19,045	
Total GBA	942,000/87,515	
<b>LEASABLE AREA OR UNITS</b>		
<b>Use</b>	<b>Area (Gross Square Feet/Square Meters)</b>	
Office net rentable area	88,000/8,175	
Retail gross leasable area	229,000/21,275	
Apartments	165,000/15,329	
<b>LAND USE PLAN</b>		
<b>Use</b>	<b>Area (Acres/Hectares)</b>	<b>Percentage of Site</b>
Buildings	5.8/2.35	77
Streets/surface parking	1.38/0.56	19
Pedestrian alley	0.32/0.13	4
Total	7.5/3.03	100
<b>RESIDENTIAL INFORMATION</b>		

Unit Type	Number of Units	Area (Square Feet/ Square Meters)	Percentage Leased	Rental Rates
Studio	28	450/42	100	\$580-\$815
One-bedroom unit	77	800/74	100	\$710-\$985
Two-bedroom unit	65	1,100/102	100	\$1,050-\$1,515
Three-bedroom unit	14	1,950/181	100	\$2,000-\$2,100

#### OFFICE INFORMATION

Percentage of net rentable area occupied: 80  
Number of tenants: 3  
Average tenant size (square feet/square meters): 23,333/2,168  
Annual rents (per square foot/square meter): approximately \$16/\$172.22  
Average length of lease: 20 years  
Typical terms of lease: Triple net with common-area maintenance costs of approximately \$7 per square foot (\$75.35 per square meter)

Office Tenant Size (Square Feet/Square Meters)	Number of Tenants
Under 5,000/465	1
Between 5,000 and 10,000/465 and 929	2
Over 10,000/929	3

#### RETAIL INFORMATION

Tenant Classification	Number of Stores	Total Gross Leasable Area (Square Feet/Square Meters)
General merchandise	4	61,800/5,741
Food service	11	53,200/4,942
Clothing and accessories	2	5,800/539
Shoes	1	1,450/135
Gift/specialty	1	1,000/93
Personal services	1	3,900/362
Recreation/community	1	28,200/2,620
Financial	1	2,000/186
Grocery store	1	16,100/1,496

Percentage of gross leasable area occupied: 83  
Annual rents (per square foot/square meter): approximately \$25-\$45/\$269.10-\$484.38  
Average annual sales (per square foot/square meter): \$350/\$3,767.37  
Average length of lease: 5-10 years

#### DEVELOPMENT COST INFORMATION

Site acquisition cost: \$200,000,000  
Site improvement costs: \$9,639,212  
Construction costs: \$82,452,266  
Soft costs: \$47,813,710  
Total development cost: \$159,905,188

#### DEVELOPMENT SCHEDULE

Site purchased: 1998-2002  
Planning started: 2000  
Construction started: 2003  
Sales/leasing started: 2003  
Project completed: 2005

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## DRIVING DIRECTIONS

*From Port Columbus International Airport:* Take Interstate 670 west for about 4.5 miles (7.2 kilometers), then exit onto North Fourth Street heading north. After about 0.7 mile (1.1 kilometers), turn left at East Fifth Avenue. Shortly thereafter, make a right heading north on North High Street. South Campus Gateway is about half a mile (0.8 kilometer) away at the intersection of East 11th Avenue.

*Driving time:* Ten minutes in nonpeak traffic.

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This Development Case Study is intended to serve as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI—the Urban Land Institute.

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A run-down stretch of deteriorated buildings at the southern edge of the Columbus campus of Ohio State University (OSU) has been replaced with seven mid rises located along the once-prominent High Street commercial corridor.



The result of a partnership between the city of Columbus and OSU, South Campus Gateway features restaurants, nightspots, an eight-screen arts cinema, a campus bookstore, a natural foods store, locally and nationally owned boutique shops, 184 market-rate apartments, office space, and a 1,200-space garage.



Courtesy of Ellus Manfredi Architects

Intended to serve as the project's locus of activity, a pedestrian alley in the center of South Campus Gateway is adorned with LED and fiber-optic lighting, contains trees and street furniture, and is the location of the theater and outdoor seating for restaurants.



The project's 88,000 square feet (8,176 square meters) of office space is concentrated on the three upper floors of a building that houses the Barnes & Noble that serves as the OSU campus bookstore.



Although the vacancies in its retail portion have filled at a slower-than-expected rate, the project has been very successful in spurring additional development in the neighborhood.



South Campus Gateway site plan.