

Factory 816

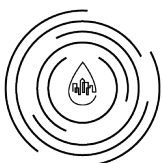
HISTORIC PROPERTY REDEVELOPMENT, AKRON, OHIO



The Middlebury neighborhood is well situated along East Market Street between downtown Akron and The East End in the City of Akron, Ohio. The Well CDC, Middlebury's community development organization, proposes to redevelop a vacant warehouse property at 816 East Market Street, to be known as Factory 816, as a creative gathering place that can become a vibrant center of the neighborhood, as well as serve customers drawn from Downtown, the adjacent University of Akron, the Goodyear Theater and Hilton Garden Inn hotel in the East End, and surrounding offices and health facilities. This analysis was done to better understand the market potential, and economic potential, of the redevelopment project. This analysis identifies opportunities for the project, as well as key benchmarks to be noted as the economic situation evolves.

PREPARED FOR:

PREPARED BY:



THE WELL CDC
RESTORING CREATING SUPPORTING



KM Date
Community
Planning



Project Overview

Factory 816, located at 816 E. Market Street in Akron's Middlebury neighborhood, is a three-story 23,000 SF building being redeveloped into a mixed-use destination with food, entertainment, and event space. The area has historic roots, excellent location, and strong redevelopment potential.

Proposed Uses:

- First Floor: Food hall with 4 vented and 2 non-vented kitchens, 2 bars, and common seating for 126.
- Second Floor: Family entertainment with seating for 171, multiple game options, additional food/bar service, a private multi-purpose room, and event programming space.
- Third Floor: Event space with capacity for 200 guests, a full catering kitchen, pre-function space, and a green room.
- Roof: Future phase II, family entertainment with alcohol service including rooftop dining and bar service, outdoor games.

- Potential lower-level space could accommodate a brewery or other use.

Highlights:

- Proposed as Akron's only food hall featuring local food vendors.
- World class design celebrating the history of Akron's oldest neighborhood.
- Unique, industrial private event space accommodating up to 200 guests.
- Adjacent to Rubber City Heritage Trail in progress.



Market & Demographic Context

Located five minutes east of downtown Akron, near Summa Health, the University of Akron, Good-year Headquarters, and new upscale housing. Project site is also adjacent to major redevelopment zones such as East End and the Exchange Street corridor.

Demographic Trends:

- Neighborhood population is virtually flat, at least 100,000 workers are employed within a 10-minute drive of the site.
- While Middlebury's population is not growing, and its median income is the lowest among Akron's neighborhoods, Summit County households and nearby workers have substantially higher buying power.
- There is a strong potential to draw customers beyond the 10-minute drive zone.

Summit County Employment Trends:

- Construction and utility sectors are strong.
- Manufacturing sectors are growing or not, depending on the sector.
- Hospitals and social assistance gains likely reflect Summa Health and related companies which are near Factory 816.



Market Analysis

Competitor analysis indicates that Factory 816 is a unique offering with no competitors providing a similar mix of uses. It will be the only food hall providing games, bars, event space, and a large seating capacity in Akron. Restaurant demand is high in the immediate 5-minute drive zone around the site; although demand is mixed in the 10-minute zone, a well implemented project should be able to offset deficits due to the project's uniqueness.

Market Highlights:

- Demographics:

- 5-minute drive time zone has 10,510 households with a total HH purchasing power of \$548 million, and 29,795 daytime workers.
- 10-minute drive time zone has 73,474 households with a total HH purchasing power of \$4.6 billion, and 107,928 daytime workers.

- Restaurant & Food Hall:

- In the 5 minute zone there is an average of \$17 million in unmet demand for bars and restaurants.
- In the 10 minute zone, there are mixed results: at least \$31 million in unmet demand for bars, and up to \$6 million in unmet demand for full-service restaurants; a significant surplus of restaurants overall, which may be due to serving the larger county area.
- Due to Factory 816's unique character and offerings, a good marketing strategy could well overcome these mixed results.

- Event Space:

- Total of 30 event spaces in Summit County, a slight majority (16) host groups under 200 guests.
- There are only 6 smaller historic/cultural or boutique venues in Summit County with a capacity of 200 or under.
- Marketable as a unique, cool, event destination.
- National trends show steady growth in this industry sector.

- Family Entertainment:

- The 13 entertainment venues in Summit County are widely different, including arcades, bowling alleys, a break room and escape room, golf driving range, and trampoline park.
- Amusement arcades are underrepresented in the county, suggesting unmet demand.
- Factory 816 is unique in its offerings, type and variety of games, available food and drink, and capacity, with no true competitors in Summit County.
- National trends show steady growth in this industry sector.

Economic Impact

Economic impacts have greatly increased since the 2020 report, largely due to construction costs, more detail in operations data, replacement of office uses with expanded restaurant uses, and an enlarged Northeast Ohio regional boundary.

Economic Impact:

- Within the first year of operation, projected sales of the project itself are an estimated \$7.8 million, with \$2 million in earnings, and 48 jobs. These generate an estimated \$71 million in sales in Summit County, and \$87 million in Northeast Ohio, with up to 68 jobs across the region.
- Estimated impact of construction in Summit County is \$24 million, and \$32 million in northeast Ohio, with up to 108 jobs in the region.
- Estimated impact of 5 years in operations is \$71 million in Summit County, and \$87 million in northeast Ohio, with 68 jobs in the region.

	Factory 816	Summit County Impacts	Northeast Ohio Impacts
	Final Demand Impact	With Multiplier Factors (Direct + Indirect + Induced)	With Multiplier Factors (Direct + Indirect + Induced)
Construction - 1 Year			
Output/Sales	\$15,030,531	\$24,952,185	\$32,405,826
Earnings	\$4,049,902	\$5,881,673	\$7,355,027
Jobs	52	83	108
Operations Over 5 Years			
Output/Sales	\$41,810,620	\$71,157,495	\$87,296,042
Earnings	\$11,633,150	\$22,637,013	\$28,515,610
Jobs	48	59	68
Operations in Year 1			
Output/Sales	\$7,875,221	\$13,402,839	\$16,442,609
Earnings	\$2,191,157	\$4,263,785	\$5,371,046
Jobs	48	59	68
Operations in Year 5 (First Stable Year)			
Output/Sales	\$8,863,631	\$15,085,014	\$18,506,301
Earnings	\$2,466,167	\$4,798,927	\$6,045,159
Jobs	48	59	68

Conclusions, & Next Steps

Market analysis indicates good opportunity due to location, uniqueness of the venue, and high numbers of nearby offices and workers. Quantitative analysis results are moderate, but can be enhanced by a strong marketing, vision, and business strategy.

Key Conclusions:

- Average unmet demand in the 5 minute drive zone is \$8.7 million for bars/taverns, and another \$8.7 million for restaurants. Results are mixed in the 10-minute zone, and success will depend on a strong marketing and business strategy.
- The event space and entertainment options offer strong opportunity with limited competition.
- The project's unique, multi-use design and its excellent location on East Market Street between downtown and the burgeoning East End development will contribute to its success as well as attract patrons from a wider geography, especially across Summit County.

Caveats & Risks:

- Market analysis is only one indicator of potential business success; other factors play

a big role, including proponent vision and an understanding of the target market, marketing and business acumen, staff availability, capitalization especially in the early years, the regulatory environment, and regional economic factors.

Recommendations:

- Emphasize Factory 816's unique brand and amenities.
- Target higher-income residents and downtown professionals in an expanded area throughout the county.
- Market to a wide range of users from office workers, to companies, to both adults and families at different times, to special event location seekers (such as weddings and reunions).

