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A MARKET ANALYSIS OF:

COMMERCIAL CORRIDORS IN YOUNGSTOWN, OHIO

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Effective Date: January 23, 2019
Report Date: January 23, 2019

Prepared For:

Ian Beniston
Executive Director
Youngstown Neighborhood Development Corporation
820 Canfield Road
Youngstown, OH 44511

Prepared By:

Novogradac and Company LLP
1100 Superior Avenue, Suite 900
Cleveland, OH 44114
216-298-9000

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CERTIFIED PUBLIC ACCOUNTANTS

January 23, 2019

Ian Beniston
Executive Director
Youngstown Neighborhood Development Corporation
820 Canfield Road
Youngstown, OH 44511

Re: Commercial Corridor Market Analysis for Youngstown, Ohio

Dear Mr. Beniston:

At your request, Novogradac & Company LLP has performed a commercial corridor market analysis in Youngstown, Ohio. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at our conclusions.

The scope of this report meets the requirements of Youngstown Neighborhood Development Corporation, including the following:

- Identify areas of focus for future development and redevelopment opportunities.
- Investigating the general economic health and conditions of nine commercial corridors within Youngstown, Ohio with discussion and analysis of employment trends, population trends, employment trends, crime statistics, and average daily traffic counts.
- Reviewing relevant public records and contacting appropriate public agencies and market participants regarding potential commercial and retail demand, including the Chamber of Commerce, Economic Development Department, and real estate professionals.
- Research and analysis of lease listings and executed leases for various commercial corridors, and conclude to achievable lease rates for various corridors.
- Establishing the Subject's Primary and Secondary Market Area.
- Surveying and photographing commercial corridors, which includes non-commercial uses, to assess the condition of properties along the corridor and current vacancy levels.

Based upon our market research, demographic calculations and analysis, we believe there is unrealized potential for additional development and economic growth within key areas along Youngstown's various commercial corridors. Each of the surveyed corridors indicated varying levels of economic distress and need for additional investment. Additionally, based upon interviews with local officials and realtors, and demographic calculations and analysis, we believe there is demand for additional commercial development/redevelopment in the market. This report provides recommendations for future investment.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

Youngstown Neighborhood Development Corporation is the client in this engagement. Economic Action Group is also an intended user of this report. As our client, Youngstown Neighborhood Development Corporation and

owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

The Stated Purpose of this assignment is to assist the Client with identifying areas of focus along nine commercial corridors specified within the engagement letter for future development and redevelopment opportunities. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP

H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner

Matt Yunker
Manager

Alan O'Connell
Analyst

Joe Binder
Junior Analyst

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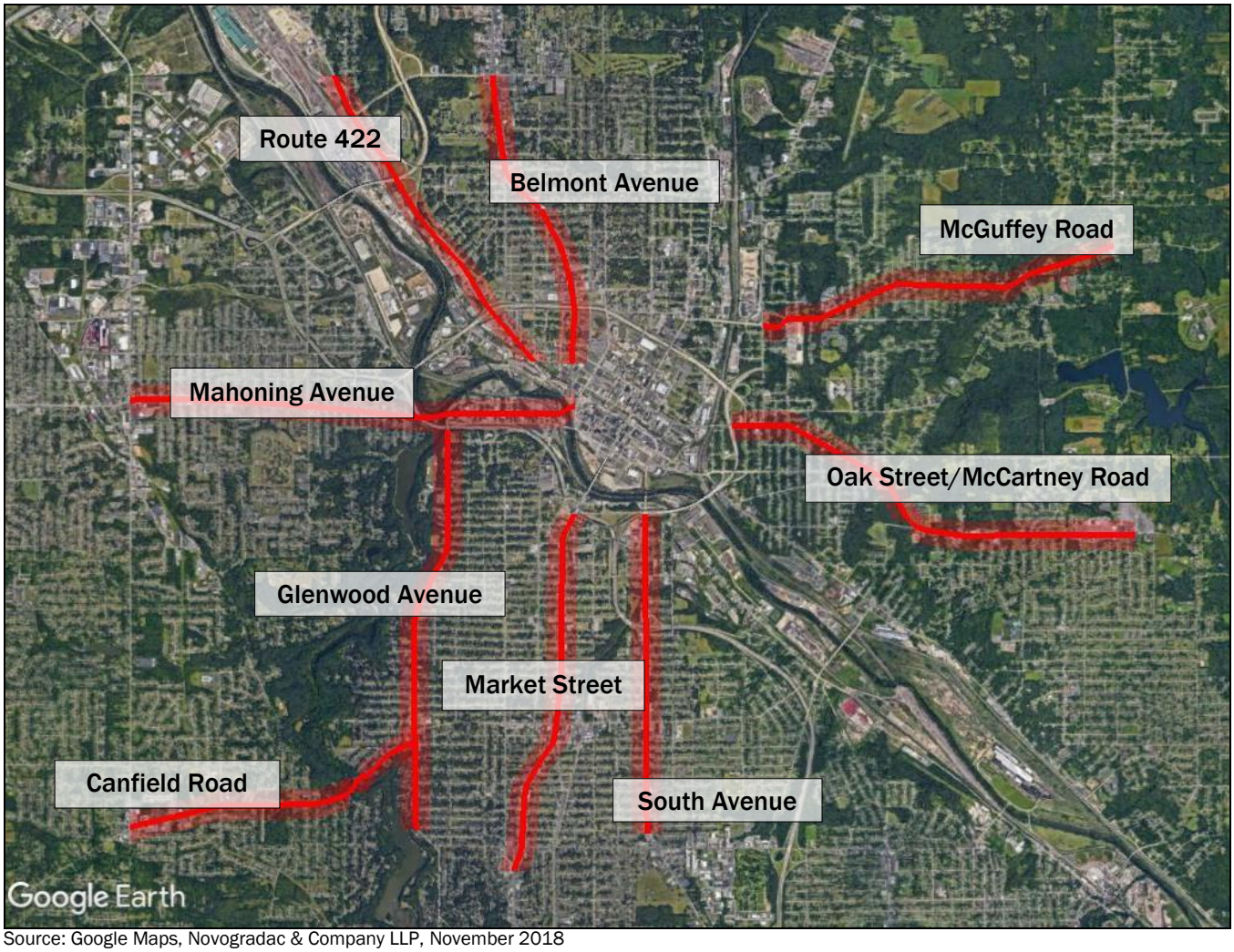
I. INTRODUCTION

PROJECT OVERVIEW

The Youngstown Neighborhood Development Corporation (YNDC) is a non-profit community development organization founded in 2009. The organization works to stabilize and facilitate growth within Youngstown at the neighborhood scale. YNDC's mission is to "transform neighborhoods into meaningful places where people invest time, money, and energy into their homes and neighborhoods; where neighbors have the capacity to manage day-to-day issues; and where neighbors feel confident about the future of their neighborhood." Therefore, YNDC seeks to allocate investment towards projects with the greatest potential economic and community impacts. This report analyzes the current conditions among nine commercial corridors within the city, as specified by the client. It should be noted that the report's findings will serve as a basis for developing strategies with Economic Action Group, an intended user of this study.

The study corridors include: Belmont Avenue and Route 422 on the city's north side; McGuffey Road and Oak Street/McCartney Road on the east side; Glenwood Avenue, Market Street, and South Avenue on the south side; and Canfield Road and Mahoning Avenue on the Youngstown's west side. The following map illustrates the location and extent of these nine commercial corridors.



Source: Google Maps, Novogradac & Company LLP, November 2018

PREVIOUSLY COMPLETED PLANS AND STUDIES

We researched several previously completed plans and studies that included one or more of the study corridors. The following section provides a brief description for each plan or study.

The Youngstown 2010 Citywide Plan

Youngstown's *2010 City Plan* was ground-breaking when it was published in 2005, as it was one of the first city plans to focus on managing continued decline instead of planning for future growth. Now known as "right-sizing", the plan focuses on diversifying the city's economy, consolidating vacant land for open space, and focusing investment into areas with greater potential to provide long-term economic stability. The plan took three years to develop and has been honored with several national awards for planning excellence.

Neighborhood Conditions Report

Published in 2014, this report presents several data points at the census tract level and primarily serves as a conditions assessment for each of Youngstown's neighborhoods. Its findings are meant to supplement ongoing planning efforts rather than present new solutions. The data presented in the *Neighborhood Conditions Report* is generally in line with the findings of this report.

Neighborhood Revitalization Strategy Report

This report serves as a follow-up the previously discussed *Neighborhood Conditions Report* by identifying the top four priorities of the community. These priorities include: housing and poverty issues, repairing and maintaining infrastructure, reducing crime in the city's neighborhoods, and encouraging economic development. For each priority, detailed best practices, city-wide recommendations, and action steps are presented along with applicable data.

Downtown Vision and Action Plan

Published in 2015, this visioning and implementation plan provides a framework of strategies focused on redevelopment within Downtown Youngstown. The plan analyzes an area west of downtown, where Belmont Avenue, Mahoning Avenue, and Route 422 converge, and indicates that aesthetic improvements made there would benefit the surrounding areas.

Glenwood Avenue Initial Conditions Report

Like the previously discussed *Neighborhood Conditions Report*, this report presents various data points relevant to overall health of the corridor. It also includes data collected from surveying residents. The *Glenwood Avenue Initial Conditions Report* focuses mainly on residential elements of the corridor, while this report will focus on the commercial elements of the corridor.

US 422 Corridor Redevelopment Plan

This plan, published in 2014, presents various economic development strategies for the Route 422 corridor. The strategies also intend to help stabilize struggling neighborhoods surrounding the corridor. Key themes of this plan include: improving the road infrastructure by incorporating "complete streets" principles, preserving development sites and filling in vacant land gaps, encouraging business development, residential neighborhood stabilization strategies, and increasing access to natural assets like the Mahoning River.

II. EXISTING CONDITIONS, DEMOGRAPHICS, AND ECONOMIC TRENDS

REGIONAL AND LOCAL AREA SUMMARY

OVERVIEW OF AREA

Overview:

The city of Youngstown is the county seat of Mahoning County. Youngstown also serves as the principal city in the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area (MSA). The Youngstown-Warren-Boardman, OH-PA MSA consists of Mahoning and Trumbull Counties in Ohio and Mercer County in Pennsylvania. As of the 2010 census, Youngstown had a population of 66,982 and the MSA had a population of 565,773. The following section will discuss local employment trends that would impact the local real estate market.

Location and Proximity to Metropolitan Areas:

Youngstown is located on the eastern edge of the Ohio/Pennsylvania border. The following table illustrates distances to surrounding metropolitan areas.

PROXIMITY TO MAJOR CITIES

Location	Distance
Canton, OH	43 miles
Akron, OH	45 miles
Pittsburgh, PA	56 miles
Cleveland, OH	60 miles
Erie, PA	76 miles

Transportation:

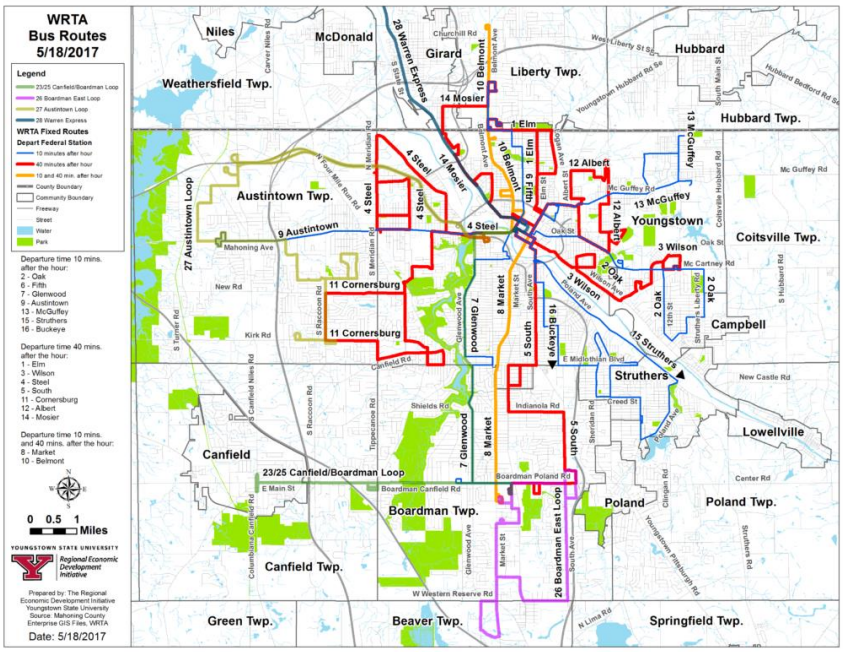
Highway: The Corridors are located within a radius of approximately four miles north of Youngstown's city center. Interstate 680 provides access around downtown Youngstown and throughout the region. Interstate 680 provides access to the Ohio Turnpike, providing access to Cleveland, OH, and Pittsburgh, PA, approximately 60 miles to the northwest and 56 miles to the southeast, respectively.

Air: The closest passenger airport to the Subject is Akron-Canton Airport (CAK), located 43 miles west of Youngstown. This airport is served by American, Delta, Spirit, and United Airlines which provide daily flights to Chicago, Newark, Charlotte, and Philadelphia. CAK experienced 1,265,844 enplanements in 2017.

The closest international airport is Pittsburg International Airport (PIT), located 47 miles southeast of Youngstown. PIT is served by all major air carriers providing non-stop flights to dozens of cities in the U.S. and internationally. In 2017 PIT experienced 8,988,016 enplanements.

Bus: Youngstown is serviced by the Western Reserve Transit Authority (WRTA) which provides a fixed bus service. In addition to these fixed bus routes the WRTA also operates a Nightline Service, which operates during weekday evening hours and the Youngstown State University operates a shuttle service on campus is in association with the WRTA. The WRTA provides daily service Monday through Saturday

on 21 weekday fixed service routes and six weekday evening routes serviced by the Nightline Service. Weekday and Nightline service times vary by bus route but generally service occurs between 6am and 6pm and 7pm and 12am, respectively. A map of the bus service routes is available below.



The following table details the WRTA bus routes that service the various commercial corridors in Youngstown.

TRANSIT SUMMARY

Corridor Name	Bus Route #
Belmont Avenue	10, 17
Canfield Road	11, 22
Glenwood Avenue	7, 22, 23, 25
Mahoning Avenue	4, 9, 11, 19, 22, 25, 27
Market Street	8, 20, 21
McGuffey Road	12, 13, 18
Oak Street/McCartney Road	2, 3, 12, 18
Route 422	14, 17, 28
South Avenue	5, 15, 16, 20, 21

Source: Western Reserve Transit Authority, January 2019

Healthcare:

Mercy Health St. Elizabeth Hospital is Level 1 Trauma Center and serves as the primary medical center in the Youngstown area. It was ranked 18th on U.S. News and World Report's Best Hospitals list for 2017 – 2018. The hospital employs a medical staff of 480 including 40 specialties with 224 beds and was rated as "High Performing" in

treatment of heart failure and chronic obstructive pulmonary disease, hip and knee replacement, and was the 2016 America's Best Breast Center by the Women's Choice Awards. Mercy Health St. Elizabeth Hospital's acclaimed robotic surgery center has completed over 1,000 robot-assisted surgeries, and its emergency room provides care for approximately 49,000 people each year. Mercy Health St. Elizabeth Hospital is located along Belmont Avenue, and within 0.5 miles of Route 422.

A second major hospital in Youngstown, Northside Regional Medical Center closed on September 20, 2018. The hospital had been in operation since 1929, had 355 beds, and once staffed over 800 nurses. However, the facility experienced a 71 percent decrease in patient visits over the last 10 years of its operation, and had become severely underutilized. This closure impacted a total of 468 jobs. Northside Regional Medical Center was located on Gypsy Lane, near the intersection of Belmont Avenue.

Higher Education:

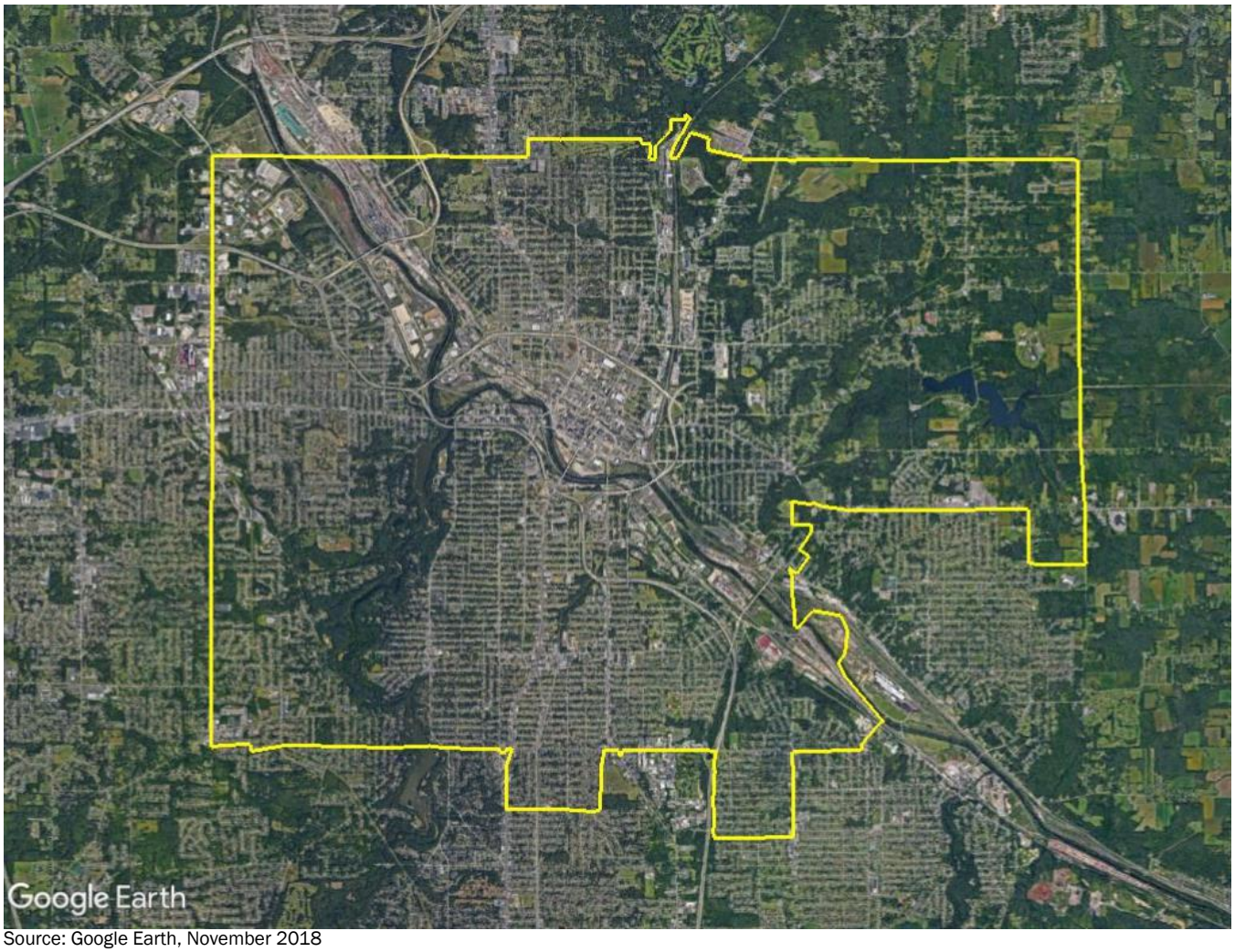
Youngstown State University (YSU) is a four-year state university founded in 1908 which offers over undergraduate 100 majors and 35 master programs. YSU enrolls approximately 12,644 students and is one of the largest employers in the city. YSU is located in downtown Youngstown, with portions of the campus extending close to Belmont Avenue.

MARKET AREAS

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Youngstown-Warren-Boardman, OH-PA MSA and particularly the City of Youngstown are areas of growth or contraction.

Primary Market Area Map (PMA) – City of Youngstown, Ohio

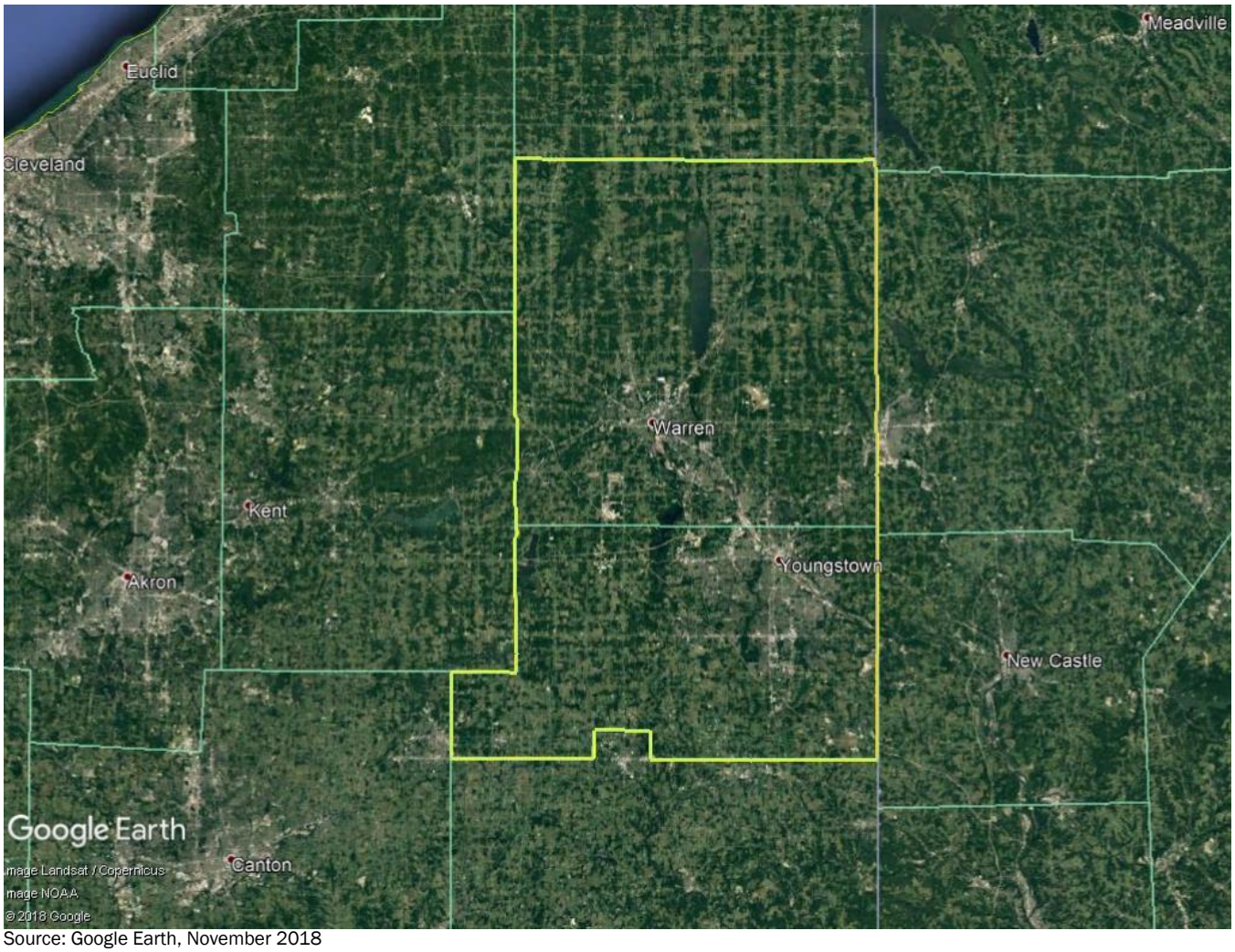
The PMA consists the city of Youngstown, Ohio. The boundaries of the PMA are displayed below. This area encompasses 34.2 square miles.



Source: Google Earth, November 2018

Secondary Market Area Map – Youngstown-Warren-Boardman, OH-PA MSA

The Secondary Market Area is defined as the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area (MSA) which consists of Mahoning and Trumbull Counties in Ohio, and Mercer County in Pennsylvania. This area encompasses 1,059 square miles. The MSA is commonly referred to as the Mahoning Valley or Steel Valley.



Source: Google Earth, November 2018

GENERAL POPULATION AND HOUSEHOLDS

The table following illustrates population and household trends in the PMA, MSA, and nation from 2000 through 2023.

POPULATION

Year	PMA		Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	82,018	-	602,975	-	281,038,168	-
2010	66,979	-1.8%	565,773	-0.6%	308,745,538	1.0%
2018	61,021	-1.1%	544,512	-0.5%	330,088,686	0.8%
2023	58,972	-0.7%	529,697	-0.5%	343,954,683	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

HOUSEHOLDS

Year	PMA		Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	32,192	-	238,310	-	105,403,008	-
2010	26,895	-1.6%	231,199	-0.3%	116,716,296	1.1%
2018	25,478	-0.6%	224,857	-0.3%	124,110,017	0.8%
2023	24,718	-0.6%	218,453	-0.6%	128,855,931	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

As the tables illustrate, the PMA and MSA are areas of population decline. Between 2010 and 2018, the PMA and MSA experienced decreases in population and the number of households. This trend is expected to continue through 2023.

General Household Income Distribution

The following table illustrates household income distribution in 2018 and 2023 in the PMA and MSA.

HOUSEHOLD INCOME PMA

PMA						
Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	4,622	18.1%	4,214	17.0%	-82	-1.8%
$10,000-19,999	5,513	21.6%	4,988	20.2%	-105	-1.9%
$20,000-29,999	4,154	16.3%	3,896	15.8%	-52	-1.2%
$30,000-39,999	2,807	11.0%	2,786	11.3%	-4	-0.1%
$40,000-49,999	2,142	8.4%	2,093	8.5%	-10	-0.5%
$50,000-59,999	1,511	5.9%	1,512	6.1%	0	0.0%
$60,000-74,999	1,793	7.0%	1,777	7.2%	-3	-0.2%
$75,000-99,999	1,519	6.0%	1,632	6.6%	23	1.5%
$100,000-124,999	771	3.0%	906	3.7%	27	3.5%
$125,000-149,999	304	1.2%	442	1.8%	28	9.1%
$150,000-199,999	190	0.7%	263	1.1%	15	7.7%
$200,000+	152	0.6%	209	0.8%	11	7.5%
Total	**25,478**	**100.0%**	**24,718**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, November 2018

HOUSEHOLD INCOME SMA

Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area						
Income Cohort	2018		2023		Annual Change 2018 to 2023	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	19,519	8.7%	17,689	8.1%	-366	-1.9%
$10,000-19,999	29,862	13.3%	26,462	12.1%	-680	-2.3%
$20,000-29,999	28,497	12.7%	26,244	12.0%	-451	-1.6%
$30,000-39,999	25,762	11.5%	24,128	11.0%	-327	-1.3%
$40,000-49,999	23,661	10.5%	22,529	10.3%	-226	-1.0%
$50,000-59,999	18,132	8.1%	17,772	8.1%	-72	-0.4%
$60,000-74,999	22,488	10.0%	21,814	10.0%	-135	-0.6%
$75,000-99,999	24,360	10.8%	24,656	11.3%	59	0.2%
$100,000-124,999	14,857	6.6%	15,831	7.2%	195	1.3%
$125,000-149,999	7,523	3.3%	8,890	4.1%	273	3.6%
$150,000-199,999	5,551	2.5%	6,649	3.0%	220	4.0%
$200,000+	4,645	2.1%	5,789	2.6%	229	4.9%
Total	**224,857**	**100.0%**	**218,453**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, November 2018

The largest income cohort of the PMA is the $10,000 and $19,999 bracket. Approximately 67 percent of households in the PMA earn less than $40,000 annually.

Average Household Size

The following table is a summary of the average household size in the PMA, MSA, and the nation.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	2.39	-	2.46	-	2.59	-
2010	2.30	-0.4%	2.37	-0.4%	2.58	-0.1%
2018	2.25	-0.3%	2.35	-0.1%	2.59	0.1%
2023	2.23	-0.1%	2.35	0.0%	2.61	0.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

The average household size in the PMA is below that of the MSA and the nation. The average household size in the PMA is expected to decrease through 2023 while the MSA and nation will remain stable.

General Household Tenure

The following table is a summary of the tenure patterns of the housing stock in the PMA.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	20,555	63.9%	11,637	36.1%
2018	14,149	55.5%	11,329	44.5%
2023	13,921	56.3%	10,797	43.7%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

Owner-occupied housing units are most predominant in the PMA housing market. Nationally, approximately two-thirds of households are homeowners and one-third are renters. As of 2018, the PMA has a significantly higher percentage of renter households compared to the nation as a whole. The ratio of renter-occupied to owner-occupied households is expected to remain relatively constant through 2023.

Median Household Income Levels

The table following illustrates median household income levels in the PMA, MSA, and nation from 2000 through 2023. Note that this is based on data for all household sizes and is independent of the calculation of AMI.

MEDIAN HOUSEHOLD INCOME

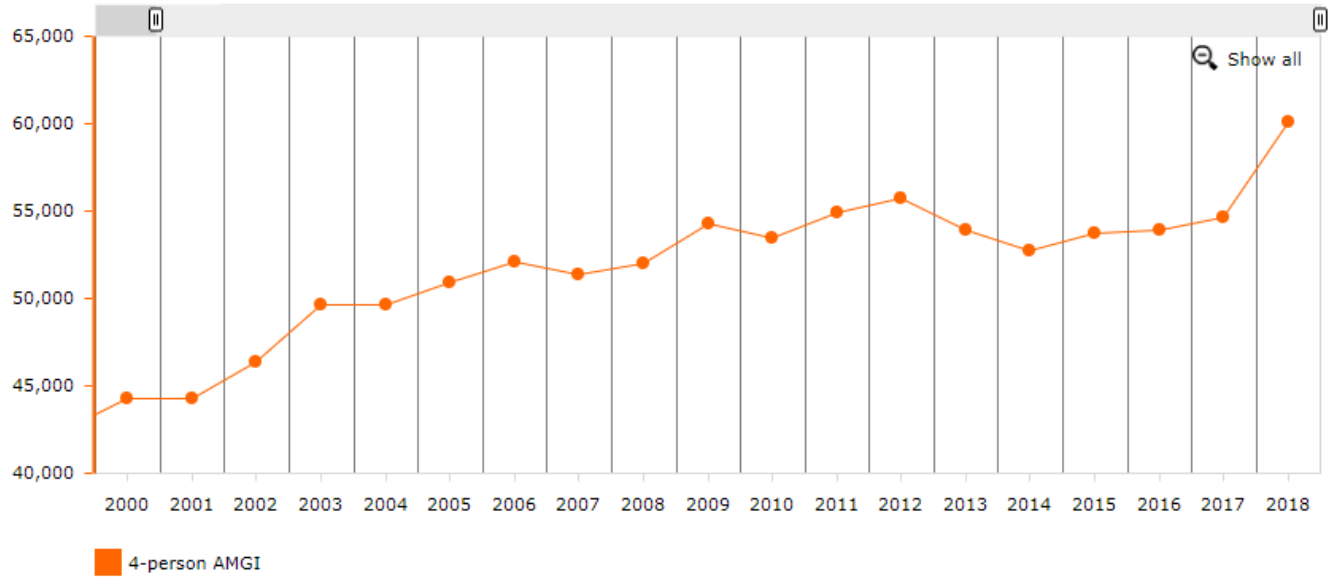
Year	PMA		Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area		USA	
	Amount	*Annual Change*	*Amount*	*Annual Change*	*Amount*	*Annual Change*
2000	$17,230	-	$35,840	-	$44,872	-
2018	$26,194	2.9%	$46,832	1.7%	$58,100	1.6%
2023	$29,426	2.5%	$52,865	2.6%	$65,727	2.6%

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

As indicated in the previous table, the PMA has a significantly lower median household income level when compared to the MSA which is below the national median household income. The household income level in the PMA, MSA, and the nation are all expected to grow at similar rates through 2023, with the PMA remaining lower than that of the nation and slightly above the MSA.

Area Median Income Growth and Trends

The following chart illustrates the AMI level for a four-person household in the MSA from 2000 to 2018.



Source: Novogradac & Company LLP, November 2018

Overall, the AMI has increased by an average of 1.8 percent annually between 2000 and 2018. It is important to note that HUD implemented new methodology procedures for establishing income limits in 2007. The system and underlying data sources that HUD uses to establish income limits is now dependent upon the American Community Survey (ACS), whereas years prior to 2007 had been dependent upon Decennial Census reports. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. As is seen in the previous table, Mahoning County appears to have been slightly affected by this methodology change. Additionally, 84 percent of counties nationally saw a decrease in the 2013 AMI level, which also appears to also have impacted Mahoning County. Following the substantial nationwide decreases in 2013, over 81 percent of counties in the country experienced growth in AMI in 2015, including Mahoning County. Furthermore, 84 percent of counties nationwide experienced increases in AMI from 2016 to 2017 and nearly 52 percent of counties have reached their highest AMI to date as of 2018. Mahoning County is among those experiencing their highest AMI as of 2018.

Conclusion

The PMA and MSA have demonstrated that they are areas of decline in population and households. The population and number of households are expected to decrease from 2018 to 2023. This is typical of rural areas such as the Subject's PMA. The median household incomes in the PMA are significantly below the median household incomes in the MSA which is lower than the national median.

ECONOMIC ANALYSIS

Youngstown was established along the banks of the Mahoning River in 1796. Located nearly equidistant from New York and Chicago in a region plentiful with resources, the city was well-positioned to become a manufacturing center. The first blast furnace was built in 1803, and within 50 years, dozens of iron manufacturing plants operated within the area. In 1856, newly constructed railroads spurred an economic and population boom in the region. As industrialization accelerated nationwide, Youngstown established itself as a manufacturing leader, partly thanks to its transportation networks and location near resources like iron ore and coal. Youngstown became the county seat of Mahoning County in 1876.

The city's economy depended heavily on the availability and proximity of various nonrenewable resources. Without access to navigable waterways, Youngstown's factories became increasingly dependent upon importing from nearby port cities like Cleveland as locally-sourced raw materials continued to deplete. Over time, the cost to transport those raw materials from port cities degraded Youngstown's competitive advantage.

By 1900, most of Youngstown's manufacturing plants had shifted to facilitate steel production, and the city was recognized as an international leader in steel production until the 1970s. The population of "Steel Valley" peaked around 1930, when over 170,000 people called Youngstown home. By 1990 the population had dipped to below 100,000, and today is estimated to be below 65,000 residents, making Youngstown the ninth-largest city in Ohio.

The plants began shutting down in the 1970s, as shifts in the global economy triggered widespread manufacturing losses nationwide. Leading up to this time, Youngstown's economy had not diversified in the way that other Rust Belt cities' economies had. Therefore, the impact to Youngstown's manufacturing-dependent economy were especially severe, and the region's economy has yet to recover. Within a few decades, an estimated 40,000 direct manufacturing jobs, 400 supplementary local businesses, and up to 75 percent of local school tax revenues were wiped out.

In recent years, the regional economy has suffered additional setbacks that have negatively impacted, or will likely negatively impact, the local economy. Most notably in 2018, one of the largest auto plants in the nation, located in nearby Lordstown, announced it would be permanently closing. In 2016, the General Motors plant employed over 4,500 workers, but layoffs over the last two years reduced that number to less than 1,600. Additionally, General Motors announced plans to close the plant entirely in November 2018.

However, Youngstown's economy shows some signs of resilience. According to local real estate professionals, Youngstown has recently gained notoriety for a number of historic renovation/redevelopment projects in its downtown, and has experienced an influx of new residents and businesses moving downtown. This has occurred even as the population and number of businesses surrounding downtown continues to decline. Additionally, the Youngstown Business Incubator continues to provide opportunities for growth as it is consistently ranked as one of the top university-associated business incubators in the world.

Like most other cities in the Industrial Midwest, Youngstown has experienced major manufacturing sector job losses, population decline, and increased levels of poverty for decades. This region has a skilled labor force, but elevated unemployment and underemployment levels. Historically, the city's economy was built upon the steel and manufacturing industries, and there is still a significant presence of these industries located in the area. As of 2017, there were still 73 steel-related companies operating in Mahoning and Trumbull Counties. A few of the more well-known companies include ArcelorMittal USA, Arconic, and American Wire and Shapes. These remaining steel companies employ over 4,000 people, according to a September 2017 article published by local news station WKBN.

Employment Expansions/Contractions

We have reviewed publications by the Ohio Department of Job and Family Services listing WARN (Worker Adjustment and Retraining Notification Act) filings since 2014. These layoffs are illustrated in the following table.

WARN LISTINGS

Youngstown, OH: 2014 - 2018 YTD

Company	Industry	Employees Affected	Layoff Date
Northside Regional Medical Center	Healthcare	468	10/14/2018
Parker Hannifin Corp	Manufacturing	19	1/23/2017
Exterran	Energy	68	1/14/2016
Parker Hannifin Corp	Manufacturing	132	1/15/2016
Community Development Institute Head Start	Community Services	143	7/31/2015
Corrections Corporation of America	Prison Management	185	5/30/2015
Colonial Manor Operating Company INC	Healthcare	100	12/31/2014
Verizon	Communication	160	3/31/2014
Total		**1,275**	

Source: Ohio Department of Job and Family Services, December 2018

As illustrated in the previous table, there have been a number of significant employment losses in Youngstown since 2014. More than half of the job losses occurred in the healthcare or manufacturing sector. The most notable layoffs occurred in 2018 at Northside Regional Medical Center. This closure impacted a total of 468 jobs. Northside Regional Medical Center was located on Gypsy Lane, near the intersection of Belmont Avenue.

Per the Youngstown/Warren Regional Chamber of Commerce's fall 2018 Newsletter, there have been six recently completed projects totaling over $74 million in investment. These projects added 131 new jobs to the economy and retained an additional 484 jobs. In addition to these completed projects, the newsletter added that there are 27 additional pending projects which, once complete, would add approximately 1,986 new jobs and retain 2,046 others. These proposed projects represent over $2 billion of total investment into the regional economy. The following details three of these projects:

- Ellwood Group Incorporated, a leading supplier of high-quality metals and custom-engineered components, announced plans to construct a new 70,000 square foot aluminum casting manufacturing facility located in Hubbard Township, six miles northeast of downtown Youngstown. The facility is expected to cost $60 million, and once operational, will create 30 full time jobs.
- PurFoods, a leading national provider of refrigerated home-delivered meals, announced plans to construct a new $11 million fulfillment center in North Jackson, approximately 13 miles east of Youngstown. The facility will total 76,000 square feet.
- Joseph Company International plans to invest $20 million into a new Chill-Can manufacturing facility just east of downtown Youngstown. The Chill-Can is a self-chilling beverage can marketed to large beverage manufactures. This new facility is currently under construction, and once operational will create over 250 new jobs.

These employment expansions will have a positive impact on the Youngstown economy. However, it should be noted that the number of jobs lost over the last three years is significantly higher than the number of jobs gained.

Employment and Unemployment Trends

The following tables detail employment and unemployment trends for the Youngstown-Warren-Boardman, OH-PA MSA from 2002 through 2018.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

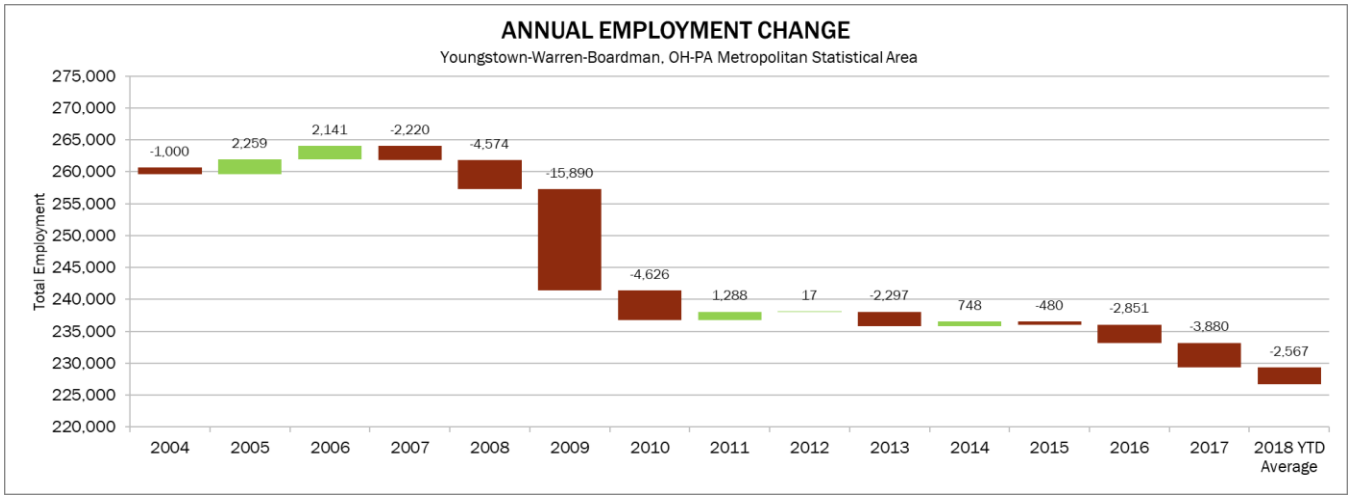
	Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area				USA			
Year	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	262,142	-	6.8%	-	136,485,000	-	5.8%	-
2003	260,664	-0.6%	7.4%	0.6%	137,736,000	0.9%	6.0%	0.2%
2004	259,664	-0.4%	7.5%	0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	261,923	0.9%	6.9%	-0.6%	141,730,000	1.8%	5.1%	-0.5%
2006	264,063	0.8%	6.2%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	261,843	-0.8%	6.1%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	257,269	-1.7%	7.2%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	241,378	-6.2%	12.8%	5.6%	139,878,000	-3.8%	9.3%	3.5%
2010	236,753	-1.9%	11.8%	-1.0%	139,064,000	-0.6%	9.6%	0.3%
2011	238,041	0.5%	9.8%	-2.1%	139,869,000	0.6%	9.0%	-0.7%
2012	238,058	0.0%	8.4%	-1.3%	142,469,000	1.9%	8.1%	-0.9%
2013	235,761	-1.0%	8.6%	0.1%	143,929,000	1.0%	7.4%	-0.7%
2014	236,508	0.3%	6.7%	-1.8%	146,305,000	1.7%	6.2%	-1.2%
2015	236,028	-0.2%	6.1%	-0.7%	148,833,000	1.7%	5.3%	-0.9%
2016	233,177	-1.2%	6.4%	0.3%	151,436,000	1.7%	4.9%	-0.4%
2017	229,297	-1.7%	6.7%	0.3%	153,308,000	1.2%	4.4%	-0.5%
2018 YTD Average*	226,730	-1.1%	5.8%	-0.9%	155,401,667	1.4%	3.9%	-0.5%
Sep-2017	229,614	-	7.2%	-	154,345,000	-	4.2%	-
Sep-2018	223,562	-2.6%	5.2%	-2.0%	156,191,000	1.2%	3.6%	-0.6%

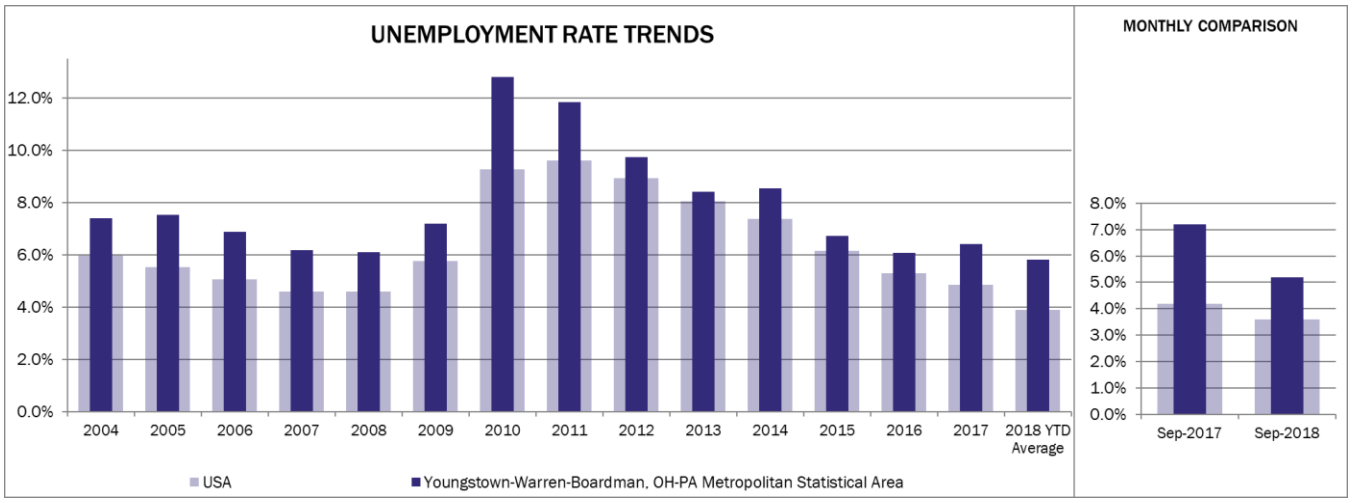
Source: U.S. Bureau of Labor Statistics November 2018

*2018 data is through Sep

Since 2002, total employment in the MSA has decreased 11 of the past 15 years. From 2008 to 2010 the MSA experienced total employment loss of 9.8 percent, which is double that of the nation which experienced a 4.9 percent decline during the same period. While the MSA has yet to recover total employment losses sustained during the national recession, the nation surpassed its pre-recession high in 2014. Since 2013, the MSA has experienced employment growth only once, in 2014. During the period from September 2017 to September 2018, the MSA suffered a total employment loss of 2.6 percentage points, while the nation experienced growth of 1.2 percentage points. This indicates that the MSA's economy has yet to recover for the most recent national recession and is still suffering from the structural change of manufacturing in the U.S.

The unemployment rate in the MSA has historically been greater than that of the nation since 2002. From 2008 to 2010, the MSA experience an unemployment rate increase of 5.7 percentage points, 70 basis points greater than that of the nation during the same period. Additionally, the unemployment rate in the MSA peaked at 12.8 percent in 2009, which is 320 basis points greater than the nation's 9.6 percent unemployment peak in 2010. From 2010 to 2017, the unemployment rate of the MSA decreased in all but three years. During the same period, the nation experienced consistent decreases in the unemployment rate. As of September 2018, the unemployment rate in the MSA is 5.2 percent, which is 160 basis points above that of the nation, but also the lowest unemployment rate in the MSA since 2002. Overall, it appears that the MSA has yet to recover from the most recent national recession.


ANNUAL EMPLOYMENT CHANGE
Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area
Total Employment
275,000
270,000
265,000
260,000
255,000
250,000
245,000
240,000
235,000
230,000
225,000
220,000
-1,000
2,259
2,141
-2,220
-4,574
-15,890
-4,626
1,288
17
-2,297
748
-480
-2,851
-3,880
-2,567
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018 YTD Average


UNEMPLOYMENT RATE TRENDS
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018 YTD Average
USA
Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area
MONTHLY COMPARISON
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
Sep-2017
Sep-2018

Employment by Industry

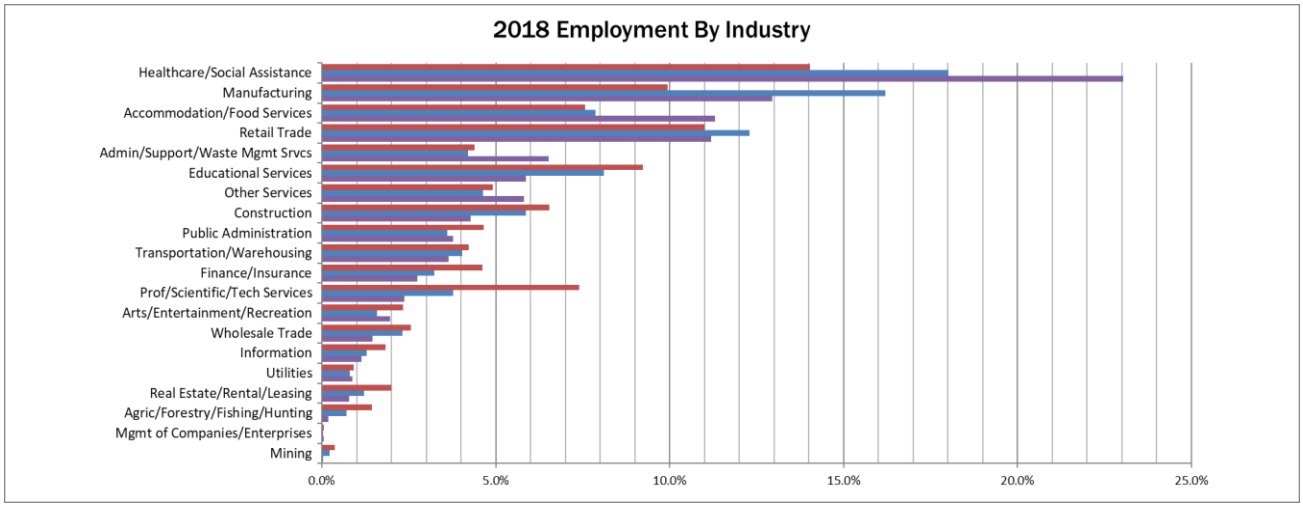
The following table illustrates employment by industry for the PMA as of 2018.

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	4,777	23.0%	22,154,439	14.0%
Manufacturing	2,682	12.9%	15,694,985	9.9%
Accommodation/Food Services	2,344	11.3%	11,958,374	7.6%
Retail Trade	2,320	11.2%	17,381,607	11.0%
Admin/Support/Waste Mgmt Srvcs	1,352	6.5%	6,943,459	4.4%
Educational Services	1,216	5.9%	14,568,337	9.2%
Other Services	1,206	5.8%	7,758,801	4.9%
Construction	887	4.3%	10,333,928	6.5%
Public Administration	784	3.8%	7,345,537	4.7%
Transportation/Warehousing	756	3.6%	6,660,099	4.2%
Finance/Insurance	568	2.7%	7,284,572	4.6%
Prof/Scientific/Tech Services	490	2.4%	11,673,939	7.4%
Arts/Entertainment/Recreation	407	2.0%	3,672,444	2.3%
Wholesale Trade	300	1.4%	4,028,405	2.6%
Information	235	1.1%	2,881,691	1.8%
Utilities	182	0.9%	1,433,069	0.9%
Real Estate/Rental/Leasing	164	0.8%	3,165,171	2.0%
Agric/Forestry/Fishing/Hunting	38	0.2%	2,273,158	1.4%
Mgmt of Companies/Enterprises	12	0.1%	87,511	0.1%
Mining	6	0.0%	591,596	0.4%
Total Employment	**20,726**	**100.0%**	**157,891,122**	**100.0%**

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

The largest percentage of workers in the PMA are employed in the healthcare/social assistance, manufacturing, retail trade and accommodation/food services sectors. The PMA's healthcare, educational services, accommodation/food services, manufacturing and administration/support/waste management services sectors have a higher percentage of employment in comparison to the nation while educational services, construction, and professional/scientific/technical services employment is more prevalent in the nation in comparison to the PMA.



Growth by Industry

The following table illustrates the change in total employment by sector in the PMA from 2000 to 2018.

2000-2018 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2018		2000-2018	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	4,981	17.4%	4,777	23.0%	-204	-0.2%
Manufacturing	5,085	17.7%	2,682	12.9%	-2,403	-2.6%
Accommodation/Food Services	2,153	7.5%	2,344	11.3%	191	0.5%
Retail Trade	3,553	12.4%	2,320	11.2%	-1,233	-1.9%
Admin/Support/Waste Mgmt Srvcs	1,348	4.7%	1,352	6.5%	4	0.0%
Educational Services	1,894	6.6%	1,216	5.9%	-678	-2.0%
Other Services	1,811	6.3%	1,206	5.8%	-605	-1.9%
Construction	1,145	4.0%	887	4.3%	-258	-1.3%
Public Administration	1,612	5.6%	784	3.8%	-828	-2.9%
Transportation/Warehousing	963	3.4%	756	3.6%	-207	-1.2%
Finance/Insurance	776	2.7%	568	2.7%	-208	-1.5%
Prof/Scientific/Tech Services	672	2.3%	490	2.4%	-182	-1.5%
Arts/Entertainment/Recreation	314	1.1%	407	2.0%	93	1.6%
Wholesale Trade	976	3.4%	300	1.4%	-676	-3.8%
Information	694	2.4%	235	1.1%	-459	-3.7%
Utilities	295	1.0%	182	0.9%	-113	-2.1%
Real Estate/Rental/Leasing	272	0.9%	164	0.8%	-108	-2.2%
Agric/Forestry/Fishing/Hunting	71	0.2%	38	0.2%	-33	-2.6%
Mgmt of Companies/Enterprises	0	0.0%	12	0.1%	12	0.0%
Mining	45	0.2%	6	0.0%	-39	-4.8%
Total Employment	**28,660**	**100.0%**	**20,726**	**100.0%**	**-7,934**	**-1.5%**

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

*Industry data current as of 2010. Other projections current as of 2018.

* Change in percentage is calculated as a rate of change by industry.

The industries that have experienced the most employment growth over the past several years is the accommodation/food services and arts/entertainment/recreation sectors. Conversely, the manufacturing and retail trade sectors have seen the largest employment losses in the PMA, which is consistent with slowed economic growth during the national recession.

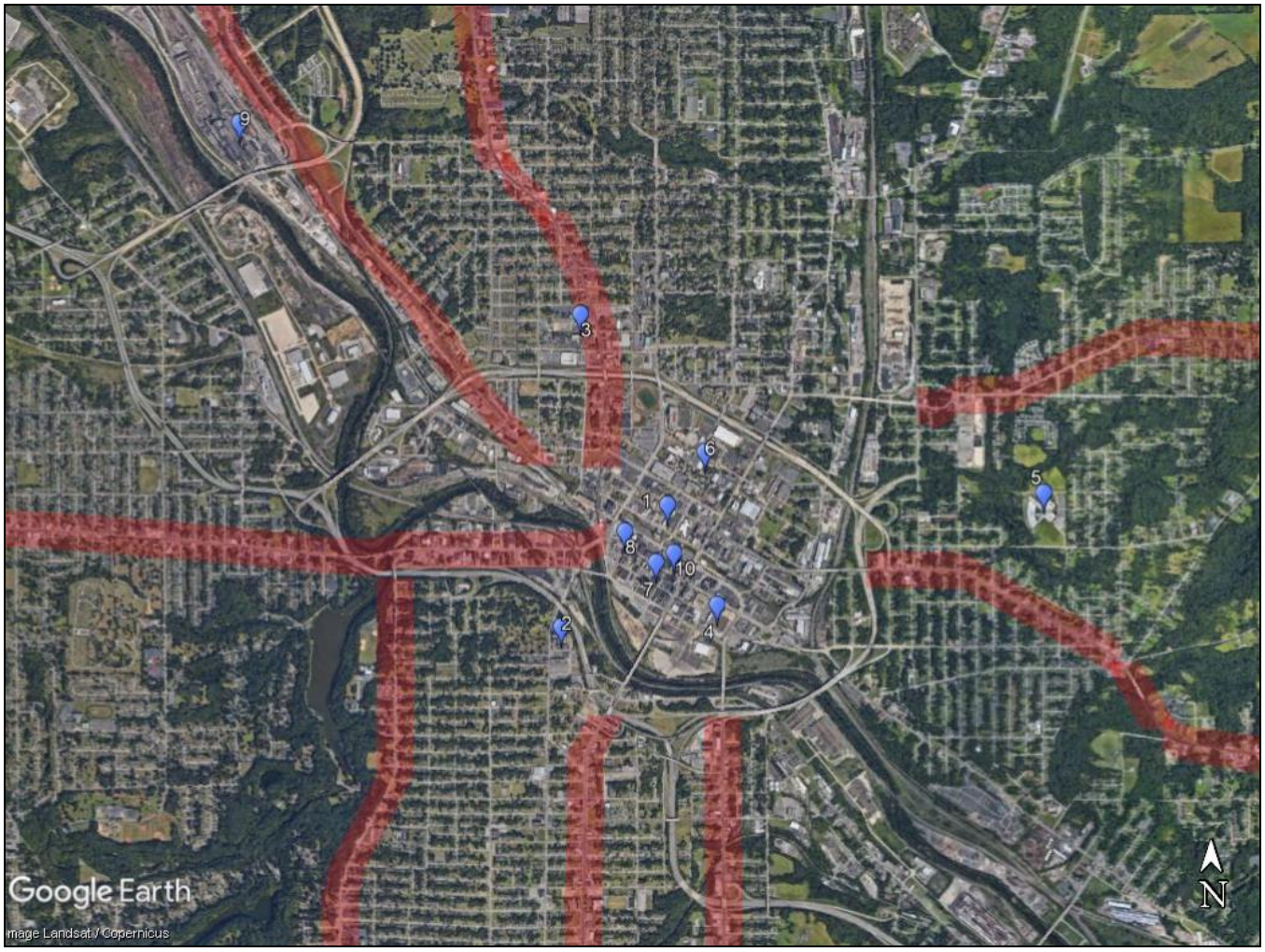
Major Employers

The following table and corresponding map details locations of the 10 largest employers in within the city of Youngstown.

MAJOR EMPLOYERS - City of Youngstown, OH

Map #	Employer Name	Industry	# Of Employees
1	Diocese of Youngstown	Education	1,000+
2	Mahonning County Government	Government	1,000+
3	Mercy Health	Healthcare	1,000+
4	U.S. Postal Service	Logistics	1,000+
5	Youngstown City Schools	Education	1,000+
6	Youngstown State University	Education	1,000+
7	City of Youngstown	Government	500-1,000
8	Home Savings & Loan	Financial Services	500-1,000
9	Vallourec Star	Manufacturing	500-1,000
10	VXI Global Solutions	Call Center	500-1,000

Source: Youngstown/Warren Regional Chamber, Retrieved Novemeber 2018



The largest employers in the city are concentrated in the education, government, and healthcare sectors. Collectively, these three sectors comprise 32.7 percent of total employment within the city. These sectors are considered to be generally stable during times of recession, unlike the manufacturing, accommodation/food services, and retail trade sectors, which comprise 35.4 percent of employment within the city.

Most of the major employers are located downtown, with generally equal access to all corridors, except Canfield Road. However, Vallourec Star is located along Route 422, Mercy Health and YSU are located along Belmont Avenue, and the Mahoning County Government offices are located southwest of downtown where the Glenwood Avenue, Mahoning Avenue, and Market Street corridors converge. Additionally, Youngstown City Schools is located on the east side, near McGuffey Road and Oak Street/McCartney Road. These employers provide a diverse a stable mix of employment to the city of Youngstown, and may help serve as catalysts to future development along their respective corridors.

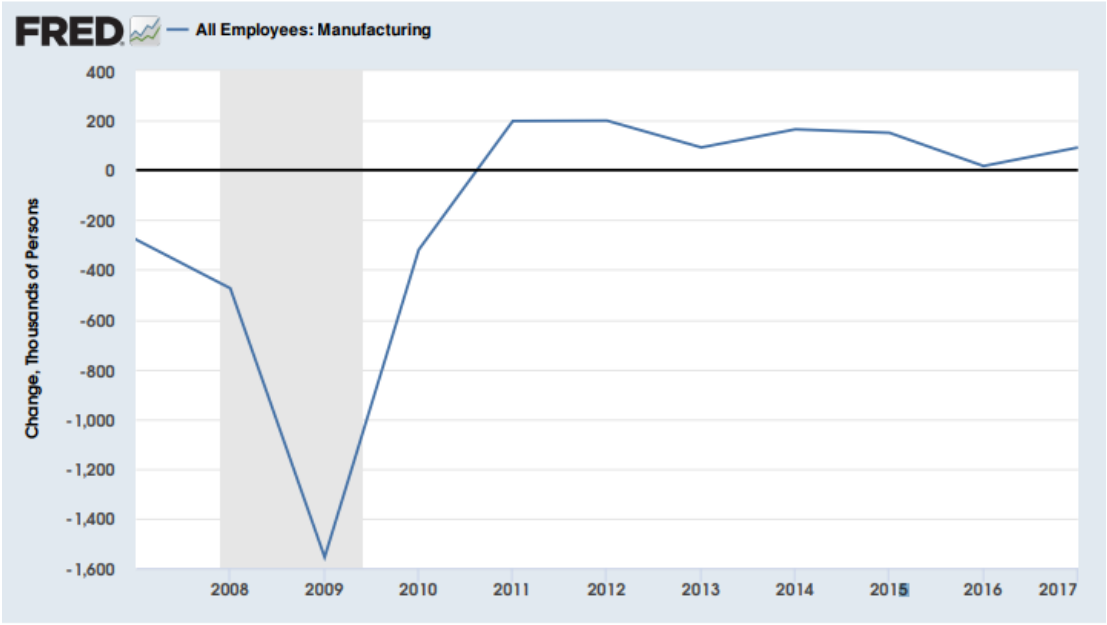
National Manufacturing Trends

The manufacturing sector in the MSA has yet to fully recover from the most recent recession. However, in recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

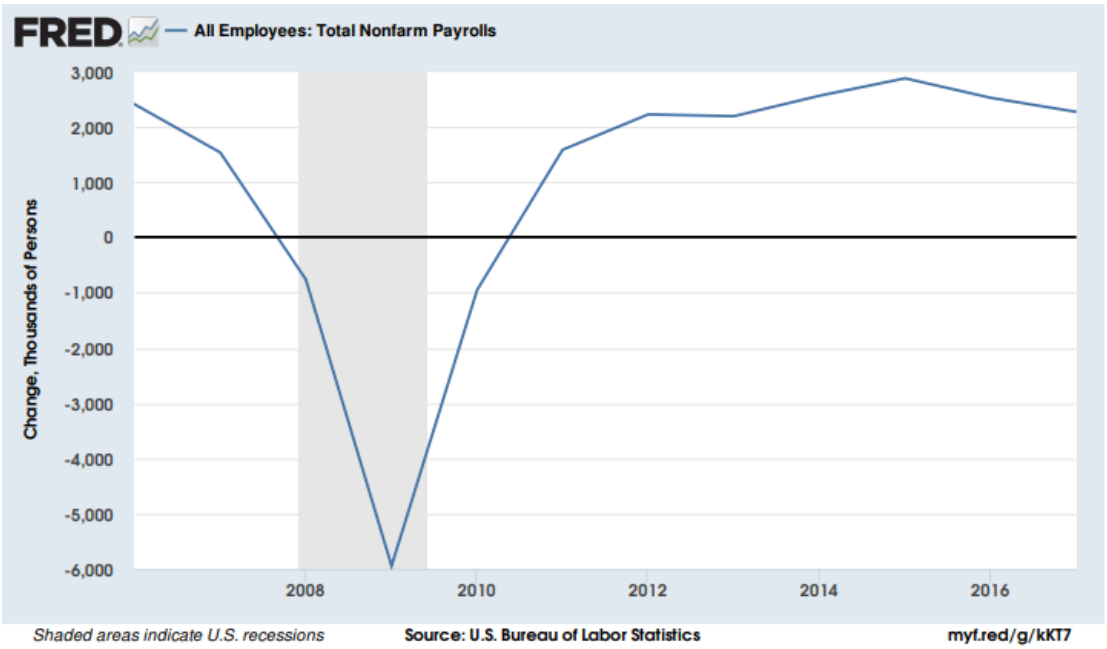
U.S. manufacturing output growth is expected to increase modestly through 2018. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their November 2017 publication, U.S. manufacturing is expected to grow at an average of 1.5 percent through 2021. Additionally, despite concerns over the variance in the value of the U.S. dollar, the worldwide economic recovery is linked with a modest rebound in U.S. manufacturing growth after years of stagnation.

According to Federal Reserve Economic Data (FRED), the manufacturing sector added 285,000 jobs since June of 2017. This follows a 13-year high in expansions of U.S. factories during the month of September, according to a separate report from Bloomberg for November 2017. The Bloomberg report also stated that growth in manufacturing has been steady for approximately two years, fueled mostly by consumer spending and business investment. Continued manufacturing expansions in December 2017 and positive projections for 2018 have the manufacturing sector primed to outpace growth in the overall U.S. economy for 2018.

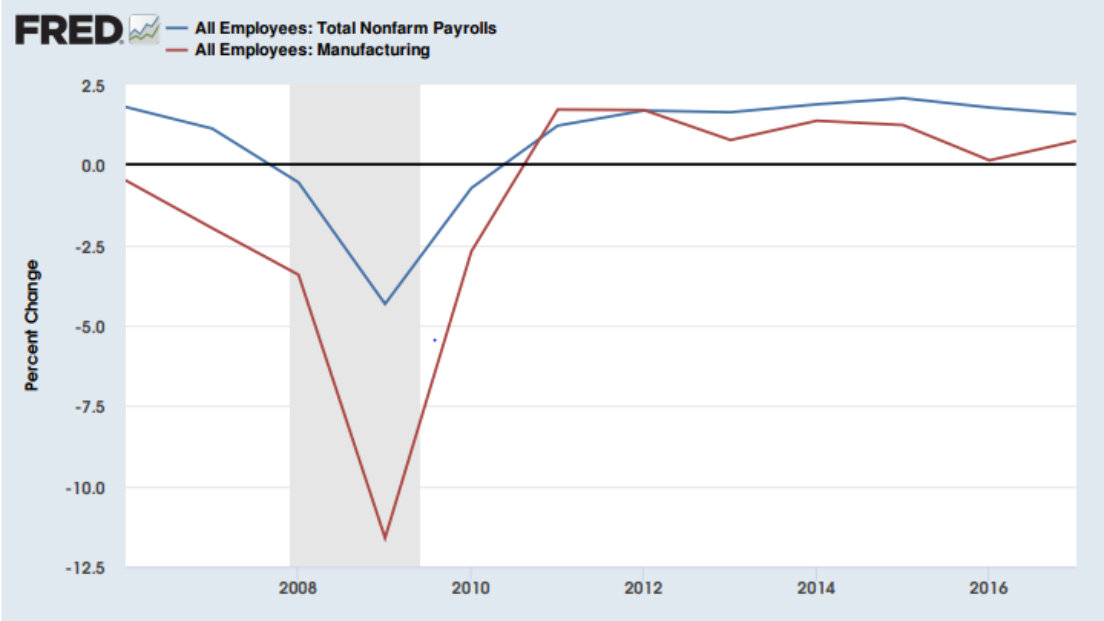
The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2007.



Source: Federal Reserve Bank of St. Louis, 8/2018.
Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

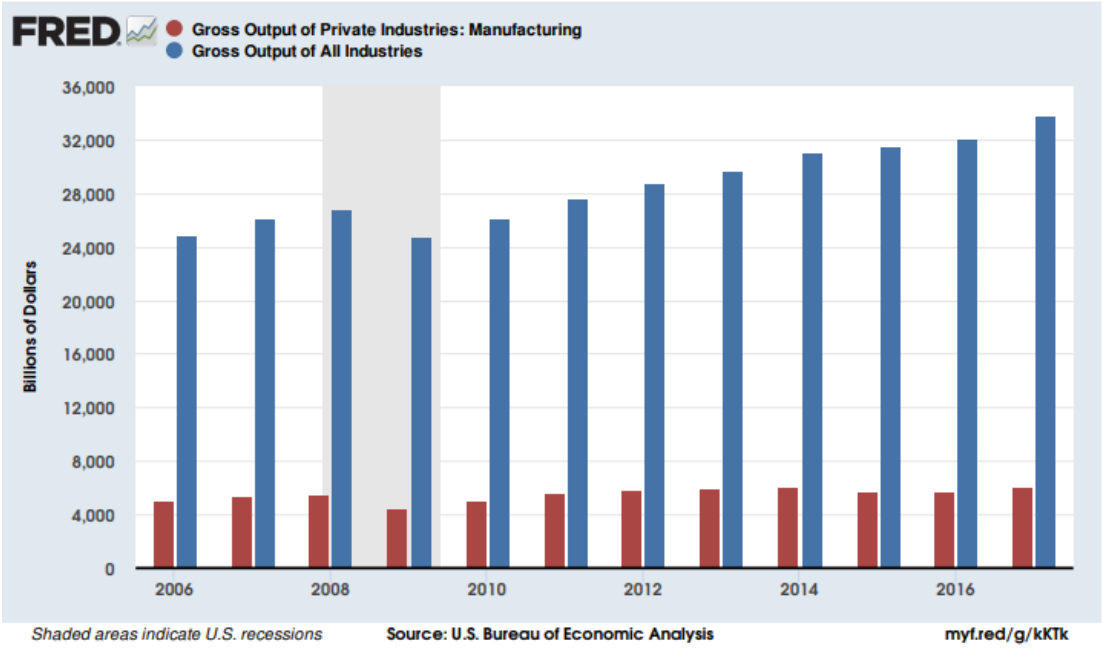


Source: Federal Reserve Bank of St. Louis, 8/2018.

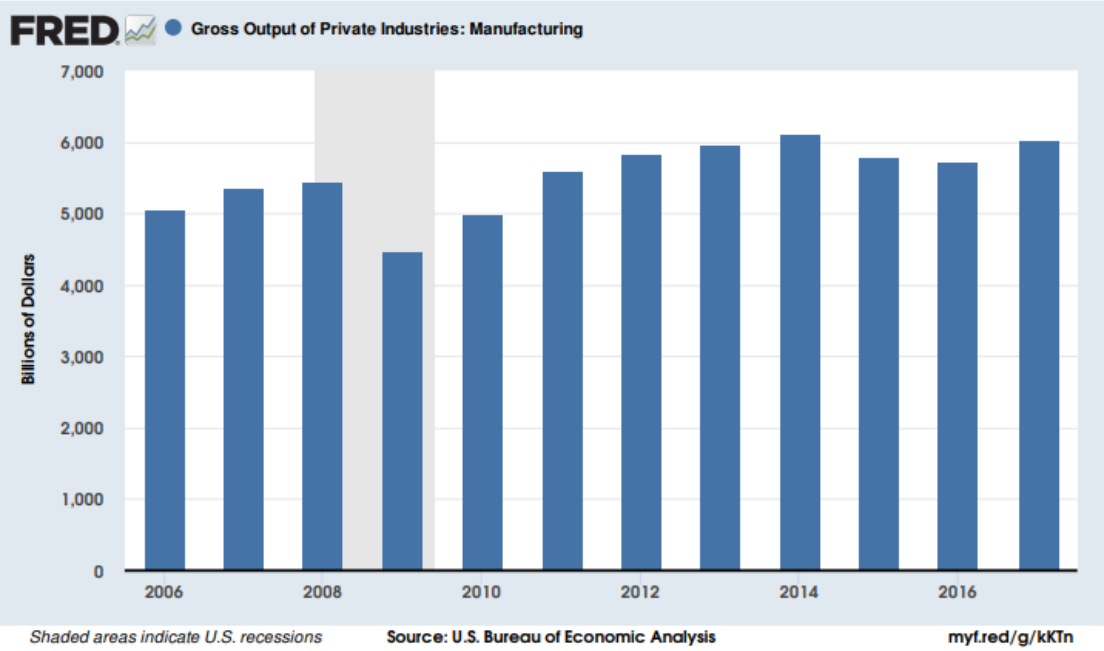


Source: Federal Reserve Bank of St. Louis, 8/2018.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment in non-farm industries has steady increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries. The following charts illustrate U.S. manufacturing gross output compared to that across all industries from 2007 through 2016.

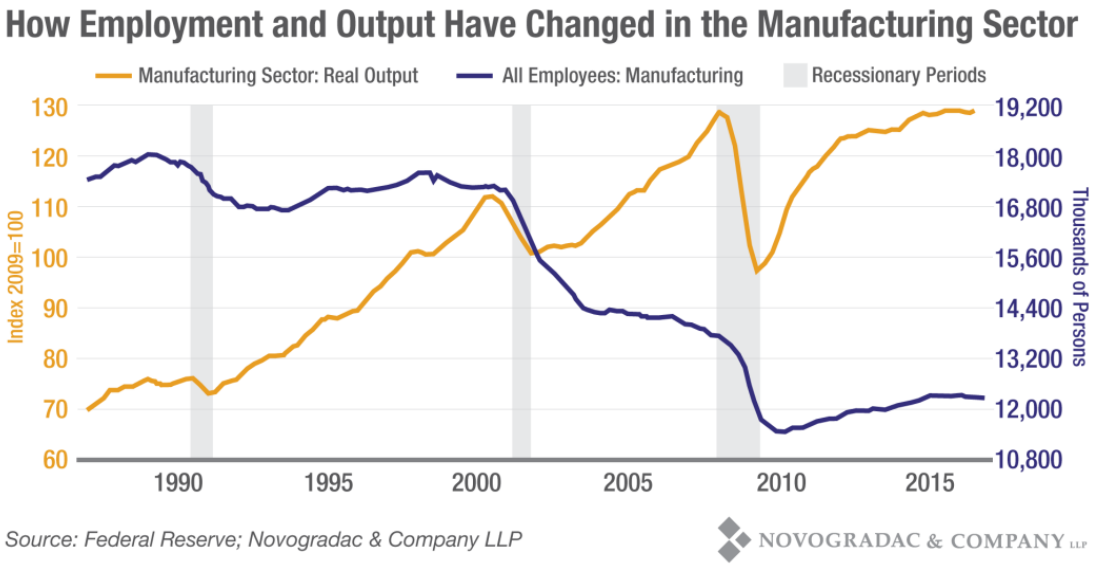


Source: Federal Reserve Bank of St. Louis, 8/2018.



Source: Federal Reserve Bank of St. Louis, 8/2018.
Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2009. Manufacturing output also surpassed pre-recessionary output levels in 2011, three years following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016. While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased.



Although recent modest employment growth in the U.S. manufacturing sector bodes well for the manufacturing sector as a whole, the industry is still not as strong as it was in the past. As discussed previously, the manufacturing sector accounts for 12.9 percent of employment within the city of Youngstown. Due to the industry's historical volatility, we believe it is reasonable to assume that Youngstown area will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment overall. Therefore, we believe the local economy would benefit from a higher level of employment diversification.

Wages by Occupation

The following table illustrates the wages by occupation for the Youngstown-Warren-Boardman, OH-PA MSA.

YOUNGSTOWN-WARREN-BOARDMAN, OH-PA METROPOLITAN STATISTICAL AREA - 2ND QTR 2018

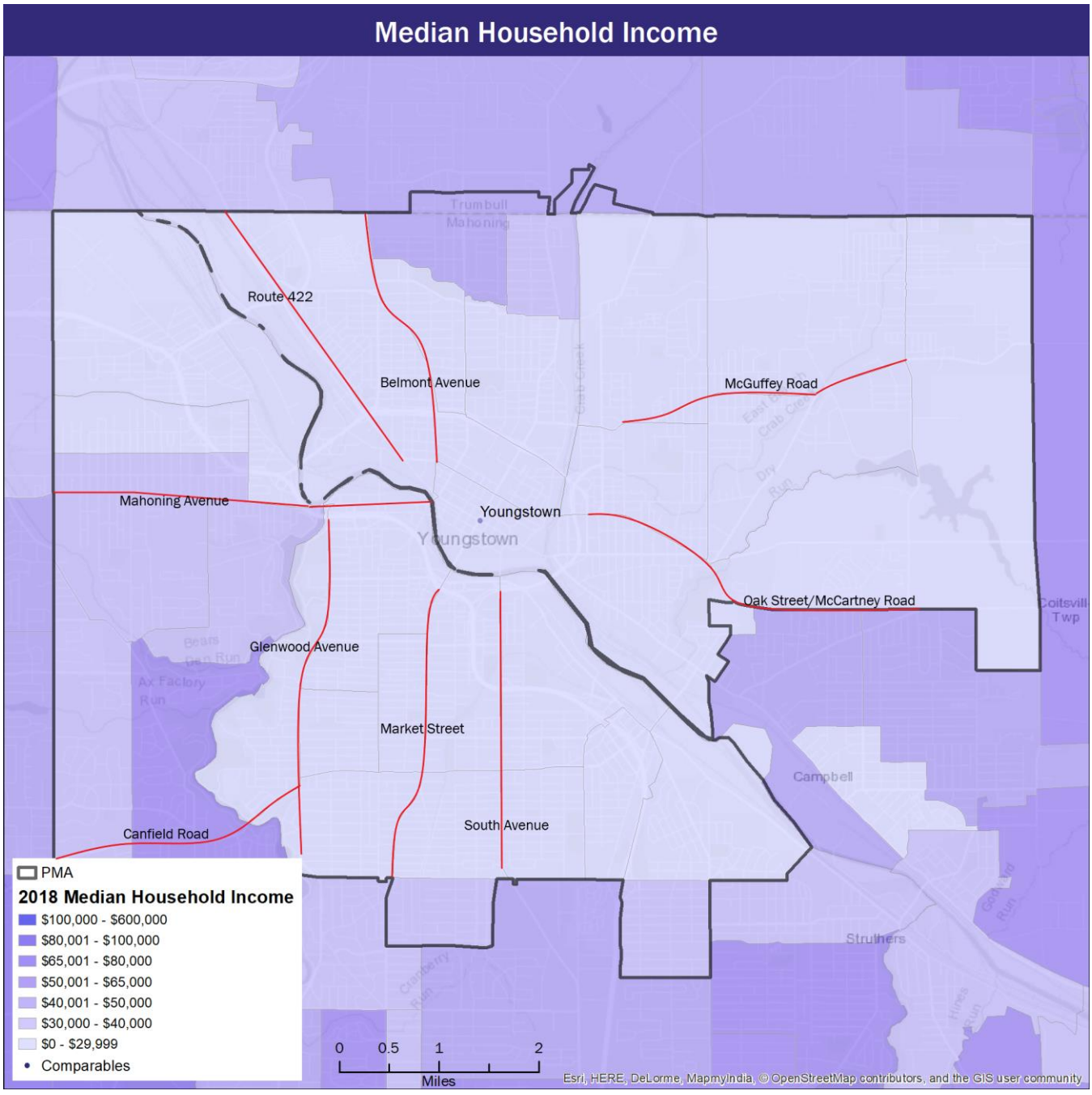
Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	**216,850**	**$19.44**	**$40,440**
Management Occupations	7,750	$44.36	$92,260
Architecture and Engineering Occupations	2,540	$34.76	$72,290
Healthcare Practitioners and Technical Occupations	15,100	$33.76	$70,220
Legal Occupations	890	$32.28	$67,140
Life, Physical, and Social Science Occupations	390	$31.38	$65,260
Education, Training, and Library Occupations	12,940	$30.70	$63,850
Computer and Mathematical Occupations	1,830	$29.82	$62,030
Business and Financial Operations Occupations	6,330	$28.42	$59,120
Construction and Extraction Occupations	7,650	$22.86	$47,550
Installation, Maintenance, and Repair Occupations	8,890	$20.47	$42,580
Protective Service Occupations	5,840	$19.32	$40,180
Community and Social Service Occupations	4,120	$19.00	$39,520
Production Occupations	19,500	$17.78	$36,980
Arts, Design, Entertainment, Sports, and Media Occupations	1,710	$17.14	$35,640
Transportation and Material Moving Occupations	16,500	$16.04	$33,370
Sales and Related Occupations	27,100	$15.40	$32,040
Office and Administrative Support Occupations	31,820	$15.40	$32,020
Farming, Fishing, and Forestry Occupations	110	$14.95	$31,090
Healthcare Support Occupations	9,020	$12.94	$26,910
Building and Grounds Cleaning and Maintenance Occupations	6,520	$12.09	$25,140
Personal Care and Service Occupations	5,890	$11.16	$23,210
Food Preparation and Serving Related Occupations	24,410	$9.95	$20,700

Source: Department Of Labor, Occupational Employment Statistics, 5/2017, retrieved 1/2019

The previous table shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage was transportation and material moving occupations related occupations at $16.04 per hour. The highest average hourly wage, of $44.36, is for those in Management Occupations.

Median Household Income

The location and surrounding neighborhood of a commercial property often impacts its status, class, and potential tenant base. The quality and type of uses in a community are factors that could positively or negatively impact a property's marketability. This section describes various locational factors that could affect achievable rents across different areas of the city. The following maps illustrate the median household incomes, and median home values by census tract in the PMA.



As illustrated in the previous map, the areas within Youngstown city boundaries generally exhibit lower median household incomes than the areas outside of the city. The areas that exhibit the highest median household incomes in the PMA are located on the city's north and west sides. Therefore, the commercial corridors located

on the west side traverse areas of higher income, while corridors located on the city's north, east, and south sides traverse areas of lower median household income.

Crime Statistics

The following table illustrates crime statistics in the Subject's PMA compared to the MSA.

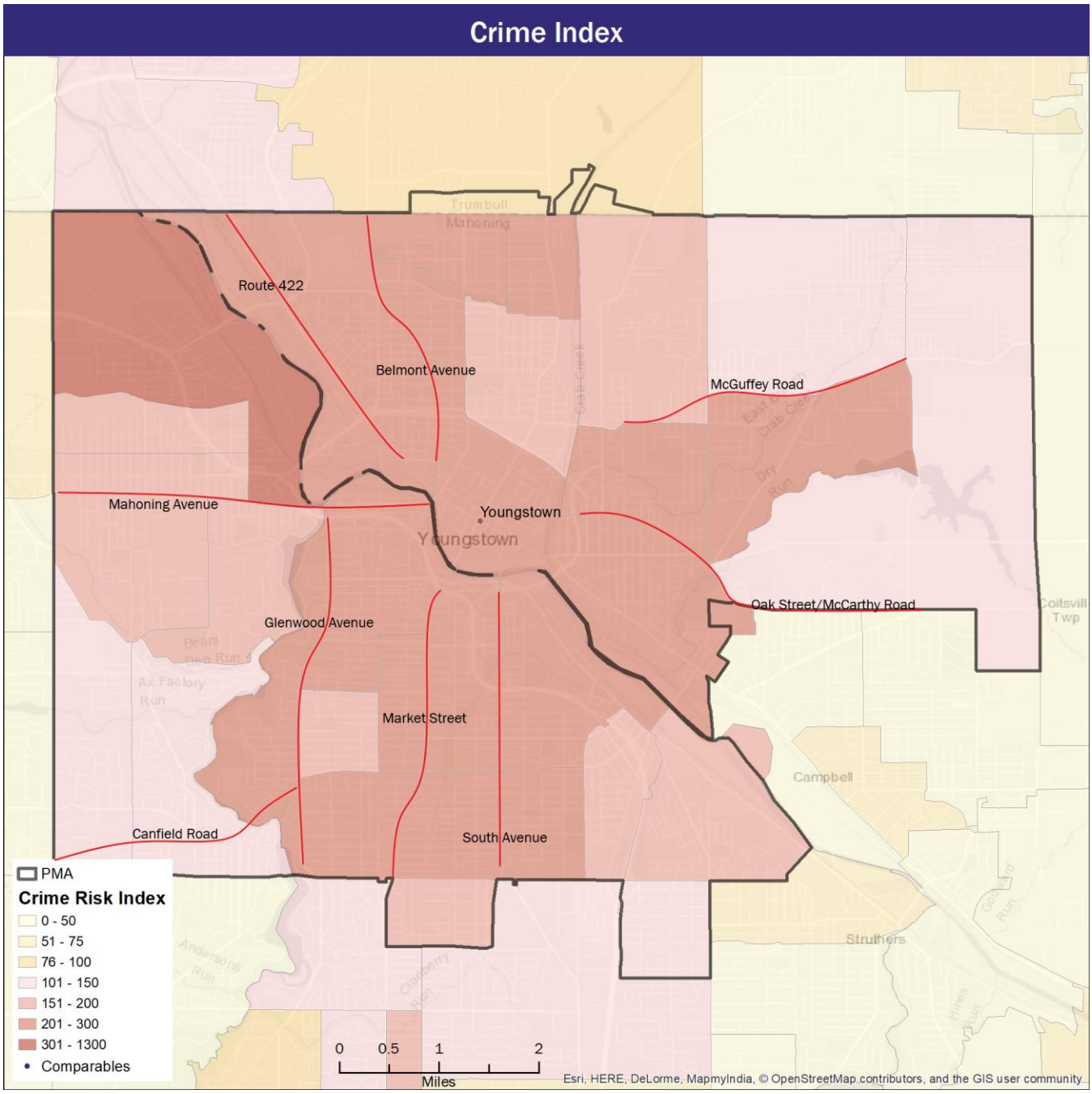
2018 CRIME INDICES

	PMA	Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area
Total Crime*	**155**	**97**
Personal Crime*	**197**	**94**
Murder	564	200
Rape	152	92
Robbery	234	104
Assault	176	86
Property Crime*	**150**	**98**
Burglary	286	147
Larceny	101	83
Motor Vehicle Theft	178	85

Source: Esri Demographics 2018, Novogradac & Company LLP, November 2018

*Unweighted aggregations

The total crime index in the PMA are generally above that of the MSA and the nation. Personal crime in the PMA is nearly double that of the national personal crime levels. The map following illustrates crime index indices by census tract in the PMA.



As illustrated in the previous map, the city of Youngstown contains areas with generally higher crime indices than the areas located outside of the city borders. All nine corridors are located in areas with crime indices that are above 100, or higher than the national average. Relatively, Route 422, Belmont Avenue, South Avenue, Market Street traverse the areas of highest crime, while Canfield Road traverses the areas of lowest crime.

Commuting Patterns

The chart following shows the travel time to work for the PMA according to US Census data.

COMMUTING PATTERNS

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	646	3.1%
Travel Time 5-9 min	2,759	13.3%
Travel Time 10-14 min	4,206	20.3%
Travel Time 15-19 min	4,587	22.2%
Travel Time 20-24 min	3,200	15.5%
Travel Time 25-29 min	1,485	7.2%
Travel Time 30-34 min	1,696	8.2%
Travel Time 35-39 min	203	1.0%
Travel Time 40-44 min	370	1.8%
Travel Time 45-59 min	608	2.9%
Travel Time 60-89 min	534	2.6%
Travel Time 90+ min	375	1.8%
Weighted Average	**23 minutes**	

Source: US Census 2018, Novogradac & Company, LLP November 2018

As shown in the previous table, the average travel time for individuals in the PMA is just 23 minutes. Approximately 74.5 percent of the persons in the PMA have a commute time of 24 minutes or less, indicating many of the households in the PMA work locally in the surrounding Youngstown area.

Age of Housing Stock

The following table illustrates the age of the existing housing stock in the city of Youngstown and the nation.

HOUSING STOCK BY YEAR BUILT

	PMA		USA	
Built 2005 or later	41	0.1%	2,573,002	1.9%
Built 2000 to 2004	736	2.2%	19,705,347	14.8%
Built 1990 to 1999	639	1.9%	18,762,073	14.1%
Built 1980 to 1989	761	2.3%	18,355,676	13.7%
Built 1970 to 1979	2,186	6.5%	20,901,765	15.7%
Built 1960 to 1969	3,484	10.3%	14,563,783	10.9%
Built 1950 to 1959	7,955	23.6%	14,255,447	10.7%
Built 1940 to 1949	4,302	12.8%	6,954,604	5.2%
Built 1939 or earlier	13,601	40.4%	17,458,151	13.1%
Total Housing Units	**33,705**	**100.0%**	**133,529,848**	**100.0%**

Source: US Census American Community Estimates, January 2018

As illustrated in the previous table, the majority of the housing stock in Youngstown was built before 1950 with over 40 percent of housing stock built prior to 1940. Comparatively. Only 13.1 percent of housing stock in the nation was constructed before 1940. As such, the housing stock within the city of Youngstown is significantly older than the national average.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard in the city, MSA, and nation.

SUBSTANDARD HOUSING

Year	PMA	MSA	USA
	Percentage	*Percentage*	*Percentage*
2018	3.3%	2.5%	1.7%

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018

The percentage of residents living in substandard housing in Youngstown is above that of the MSA and nation.

Description of Housing Stock

The housing stock in Youngstown primarily consists of single-family homes. Based on inspections of the area, we estimated that over 50 percent of homes in the city are in below average condition. According to *Zillow*, the current median listing price for a home in Youngstown is approximately $40,000, or $32 per square foot. The following photos depict typical single-family homes in Youngstown.

Typical single-family home on the north side

Typical single-family home on the east side

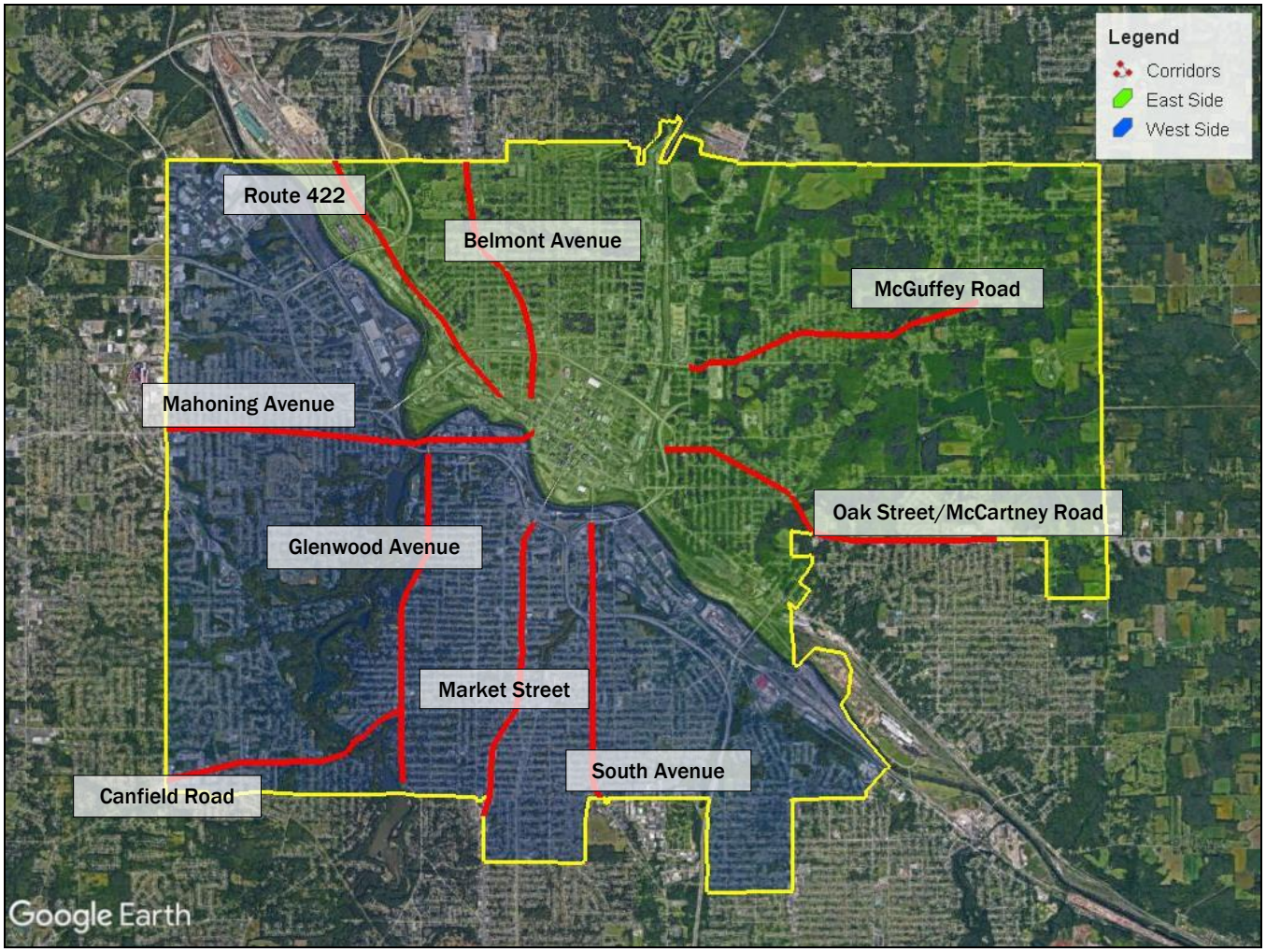
Typical single-family home on the west side

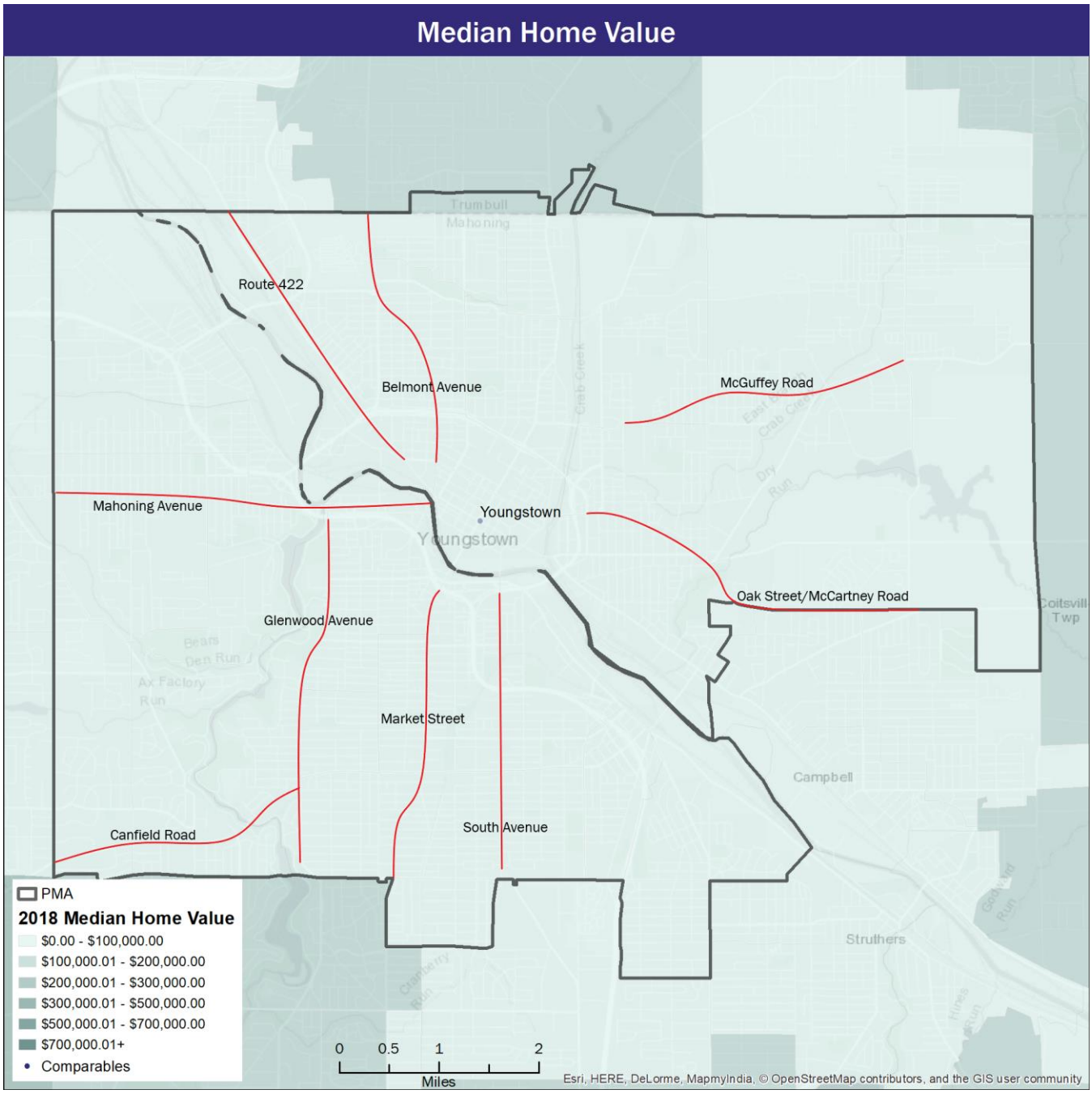
Typical single-family home on the south side

NEIGHBORHOOD ANALYSIS			
	West Side	East Side	City of Youngstown
Owner-Occupied Housing Units	47.76%	33.76%	42.79%
Renter-Occupied Housing Units	29.93%	42.38%	34.26%
Vacant Housing Units	22.30%	23.85%	22.83%
2018 Median Household Income	$28,709	$21,069	$26,194
2018-2023 MHI Annual Growth	2.47%	2.93%	2.78%
Average Listing Price	$45,500	$39,700	$40,000

Source: Esri Demographics 2018, Novogradac & Company LLP, January 2018; Zillow

As illustrated in the previous chart, 22.83 percent of housing units in Youngstown are vacant according to the most recent data available. The west side of Youngstown has a higher percentage of owner-occupied housing units, higher median household income, and higher average listing price. Comparatively, the east side has a higher percentage of renter-occupied housing units, higher percentage of vacant housing, and the average listing price for homes is under $40,000. The following map illustrates the locations of the commercial corridors in relation to the east side/west side, divided by the Mahoning River.





As illustrated in the previous map, the areas outside of the Youngstown city borders generally exhibit higher median home values than areas within the city.

Conclusion

The MSA was significantly affected by the national recession. Large employment losses have yet to be recovered in the MSA, while the nation passed pre-recession employment levels in 2014. A relatively high percentage of healthcare sector employment in the PMA will generally provide more stability during times of economic downtown. However, the MSA is still significantly rooted in the manufacturing industry, which has caused economic instability in the region for over 50 years. Overall, the MSA's economy will likely continue to remain unstable as long as it remains highly dependent upon the manufacturing sector.

III. ANALYSIS METHODOLOGY

INTRODUCTION

Each corridor will be analyzed based upon seven criteria related to the viability and health of a commercial corridor, as follows:

- Traffic counts
- Median household income growth
- Opportunity Zones
- Walkability
- Percentage of properties zoned to permit commercial uses
- Vacancy
- Commercial use diversity

According to our research, the ideal commercial corridor in Youngstown will exhibit a high traffic count, positive growth in median household income, location within one or more Opportunity Zones, high walkability score, high percentage of properties zoned to permit commercial uses, low percentage of vacant commercial properties, and a high level of diversity among commercial uses. It should be noted that we have combined various studies and schools of thought to fit the scope of this analysis, and the unique conditions of Youngstown's corridors. Each corridor will be individually assessed based upon these criteria, and assigned a relative ranking.

In order to refine our field of study to only include those properties within the specified commercial corridors, we identified specific property characteristics, and applied a subtractive mapping process using Esri ArcGIS software and geodata provided by Youngstown State University's Center for Urban and Regional Studies. The scope of our analysis is limited to only include properties that fit the following criteria:

- Located along, or adjacent to without another access-providing roadway, one of the previously described corridors.
  And
- Zoned for commercial use (zoning classifications MU-I, MU-N, MU-C, MU-UF, MU-DF, MU-FF, and IG).
  Or
- Contain a commercial use.

Average Daily Traffic Counts

The following table depicts average annual daily traffic (AADT) along each of the Subject corridors. These figures represent the average total volume of vehicles traversing the corridors per day. This data was gathered in 2017 and 2018 by the Ohio Department of Transportation, and is considered up-to-date.

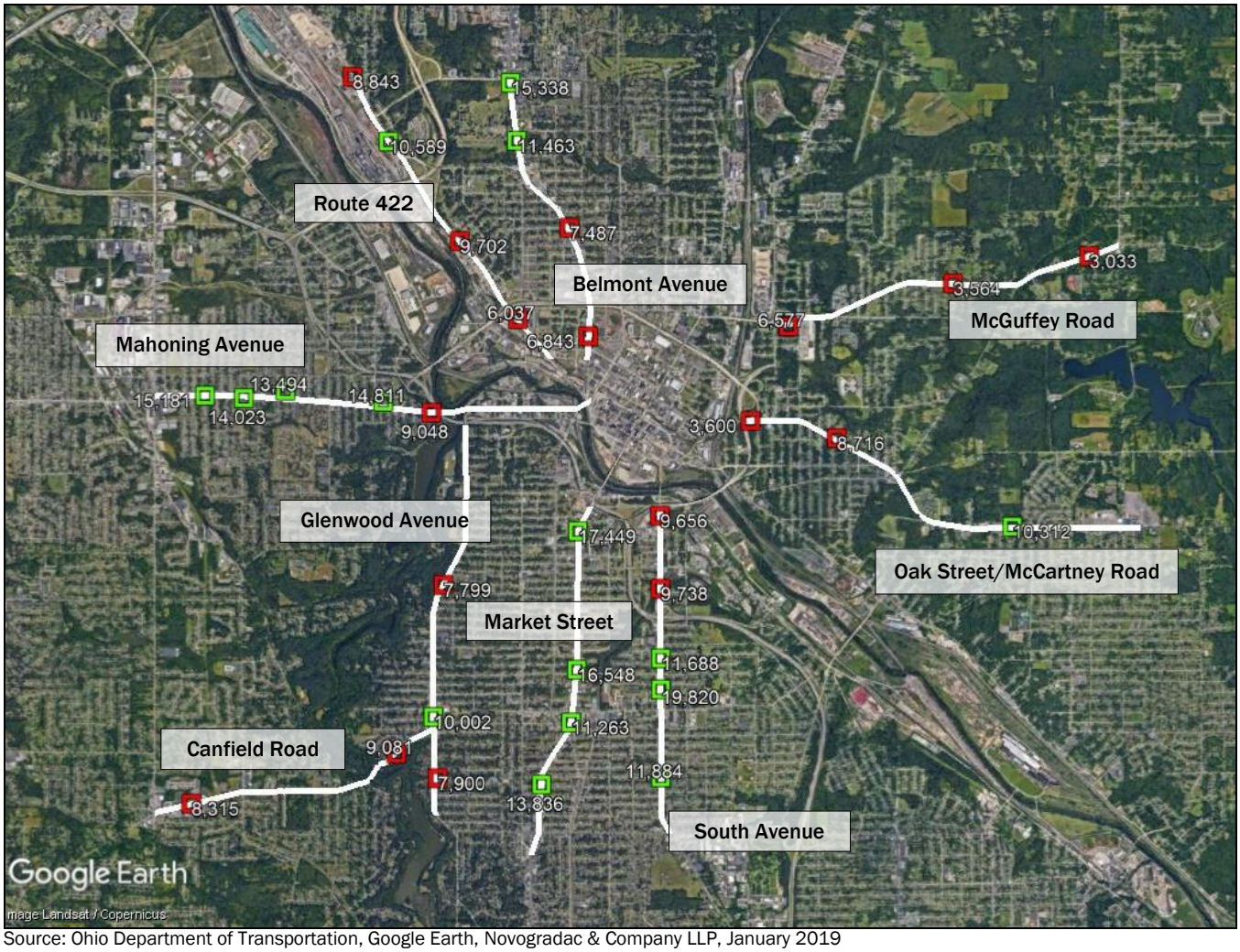
AVERAGE DAILY TRAFFIC COUNTS

Corridor	Average Annual Daily Traffic (AADT)	Comparison to Average	Ranking
Belmont Avenue	10,283	4.1%	4th
Canfield Road	8,698	-12.0%	6th
Glenwood Avenue	8,567	-13.3%	7th
Mahoning Avenue	13,311	34.7%	2nd
Market Street	14,774	49.5%	1st
McGuffey Road	4,391	-55.6%	9th
Oak Street/McCartney Road	7,543	-23.7%	8th
Route 422	8,793	-11.0%	5th
South Avenue	12,557	27.1%	3rd
Average	**9,880**		

Source: Ohio Department of Transportation, November 2018

As illustrated in the previous table, Market Street is the busiest corridor with traffic volume that is approximately 49.5 percent higher than the average among the corridors. Conversely, the McGuffey Road corridor is the least traveled, with only 4,391 vehicles per day, which is 55.6 percent below the average. This data supports our observations during site visits.

The following map displays where each traffic count was taken along the various corridors. Green markers signify an above-average traffic count, and red markers signify a below-average traffic count.



Source: Ohio Department of Transportation, Google Earth, Novogradac & Company LLP, January 2019

As illustrated in the previous map, except for along Market Street which has above-average traffic volume throughout the entire corridor, the highest traffic counts were recorded farther away from downtown Youngstown. Although not typical in most cities, this indicates that inter-neighborhood and intra-neighborhood travel is more common within Youngstown than vehicles traveling downtown for work and/or basic needs.

Median Household Income Growth

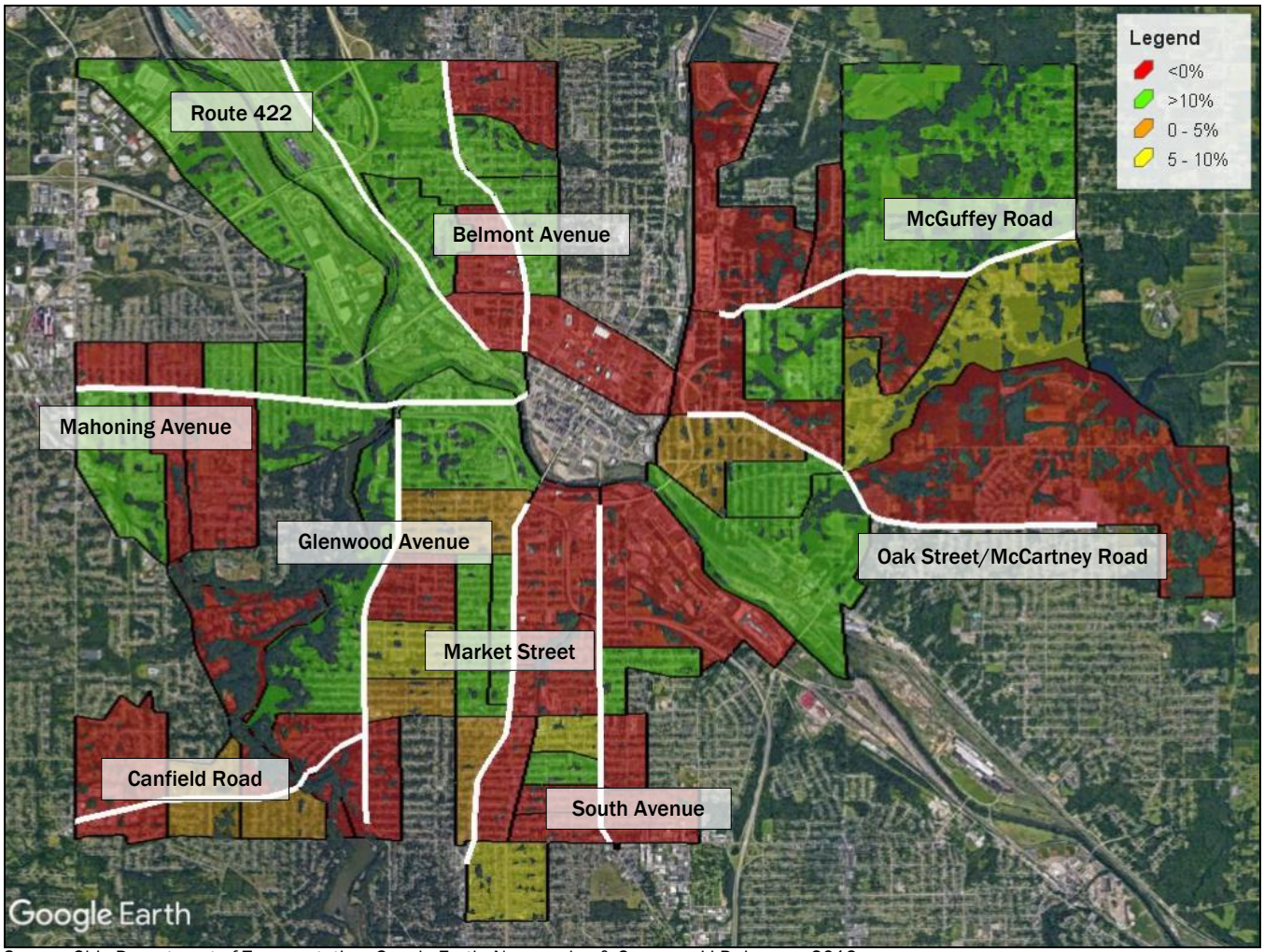
The following table depicts median household income (MHI) growth along each corridor from 2012 to 2017. These figures represent the average MHI growth among all census blocks that are traversed by each respective corridor. This data is sourced from U.S. Census Bureau American Community Survey estimates, and is considered up-to-date.

MEDIAN HOUSEHOLD INCOME GROWTH: 2012 - 2017

Corridor Name	5-Year MHI Growth %	Ranking
Belmont Avenue	17.3%	3rd
Canfield Road	-17.0%	9th
Glenwood Avenue	-0.1%	8th
Mahoning Avenue	14.3%	4th
Market Street	3.3%	6th
McGuffey Road	3.5%	5th
Oak Street/McCartney Road	37.2%	2nd
Route 422	57.8%	1st
South Avenue	0.5%	7th

Source: U.S. Census Bureau Amercian Community Survey Estimates 2012-2017, January 2019

As illustrated in the previous table, Route 422 experienced the highest level of MHI growth over the last five years, at approximately 57.8 percent. Conversely, the Canfield Road corridor experienced a 17.0 percent decrease in average MHI. The following map each census block that is traversed by at least one of the study corridors. Red census blocks have a lower MHI than five years ago, orange census blocks experienced a slight growth under 5.0 percent, yellow census blocks experienced moderate MHI growth between 5.0 and 10.0 percent, and green census blocks experienced the highest MHI growth of over 10.0 percent.

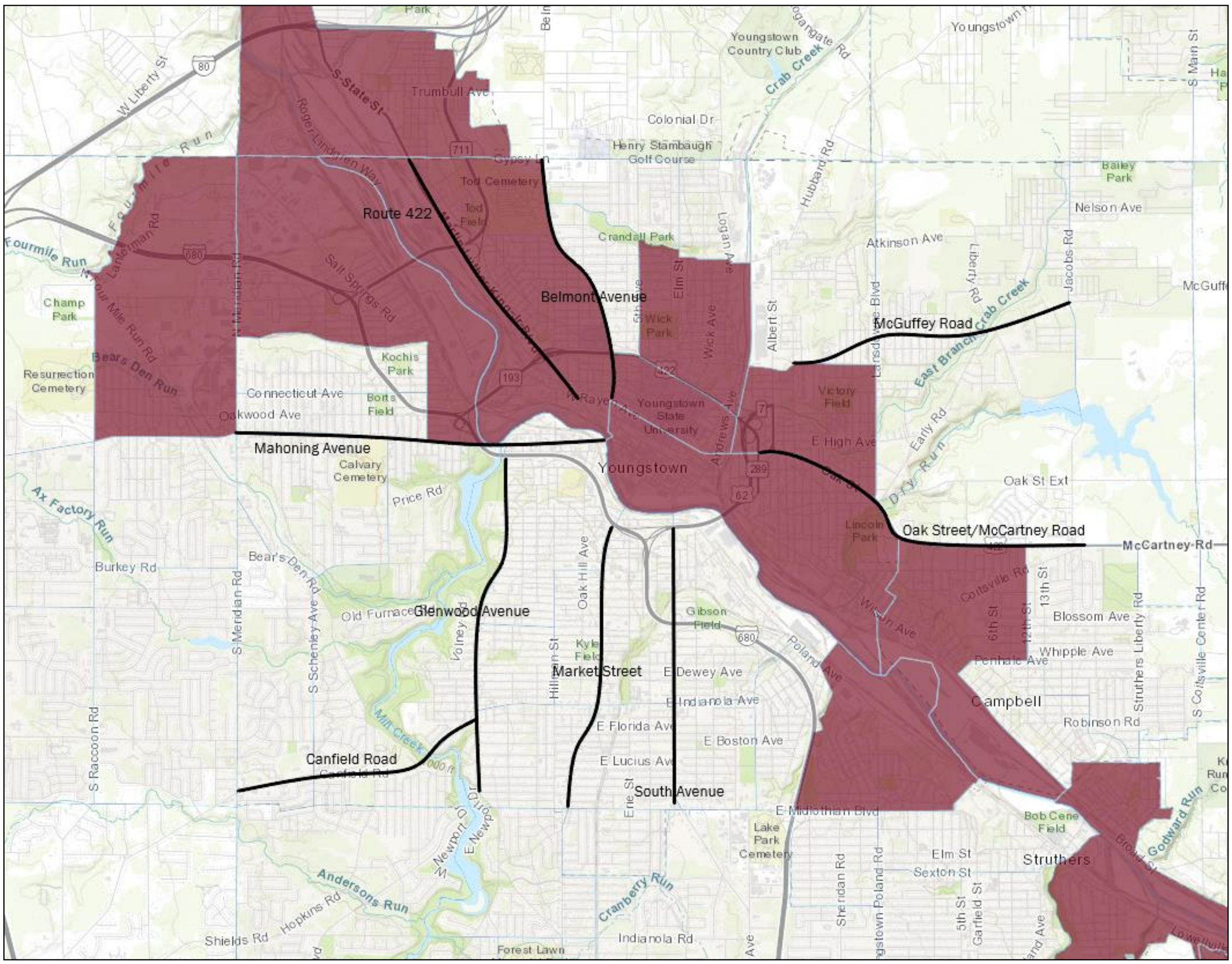


Source: Ohio Department of Transportation, Google Earth, Novogradac & Company LLP, January 2019

As illustrated in the previous map, each corridor traverses areas of varying median household growth and decline. The northwest portion of the city experienced the most concentrated areas of MHI growth over the last five years. The corridors that traverse this area of concentrated growth include Route 422, Belmont Avenue, and Mahoning Avenue.

Opportunity Zones

Enacted in 2018, the Opportunity Zone program is a federal economic development tool that aims to incentivize investment within distressed communities. This is achieved though providing federal tax breaks for developments located within certain low-income census tracts. The development industry is still becoming familiar this new program, and its effectiveness as an economic development tool is still to be determined. However, we believe the presence of Opportunity Zones is beneficial to a commercial corridor's viability for future development. As shown in the previous table the city of Youngstown contains six census tracts that are designated Opportunity Zones, as shown in the following map.



Source: Ohio Department Services Agency, Novogradac & Company LLP, January 2019

As illustrated in the previous map, Opportunity Zones are primarily clustered along the eastern side of the Mahoning River. In addition to covering all of downtown Youngstown and the Route 422 corridor, there are Opportunity Zones along portions of Belmont Avenue, Oak Street/McCartney Road, Mahoning Avenue, and a small section of McGuffey Road. There are currently no areas of Canfield Road, Glenwood Avenue, Market

Street, or South Avenue that traverse an Opportunity Zone. The following table details the approximate percentage of each corridor that is within an Opportunity Zone. It should be noted that areas outside the city of Youngstown were excluded from these figures.

OPPORTUNITY ZONE COVERAGE

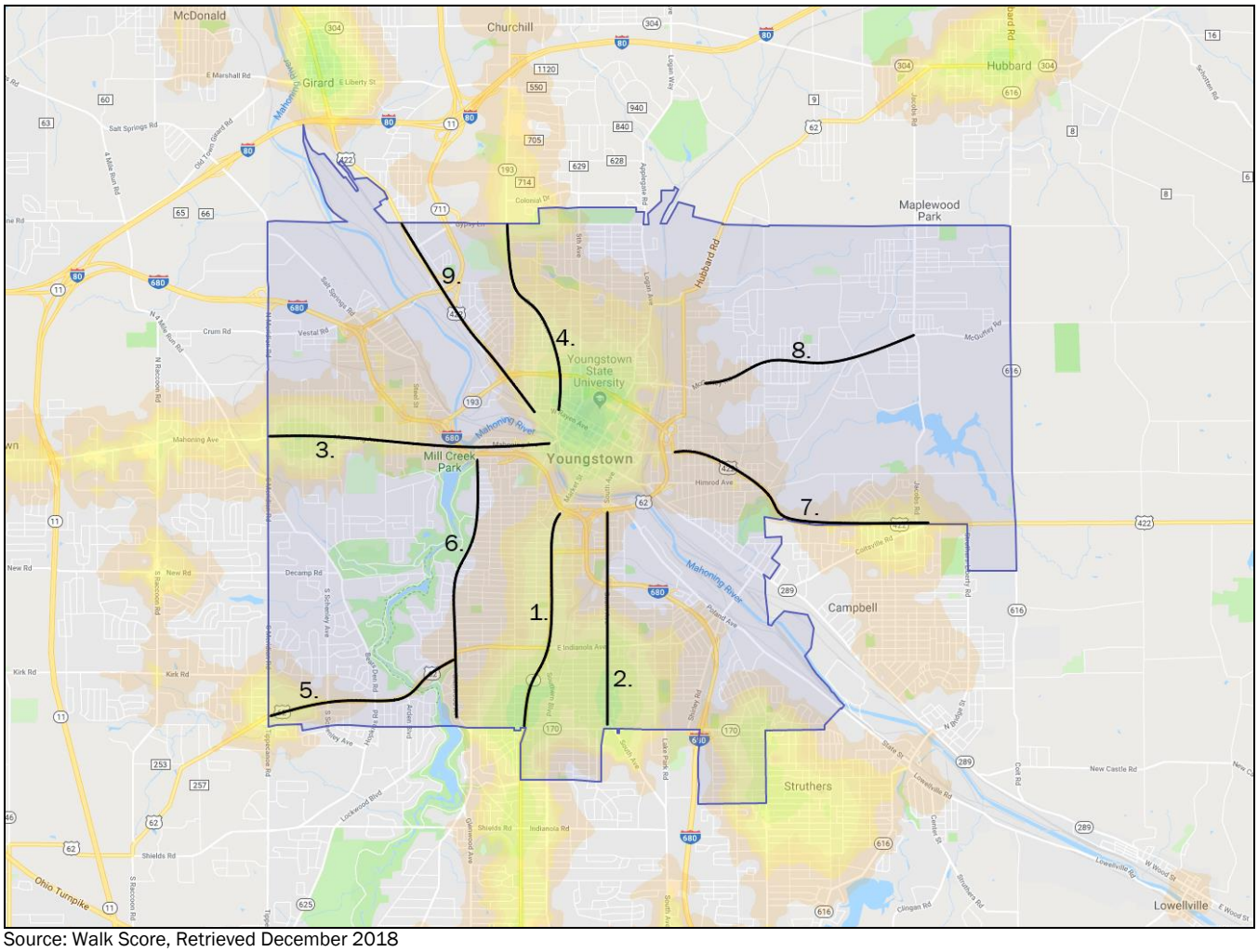
Corridor Name	% Within Oportunity Zone	Ranking
Belmont Avenue	58.8%	2nd
Canfield Road	0.0%	9th
Glenwood Avenue	0.0%	6th (T)
Mahoning Avenue	10.2%	4th
Market Street	0.0%	6th (T)
McGuffey Road	7.9%	5th
Oak Street/McCartney Road	58.0%	3rd
Route 422	100.0%	1st
South Avenue	0.0%	6th (T)

Source: Ohio Development Services Agency, Novogradac & Company LLP, January 2019

As shown in the previous table, Route 422 has the highest percentage within an Opportunity Zone, followed by Belmont Avenue and Oak Street/McCartney Road. Although Glenwood Avenue, Market Street, and South Avenue do not traverse any Opportunity Zones, each is located within close proximity to an Opportunity Zone. However, Canfield Road is not located near any Opportunity Zones. Therefore, we consider Canfield Road as the lowest-ranking corridor in terms of being able to benefit from Opportunity Zones.

Corridor Walkability

The following map depicts the Walk Score data within the city of Youngstown. Support for more walkable commercial corridors continues to grow as people and businesses increasingly choose to spend and locate in areas with more traditional development patterns. Therefore, for the purposes of this study, we shall consider higher walkability to be a benefit, and auto-dependency to be a negative attribute. Green areas represent more walkable areas, yellow areas represent somewhat walkable areas, orange areas are considered not walkable, and areas without a color designation are considered car-dependent.



Source: Walk Score, Retrieved December 2018

As illustrated in the previous table, Market Street, South Avenue, and Mahoning Avenue are mostly walkable, while Belmont Avenue, Canfield Road, and Glenwood Avenue are considered somewhat walkable. Conversely, Oak Street/McCartney Road, McGuffey Road, and Route 422 are considered not walkable and/or car-dependent. This data supports our observations during site visits.

WALK SCORE RANKINGS

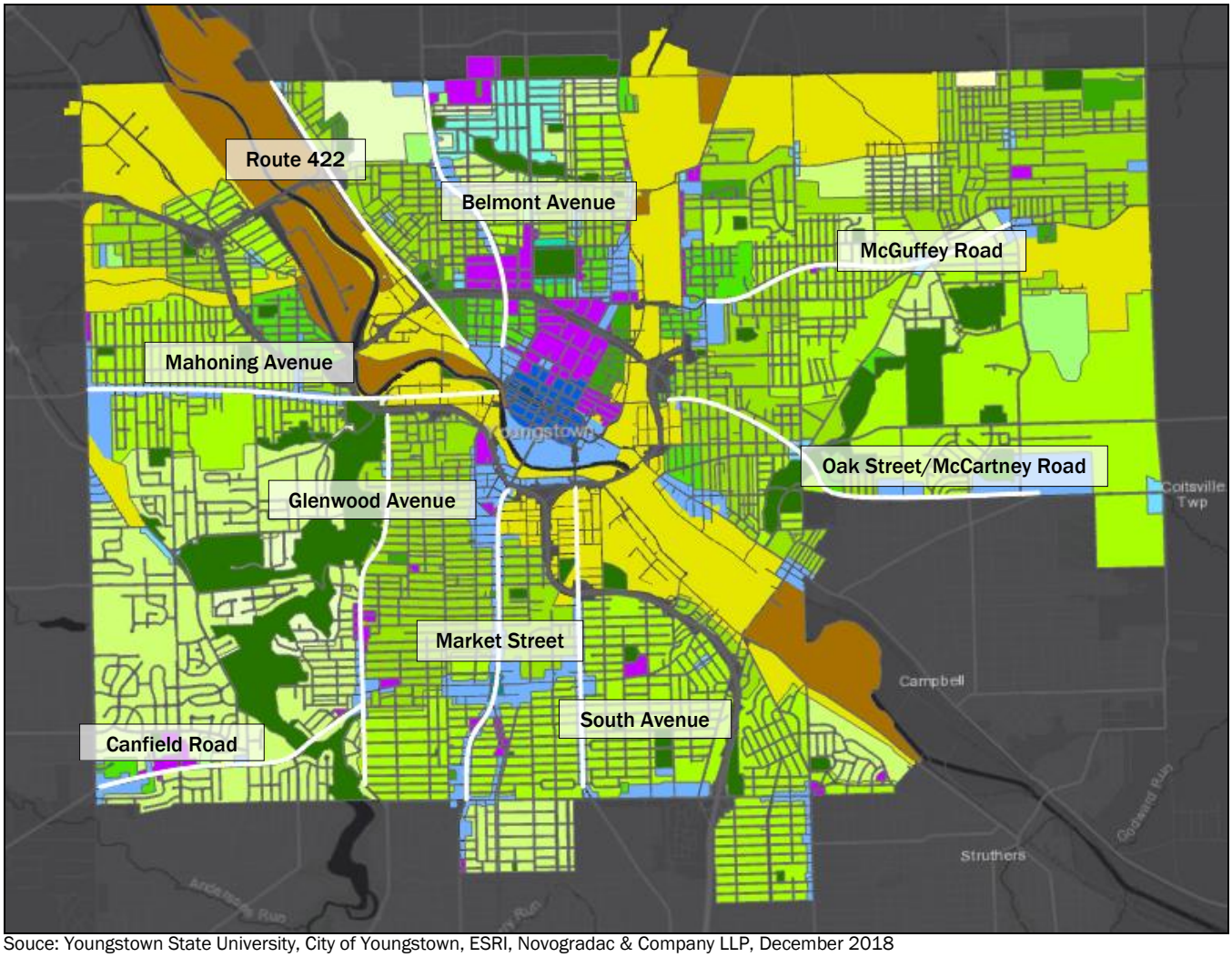
Mostly Walkable	Somewhat Walkable	Not Walkable
1. Market Street	4. Belmont Avenue	7. Oak Street/McCartney Road
2. South Avenue	5. Canfield Road	8. McGuffey Road
3. Mahoning Avenue	6. Glenwood Avenue	9. Route 422

Source: Walk Score, Novogradac & Company LLP, December 2018

Commercial Zoning Analysis

This analysis helps to determine what percentage of the properties located along a corridor are zoned to allow commercial uses. Corridors with higher commercial zoning ratios will be considered primary commercial corridors, while corridors with lower ratios of commercial zoning may be considered secondary commercial corridors. Because zoning can be difficult to change, it's important to identify which corridors currently contain a higher ratio commercially developable properties. A property's zoning designation does not determine what kind of development exists, but rather, what kinds of development the city seeks to encourage within a specific location over the long-term.

The following map illustrates various zoning classifications in the city of Youngstown. Blue areas are zoned for commercial use, various shades of light green represent residential zones, dark green designate parks and open space, yellow and brown areas represent industrial zoning, and purple zones are institutions or other uses that necessitate special zoning restrictions.

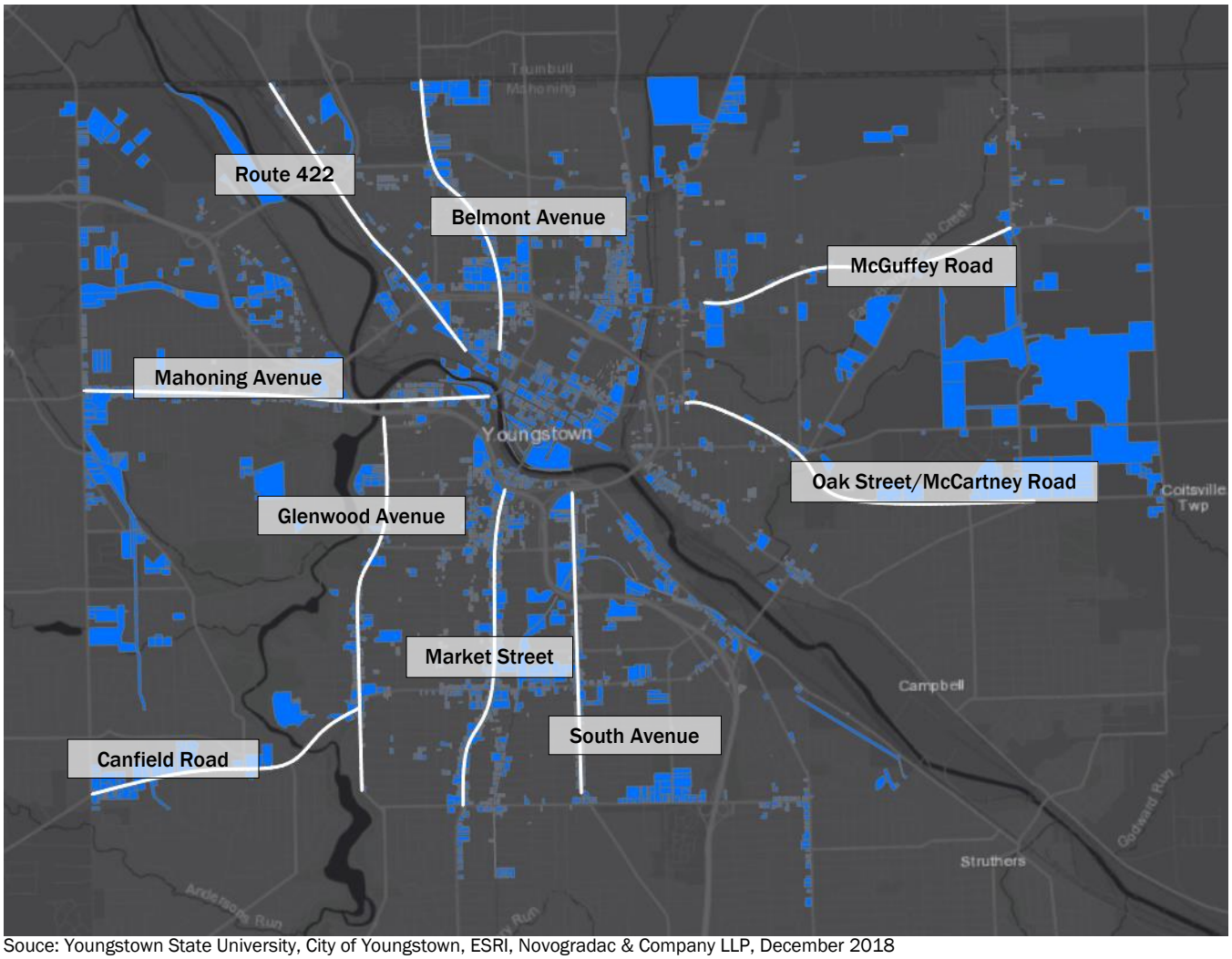


Souce: Youngstown State University, City of Youngstown, ESRI, Novogradac & Company LLP, December 2018

Commercial Use/Vacancy Analysis

This analysis helps to determine which properties located along a corridor are currently operating as a commercial use, and what percentage of those are vacant. Corridors with lower ratios of vacant commercial property benefit from an increased commercial presence that, when clustered in groups, may serve to catalyze additional commercial development nearby. Because commercial properties thrive when there are several other commercial businesses operated in proximity, it's important to identify which corridors currently contain active commercial districts that have already achieved, or are close to achieving, the "critical mass" needed to spark additional business development in proximate properties. In this analysis, we also look at what kinds of commercial uses are present, and what mix of commercial use categories exists along each corridor.

The following map illustrates properties within the city of Youngstown that currently contain a commercial use. It should be noted that not all commercial uses have a commercial zoning classification, and not all commercially-zoned properties are commercial uses. When a property's use does not adhere to its zoning classification, it may be considered an existing non-conforming use. Depending on the type of use, and whether the city determines its status to be detrimental to the surrounding area, a property's use may be "grandfathered in" and operate as a non-conforming use indefinitely. Commercial uses across the city are shown in blue.



Souce: Youngstown State University, City of Youngstown, ESRI, Novogradac & Company LLP, December 2018

Use Diversity Analysis

The following chart illustrates to the uses that are included within each use category. These color designations are displayed later in the report, within each of the corridor profile use maps. Red areas are healthcare-related uses, orange properties are bars and/or restaurants, yellow are retail uses, green are bank/financial uses, teal represents a mixed-use property, blue is general commercial uses, purple represents office, gray is for parking-related uses, and black symbolizes a vacant commercial property.

MAP KEY

Use Category	Color	Uses Included
Healthcare		Medical Clinics and Offices
		Nursing Homes/Hospital Full Care
		Nursing Homes - Custodial
Bar/Restaurant		Café and/or Bar
		Fast Food Drive-in
		Family Restaurant with Dining Room
		Drive Thru Carry-out
Retail		Supermarkets
		Discount and Junior Department Store
		Neighborhood Shopping Center
		Community Shopping Center
		Other Retail Structure
		Convenience Food Store
		Gas Station/Convenience Store
		Dwelling Used as Retail
Bank/Financial		Full Service Banks
		Savings and Loans
Mixed-Use		Retail with Apartments Over-Walkup
		Retail/Storage Over-Walkup
		Office/Apartments Over-Walkup
General Commercial		Motels and Tourist Cabins
		Daycare/Preschool
		Other Commercial Housing
		Small Commercial (<10,000 SF)
		Dry Cleaning Plant or Laundry
		Funeral Home
		Car Wash-Full Service/Auto
		Radio/TV Station
		Automotive Service Station
		Car Washes - Self Serve
		Automotive Car Sales and Service
		Theaters
		Bowling Alleys
		Lodge Halls
		Used Car Sales Lot
		Commercial Warehouses
		Other Commercial Structures
Office		Office Buildings 1-2 Stories
		Dwelling Used as Office
Parking		Commercial Garages
		Parking Garage Structures and Lots
		Parking Lot Structure
Vacant		Vacant Commercial Property

Source: Youngstown Planning & Zoning Division, Novogradac & Company LLP, December 2018

This analysis helps to determine how diverse the various uses are along a corridor. Corridors with higher diversity indexes will be considered superior to corridors with lower diversity indexes. Because diversity of uses is critical to a commercial corridor's overall health and stability, it's important to identify which corridors currently contain a richer and more balanced mix of uses. In order to determine how diverse each corridor's commercial uses are, we utilized the Shannon-Weaver Diversity Index. Although this calculation methodology was initially developed in order to quantify the biodiversity of various species within an ecosystem, the formula has since been applied to many applications, including land use. Urban planning professionals and academics commonly use the Shannon-Weaver Diversity Index in order to determine how mixed-use a particular geography is compared to another. The following chart illustrates the relative diversity indices of each commercial corridor.

COMMERCIAL USE DIVERSITY INDEX

Corridor Name	Use Diversity Index*	Ranking
Belmont Avenue	1.64	1st
Canfield Road	1.39	3rd
Glenwood Avenue	0.94	7th
Mahoning Avenue	1.09	6th
Market Street	1.58	2nd
McGuffey Road	0.77	8th
Oak Street/McCartney Road	1.35	4th
Route 422	0.54	9th
South Avenue	1.32	5th
Average	**1.18**	

*As determined by the Shannon-Weaver Diversity Index formula.

As illustrated previously, the Belmont Avenue corridor exhibits the highest level of commercial use diversity, while Route 422 exhibits the lowest level of commercial use diversity. This data generally supports our observations made during inspections of the corridors.

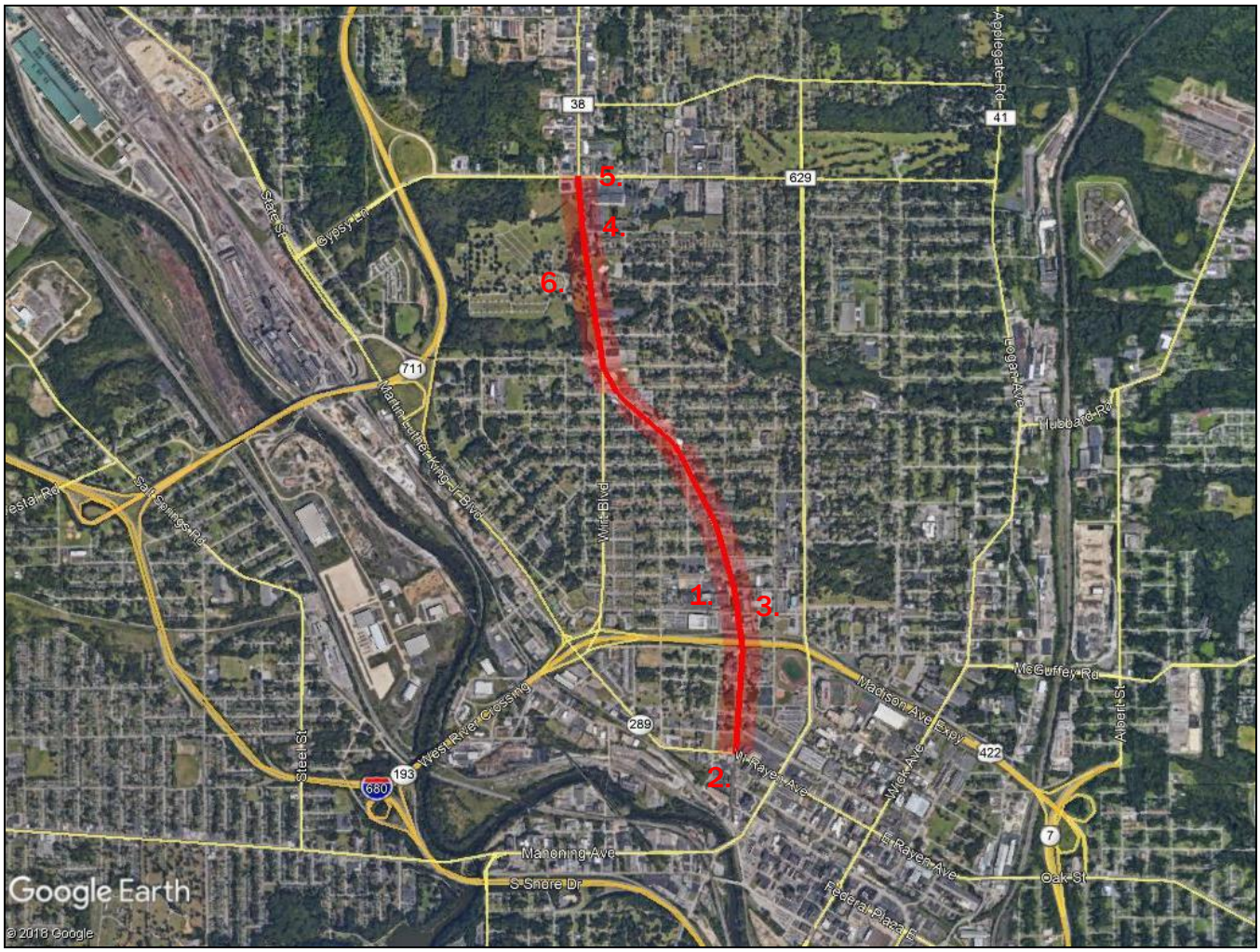
IV. COMMERCIAL CORRIDOR PROFILES

BELMONT AVENUE

Located on the city's north side, the Belmont Avenue corridor spans 2.0 miles from Gypsy Lane in the north to West Rayen Avenue in the south. The corridor travels through the neighborhoods of Arlington, Brier Hill, North Heights, and Wick Park.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	10,283	**% Zoned Commercial**	73.2%
Walkability	Somewhat Walkable	**% Vacant**	20.0%
5-Year MHI Growth	17.3%	**Opportunity Zone %**	58.8%
Strength	High Use Diversity	**Use Diversity Index**	1.64
Weakness	Nearby Neighborhoods Demolished	**Overall Ranking**	1st

This southern end of this corridor is dominated by two large institutions, Youngstown State University and Mercy Health St. Elizabeth Hospital. Over the last 50 years, the university and hospital demolished much of the built environment in order to expand their facilities. However, these demolitions replaced operating commercial uses with surface parking lots. In recent years, student housing developments have increased street life along the southern portion of the corridor, but much of the corridor north of the university area remains devoid of activity. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Mercy Health St. Elizabeth Hospital

2. Large warehouse

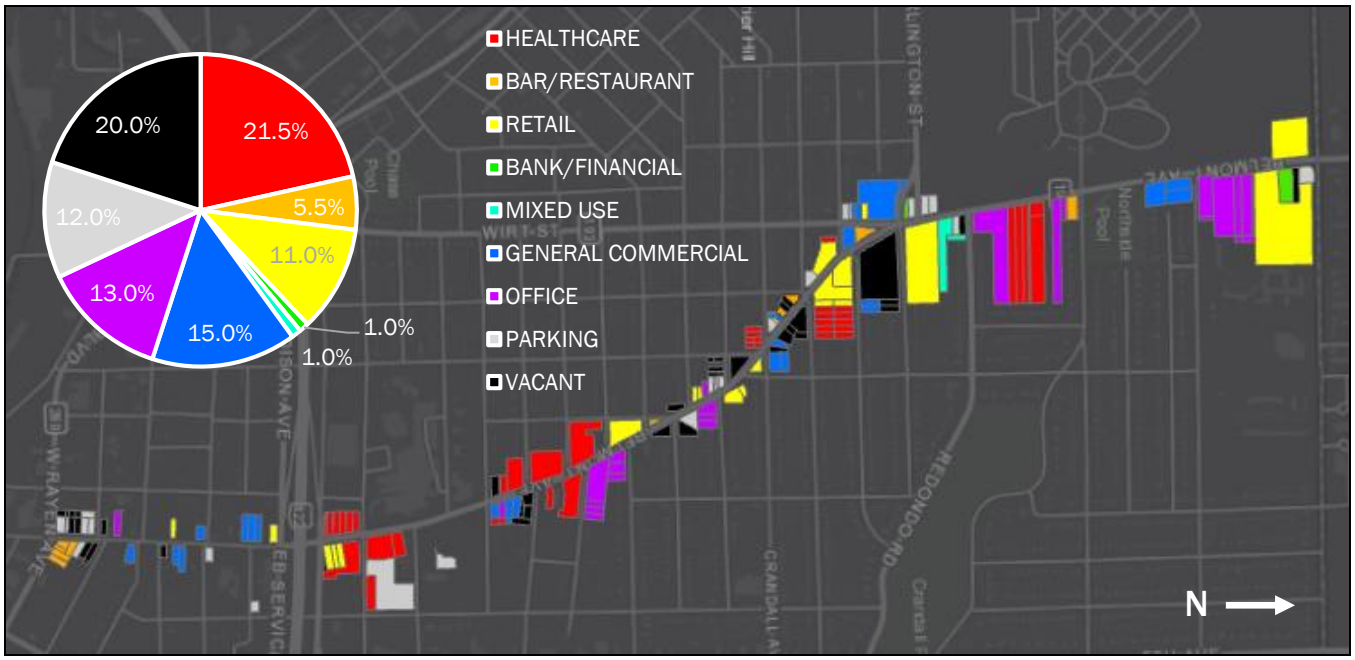
3. Vacant lot

4. Phantom Fireworks headquarters

5. Union Square Plaza

6. Tod Homestead Cemetery

Zoning/Commercial Uses Maps

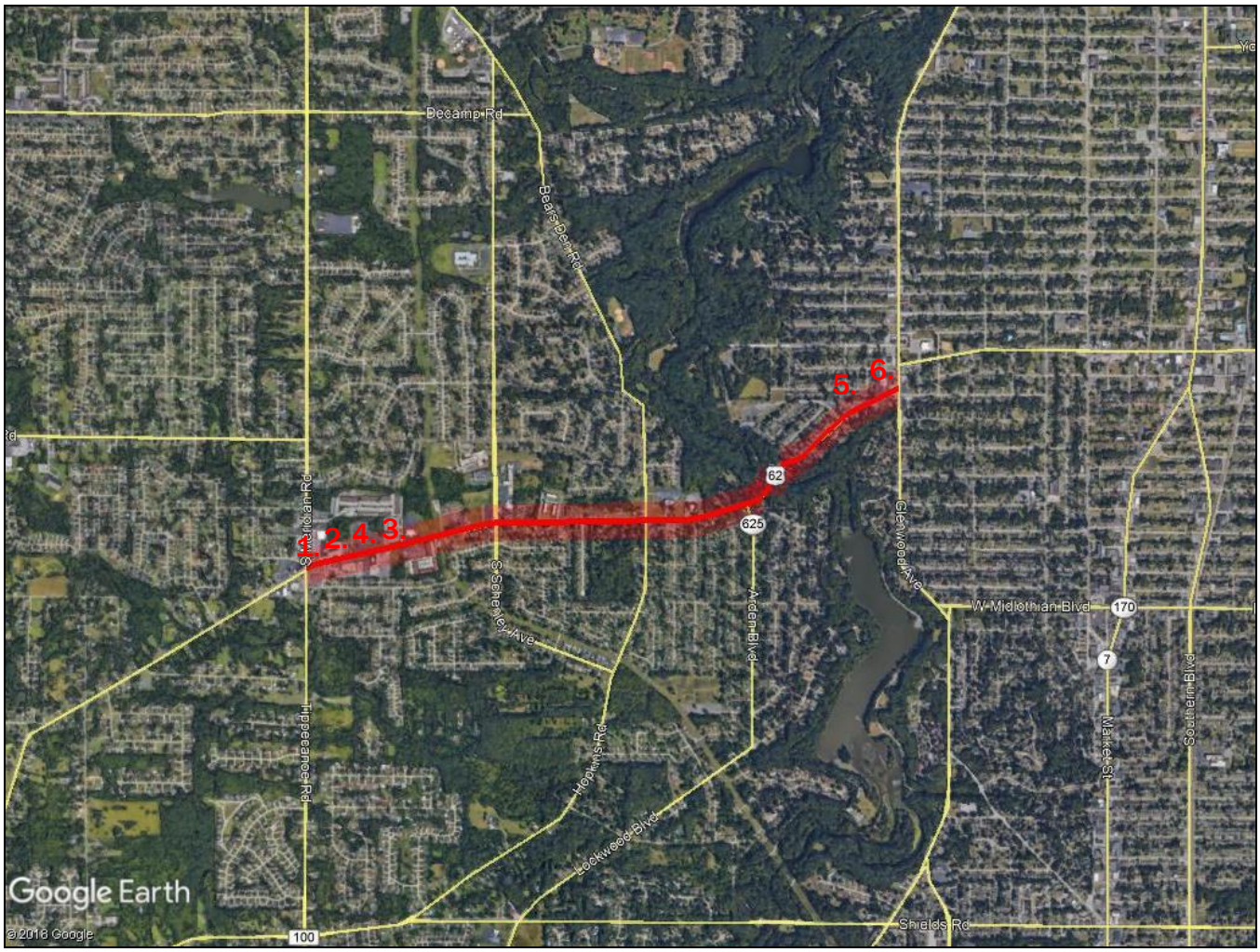


CANFIELD ROAD

Located on the city's west side, the Canfield Road corridor spans 2.0 miles from Glenwood Avenue in the east to South Meridian Road in the west. The corridor travels through the neighborhoods of Idora, Newport, and Kirkmere.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	8,698	**% Zoned Commercial**	27.7%
Walkability	Somewhat Walkable	**% Vacant**	20.8%
5-Year MHI Growth	-17.0%	**Opportunity Zone %**	0.0%
Strength	High Use Diversity	**Use Diversity Index**	1.39
Weakness	Low % Zoned Comm., MHI Decrease	**Overall Ranking**	7th (T)

Primarily residential in nature, the Canfield Road corridor exhibits several post-war era single-family homes in average to good condition. A small commercial node, commonly referred to as Cornersburg, exists at the western edge of the corridor. The Cornersburg commercial node contains a cluster of retail uses including Sparkle Market grocery store, Rite Aid Pharmacy, Dollar General, Shell gas station, and several small restaurants and salons. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Shell gas station

2. Small shopping center

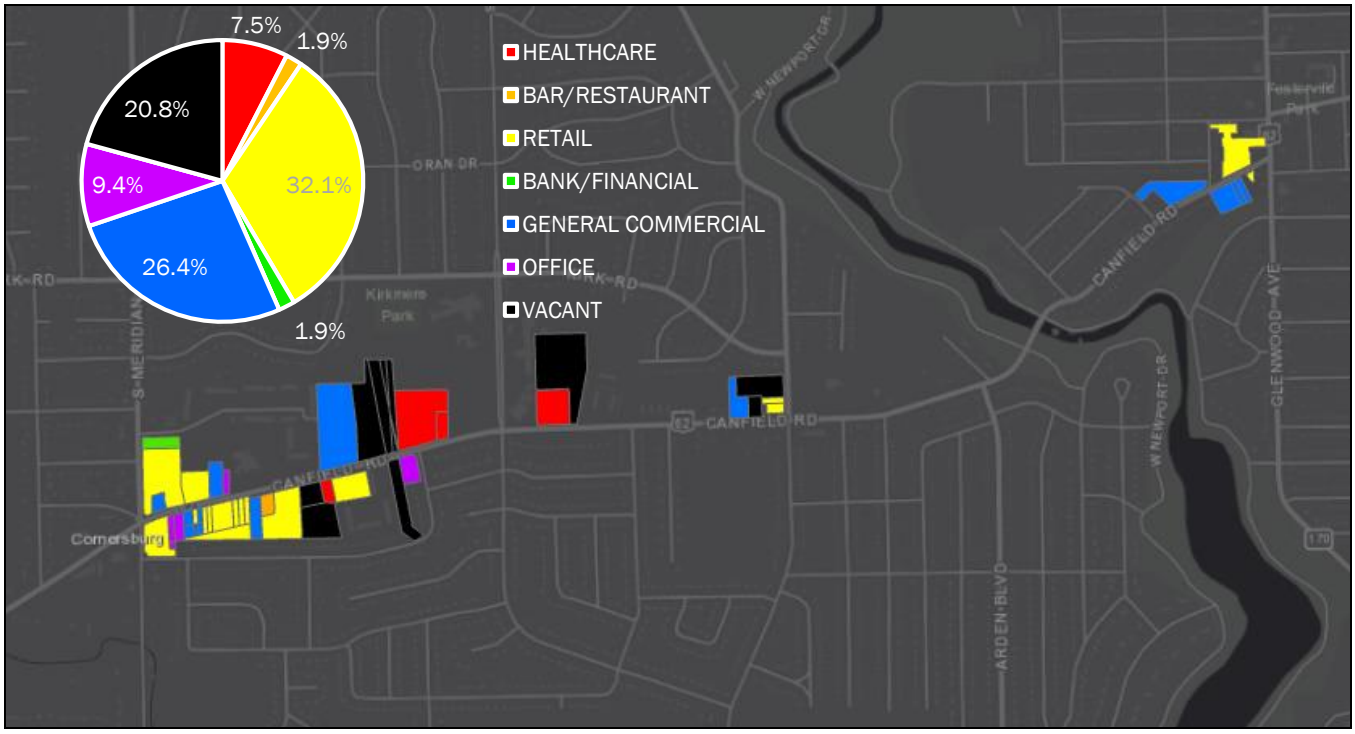
3. House of worship

4. Small shopping center

5. Solar panels on the YNDC campus

6. Local contracting business

Zoning/Commercial Uses Maps

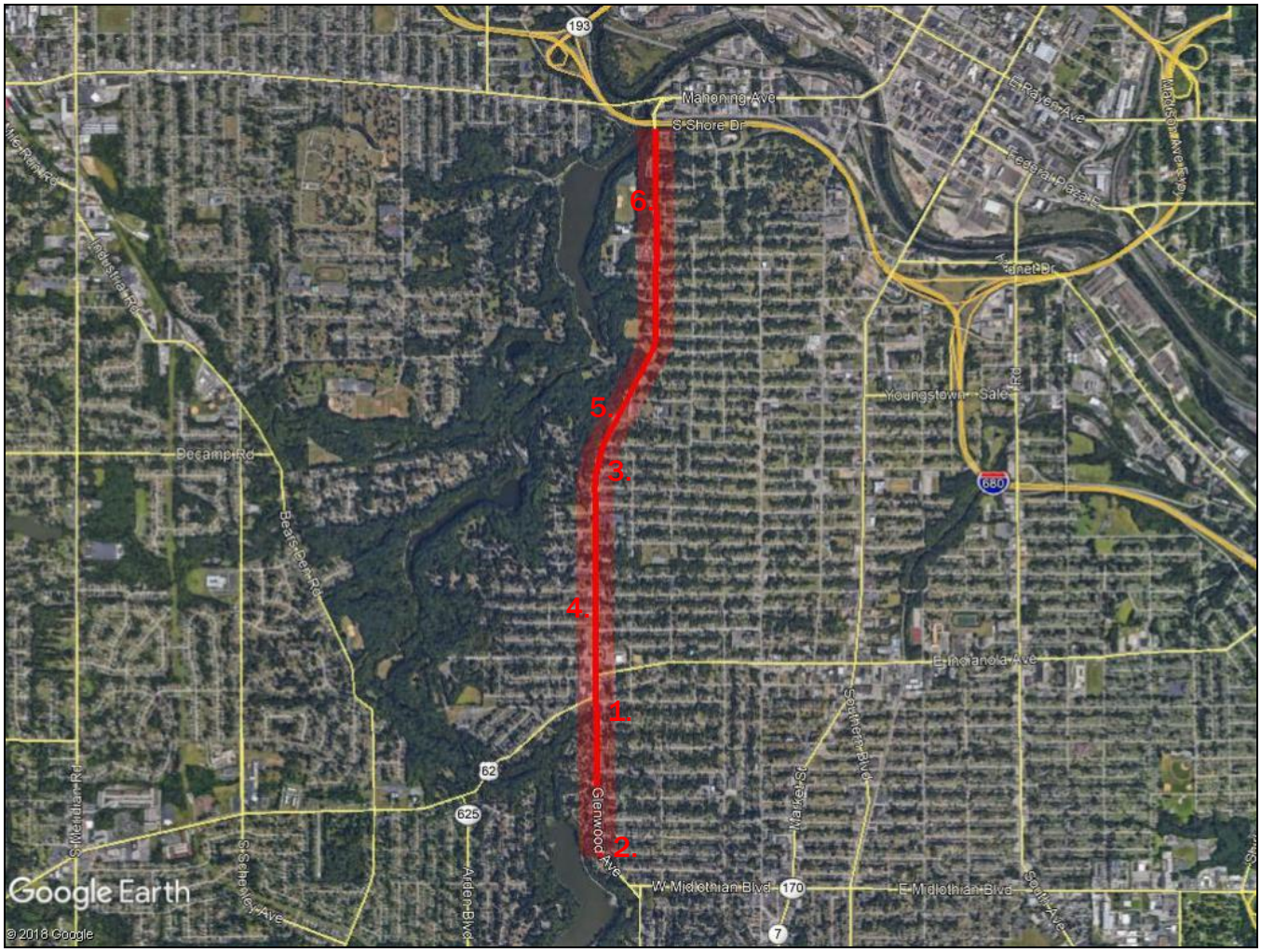


GLENWOOD AVENUE

Located on the city's south side, the Glenwood Avenue corridor spans 2.7 miles from Interstate 680 in the north to West Judson Avenue in the south. The corridor travels through the neighborhoods of Oak Hill, Warren, Idora, and Newport.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	8,567	**% Zoned Commercial**	36.8%
Walkability	Somewhat Walkable	**% Vacant**	30.6%
5-Year MHI Growth	-0.1%	**Opportunity Zone %**	0.0%
Strength	Proximity/Connection to Other Corridors	**Use Diversity Index**	0.94
Weakness	MHI Decrease, High Vacancy	**Overall Ranking**	7th (T)

The northern and southern portions of this corridor are primarily residential in nature, while the central section contains a concentration of commercial uses. According to local sources, the city's one large grocery store formally operated along the Glenwood Avenue corridor. When it closed, the impact on the surrounding neighborhood was severe, and the corridor has struggled since. Additionally, one of the few remaining adult theaters in the nation continues to operate at a location along this corridor. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Small shopping center


2. Small barbershop

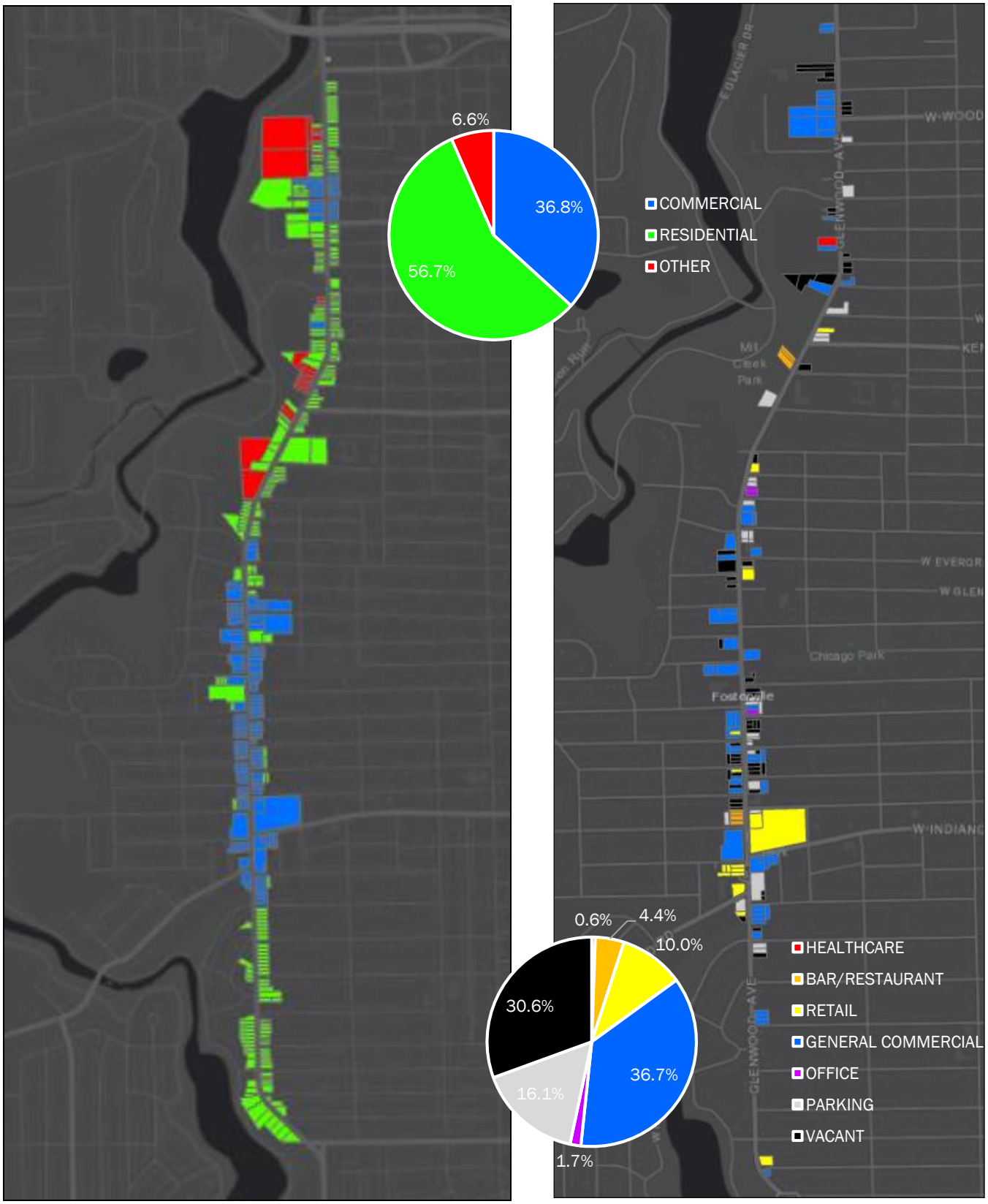

3. Small local business

4. Foster Art Theater


5. Tavern


6. All Secure custom metal products

Zoning/Commercial Uses Maps

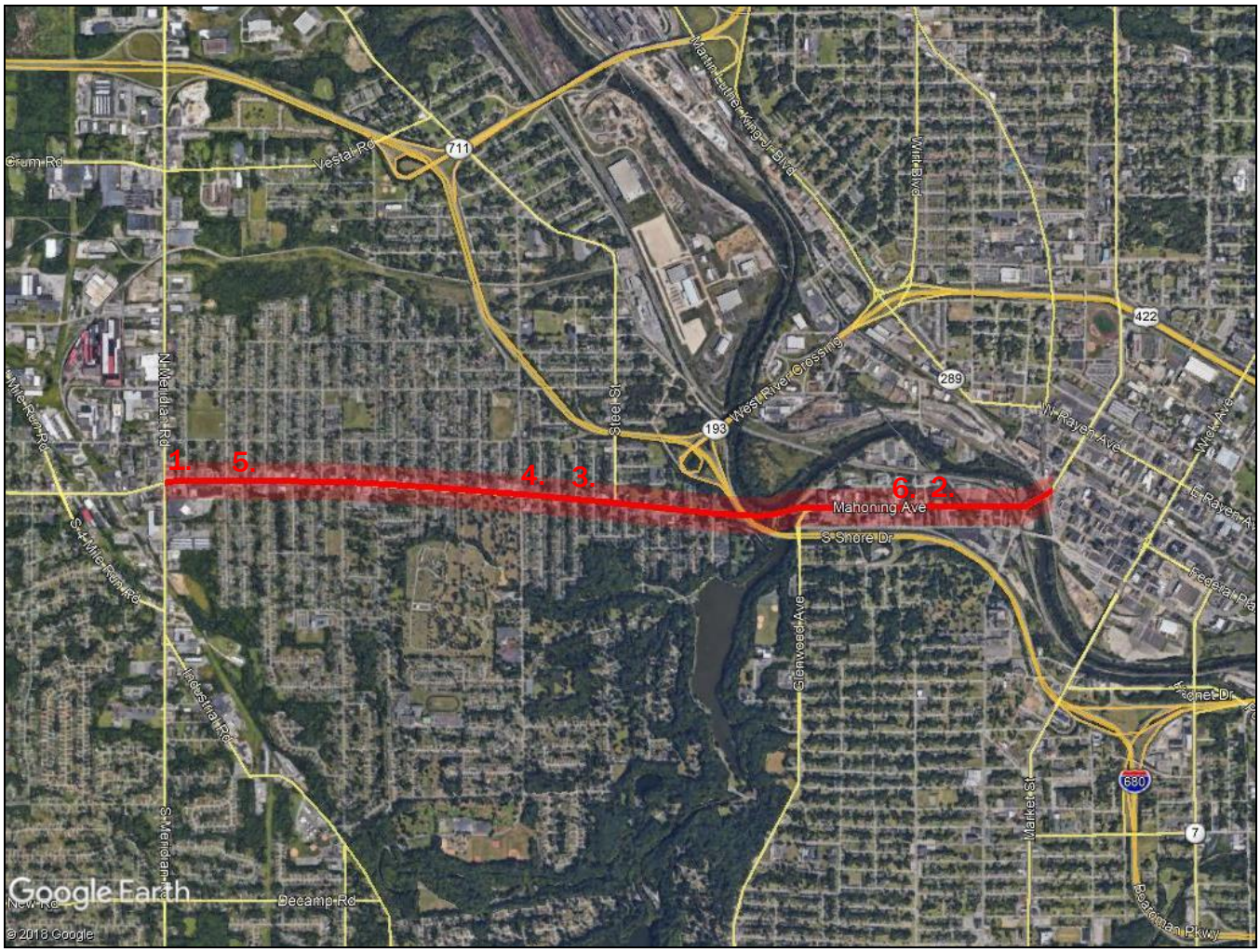


MAHONING AVENUE

Located on the city's west side, the Mahoning Avenue corridor spans 2.9 miles from West Federal Street in the east to Meridian Road in the west. The corridor travels through the neighborhoods of Mahoning Commons, Belle Vista, Schenley, Rocky Ridge, and Garden District.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	13,311	**% Zoned Commercial**	92.5%
Walkability	Mostly Walkable	**% Vacant**	13.8%
5-Year MHI Growth	14.3%	**Opportunity Zone %**	10.2%
Strength	Low Vacancy, High Traffic Count	**Use Diversity Index**	1.09
Weakness	Low Use Diversity	**Overall Ranking**	2nd

Throughout the 1940s and 1950s, the Mahoning Avenue commercial corridor was once the city's primary commercial corridor with densely-packed businesses serving the surrounding neighborhoods. Although much of the corridor is still walkable, many of the corridor's traditional-style buildings were demolished in subsequent decades to make way for developments that catered to the automobile. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Speedway gas station

2. Clearview Architectural Products

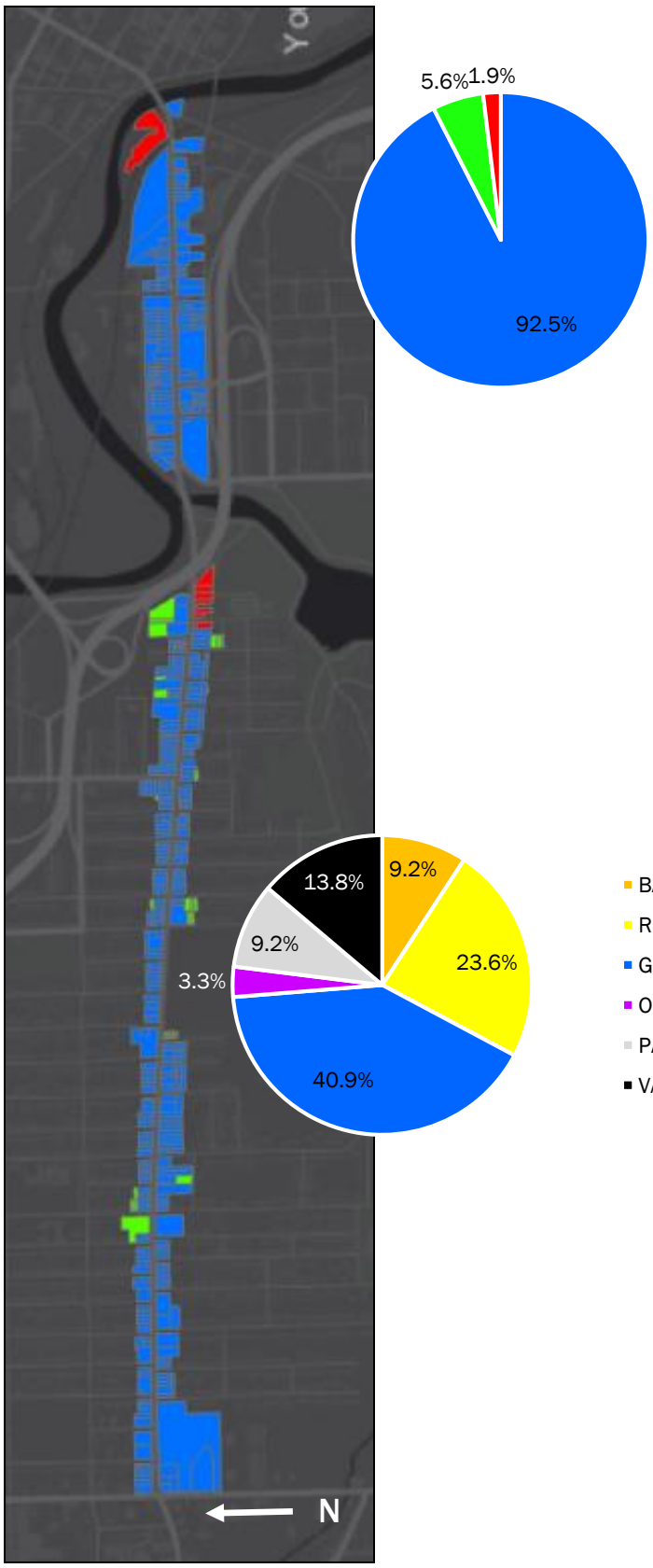
3. Local bar/restaurant

4. Small restaurant

5. Small shopping center

6. Auto repair shop

Zoning/Commercial Uses Maps

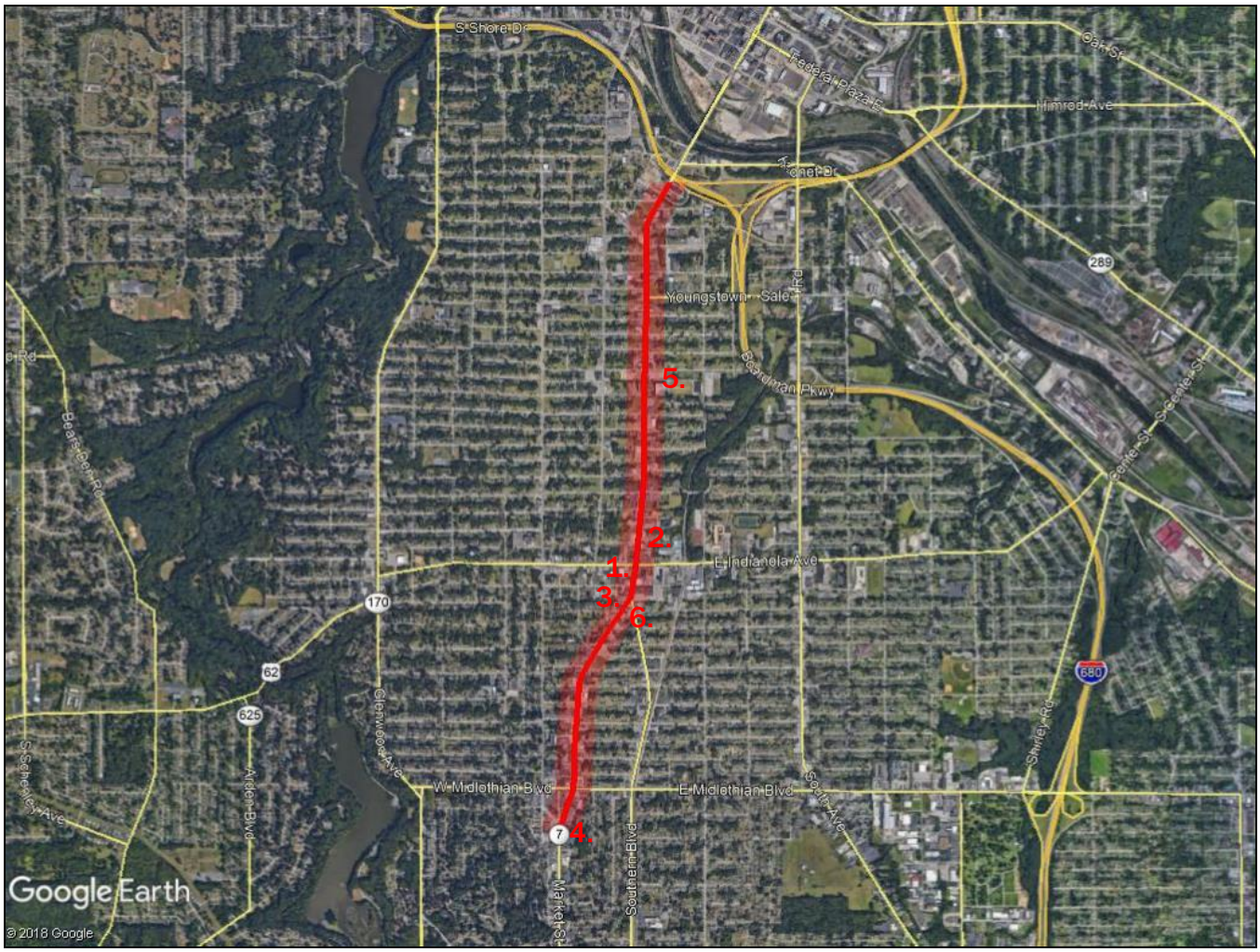


MARKET STREET

Located on the city's south side, the Market Street corridor spans 2.4 miles from Interstate 680 in the north past Midlothian Boulevard in the south to approximately Hillman Street. The corridor travels through the neighborhoods of Oak Hill, Erie, Warren, Newport, Cottage Grove, and Pleasant Grove.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	14,774	**% Zoned Commercial**	93.4%
Walkability	Mostly Walkable	**% Vacant**	31.1%
5-Year MHI Growth	3.3%	**Opportunity Zone %**	0.0%
Strength	High Traffic Count, High Walkability	**Use Diversity Index**	1.58
Weakness	High Vacancy	**Overall Ranking**	3rd

As the busiest corridor in the city, Market Street has historically contained a higher number of upscale bars, restaurants, and retail shops. While the areas around Market Street were deteriorating economically, the Uptown Theater remained open until the 1980s, and provided stability to the corridor. Once it closed, the spillover effects destabilized nearby businesses and the corridor has not recovered. Much of the housing in the surrounding neighborhoods has been demolished and the corridor traverses some areas that appear to be mostly abandoned. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Uptown Theater


2. Vacant commercial buildings

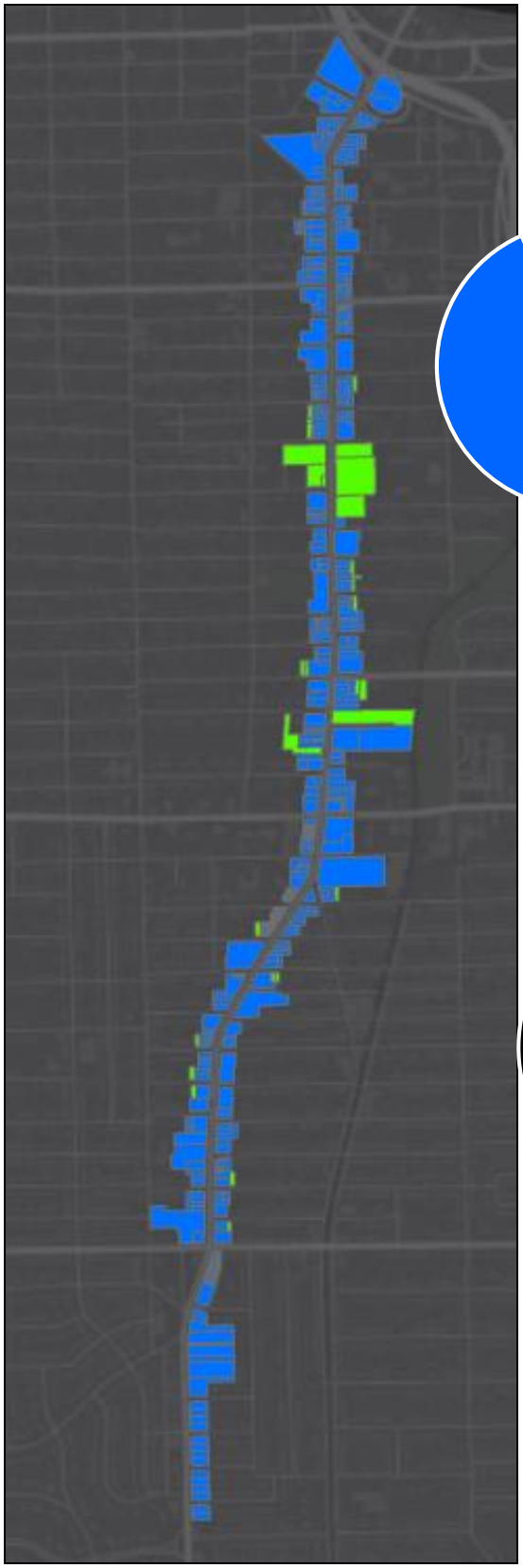
3. Local business

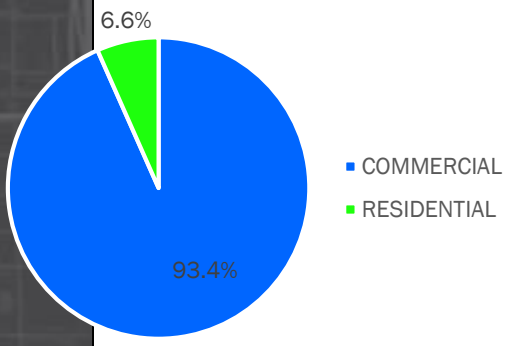

4. Used car dealership

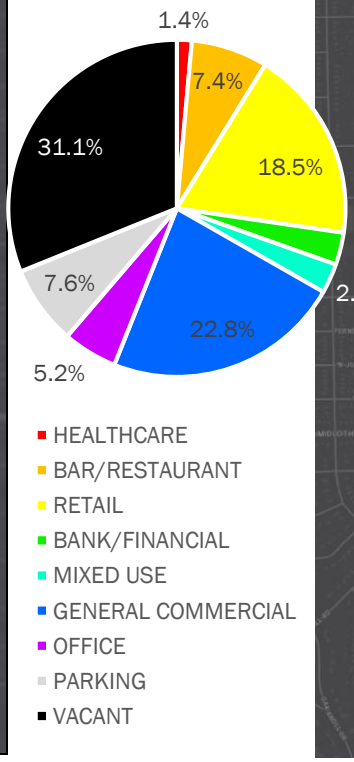

5. Vacant school building


6. Small restaurant

Zoning/Commercial Uses Maps





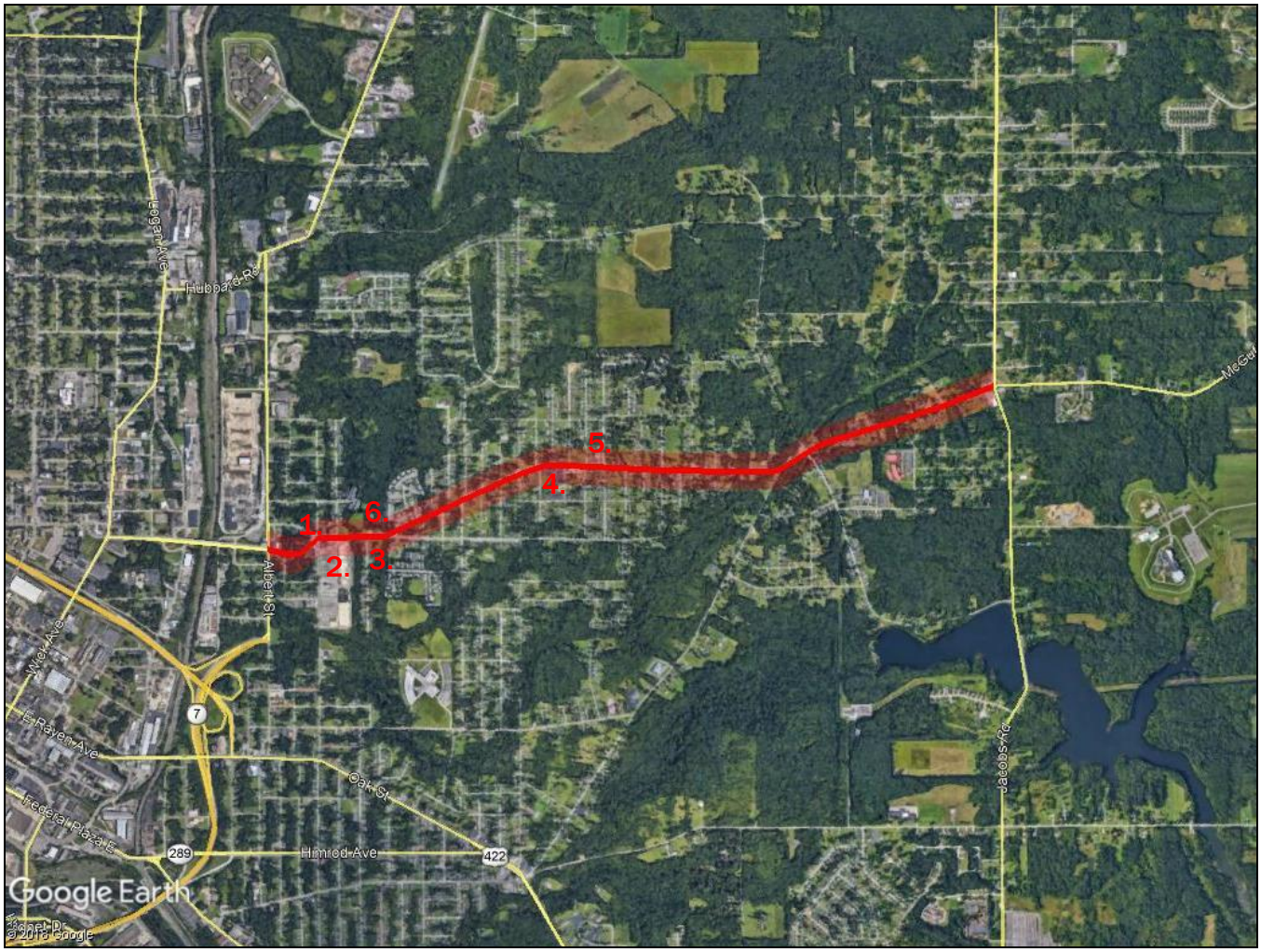


McGUFFEY ROAD

Located on the city's east side, the McGuffey Road corridor spans 2.4 miles from Albert Street in the west to Jacobs Road in the east. The corridor travels through the neighborhood of Landsdowne.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	4,391	**% Zoned Commercial**	29.1%
Walkability	Not Walkable	**% Vacant**	40.7%
5-Year MHI Growth	3.5%	**Opportunity Zone %**	7.9%
Strength	Availability of Developable Land	**Use Diversity Index**	0.77
Weakness	Low Traffic Count, High Vacancy	**Overall Ranking**	9th

Future expansion of the city was planned along the McGuffey Road corridor. However, this never fully materialized due to economic decline. In the 1960s, McGuffey Road was a prominent commercial corridor with a large and shopping center called McGuffey Mall. However, because Youngstown's east side has traditionally been home to a higher percentage of lower-income families, job losses associated with the steel mill closures in the 1970s impacted the mall and corridor especially hard. Today, the corridor contains only a few scattered commercial properties and is primarily residential. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Convenience store

2. Vacant land – former site of shopping mall

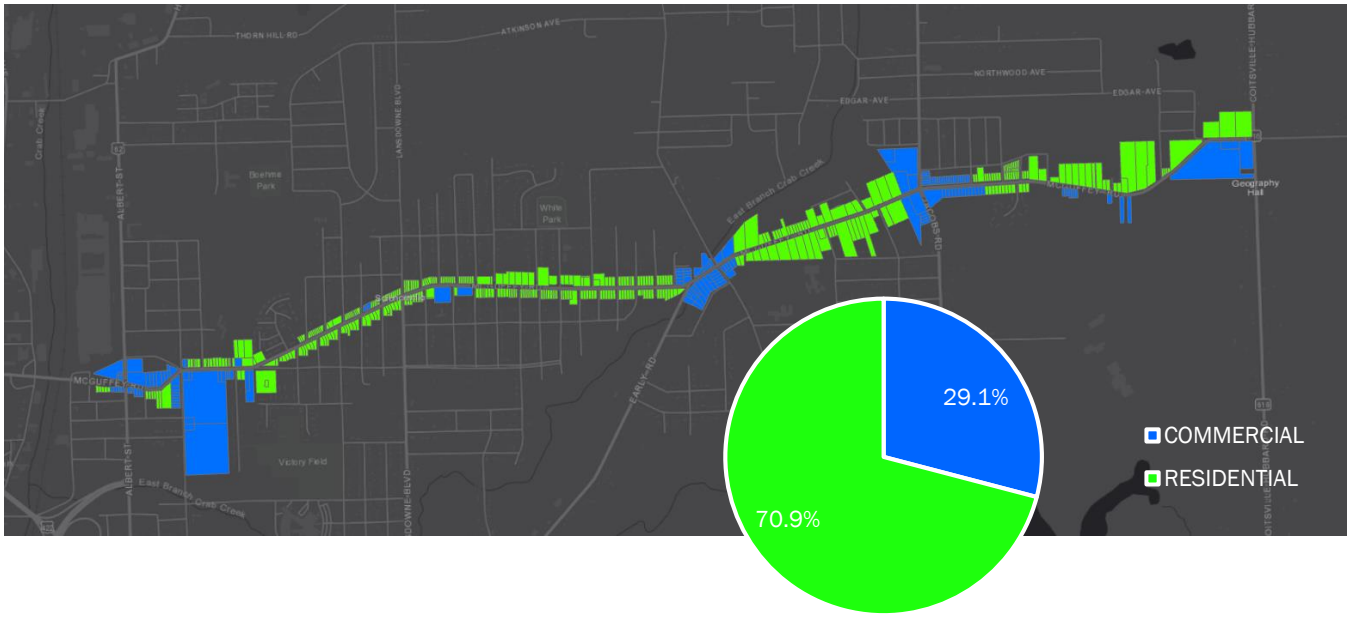
3. Local businesses

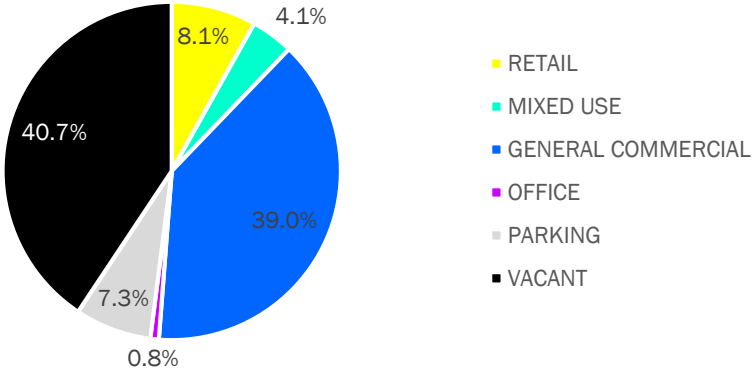
4. Funeral home

5. Small restaurant

6. Local business

Zoning/Commercial Uses Maps



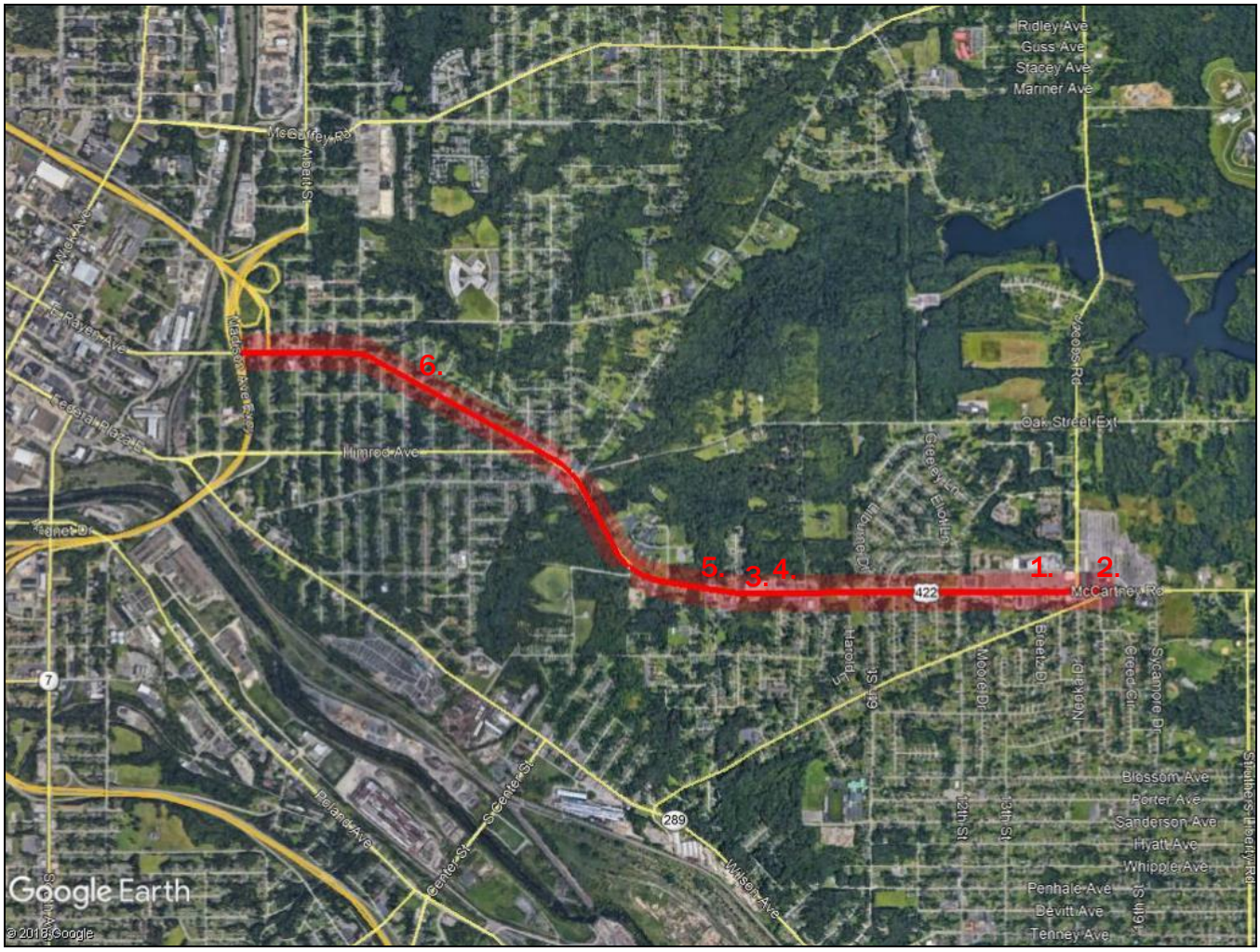


OAK STREET / McCARTNEY ROAD

Located on the city's east side, the Oak Street/McCartney Road corridor spans 2.9 miles from U.S. Highway 62 in the west to Coitsville Road in the east. The corridor travels through the neighborhoods of East Side, East High, and Lincoln Knolls.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	7,543	**% Zoned Commercial**	28.0%
Walkability	Not Walkable	**% Vacant**	19.5%
5-Year MHI Growth	37.2%	**Opportunity Zone %**	58.0%
Strength	Low Vacancy, MHI Growth	**Use Diversity Index**	1.35
Weakness	Low Traffic Count, Low % Zoned Comm.	**Overall Ranking**	5th

After the mill closures of the 1970s, the commercial viability decreased significantly along the city's two primary east-side commercial corridors, McGuffey Road and Oak Street/McCartney Road. When the city's economy experienced the resulting decline, businesses located along these east side corridors were the first to close. A large once-thriving shopping center located along this corridor's eastern end is now partially demolished and has been struggling to maintain a stable tenant base for decades. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Lincoln Knolls Plaza

2. Four Seasons Flea & Farm Market

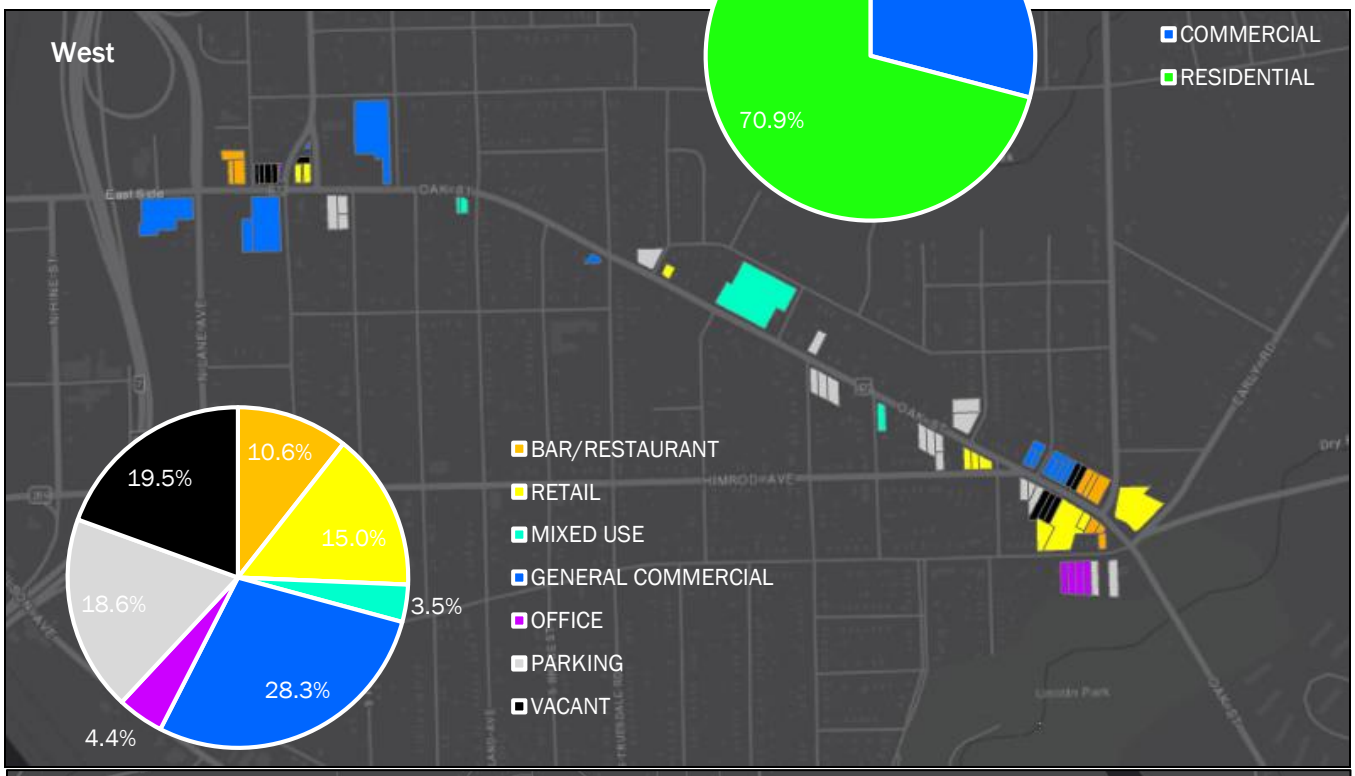
3. Small shopping center

4. Auto Zone

5. Vacant commercial building

6. Local barbershop

Zoning/Commercial Uses Maps

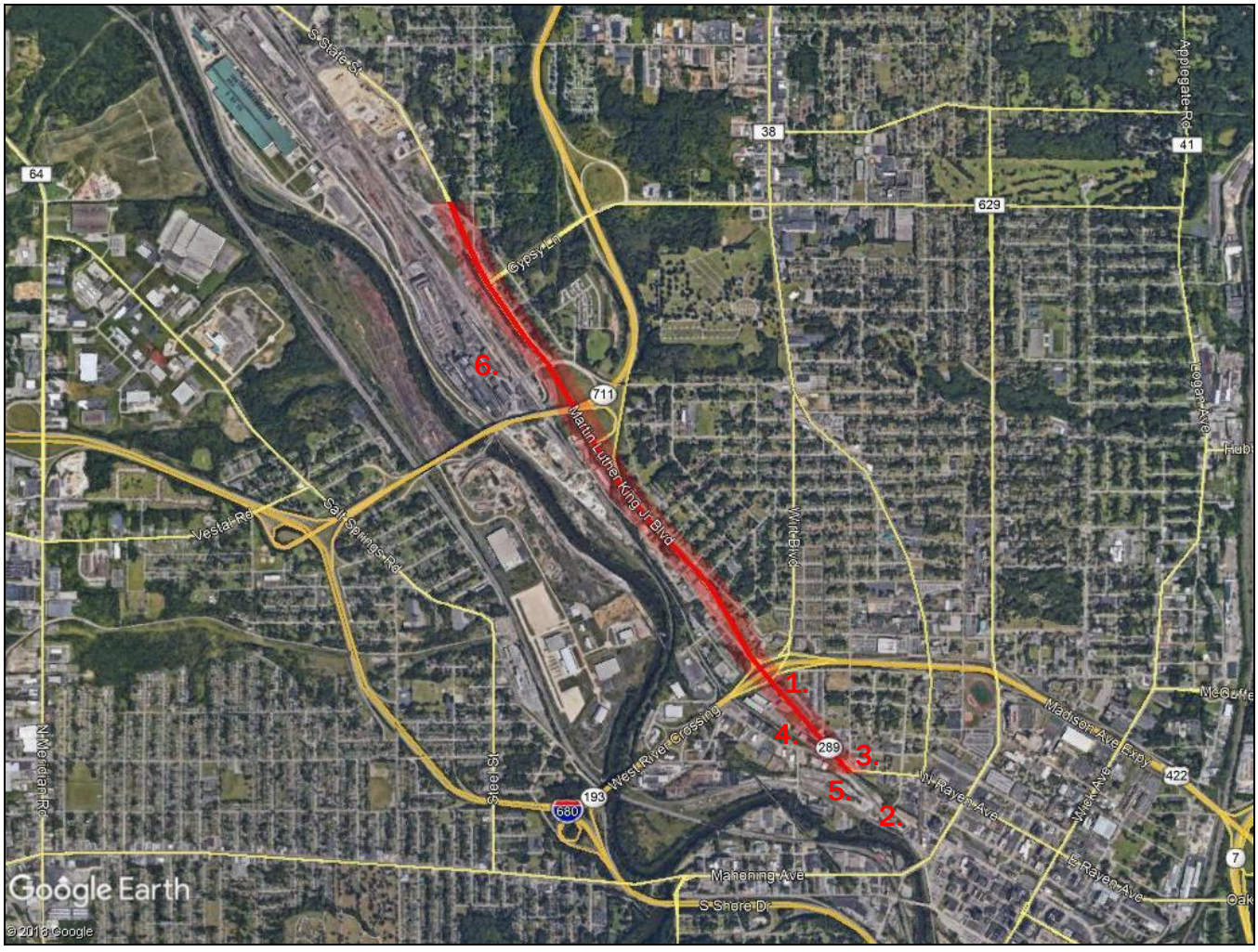


ROUTE 422

Located on the city's north side, the Route 422 corridor spans 2.3 miles from the Youngstown-Girard city border in the north to West Rayen Avenue in the south. The corridor travels through the neighborhoods of Riverbend, Arlington, Brier Hill, and Salt Springs.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	8,793	**% Zoned Commercial**	30.6%
Walkability	Not Walkable	**% Vacant**	21.0%
5-Year MHI Growth	57.8%	**Opportunity Zone %**	100.0%
Strength	MHI Growth, Opportunity Zone Coverage	**Use Diversity Index**	0.54
Weakness	Low Walkability, Low Use Diversity	**Overall Ranking**	6th

Route 422 is dominated by the presence of a large steel plant, Vallourec Star, which manufactures steel tubing. According to local historian, Shawn Posy, the once-thriving commercial corridor was essentially destroyed following successful lobbying attempts by the former steel mill to widen the road in order to help facilitate their manufacturing operations, and the businesses forced to relocate never returned after the city agreed to widen the road. During our inspections, there appeared to be a lack of commercial uses, especially along the northern portion of the corridor. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Rescue Mission of Mahoning Valley


2. Light industrial use

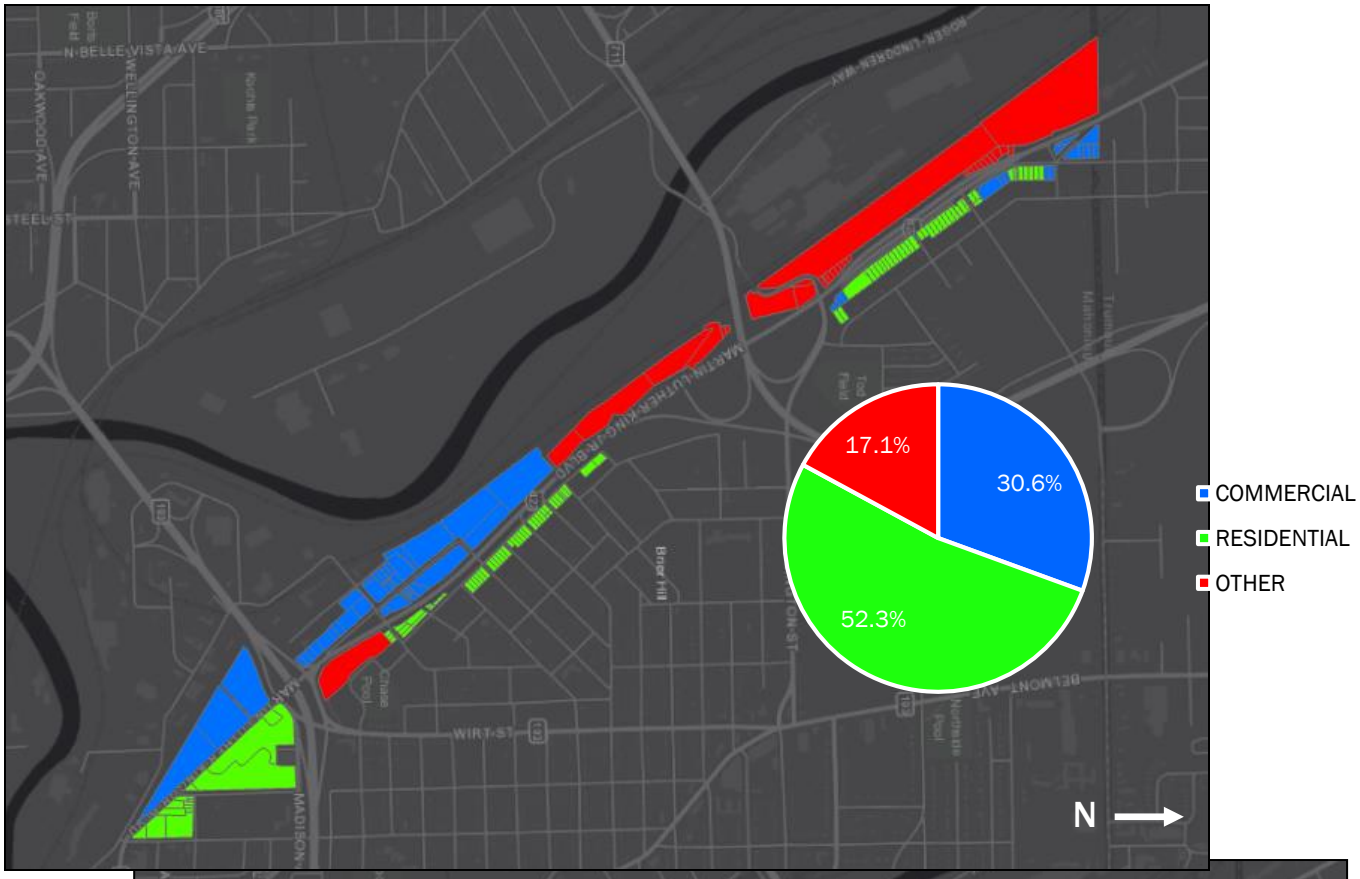

3. Vacant commercial building

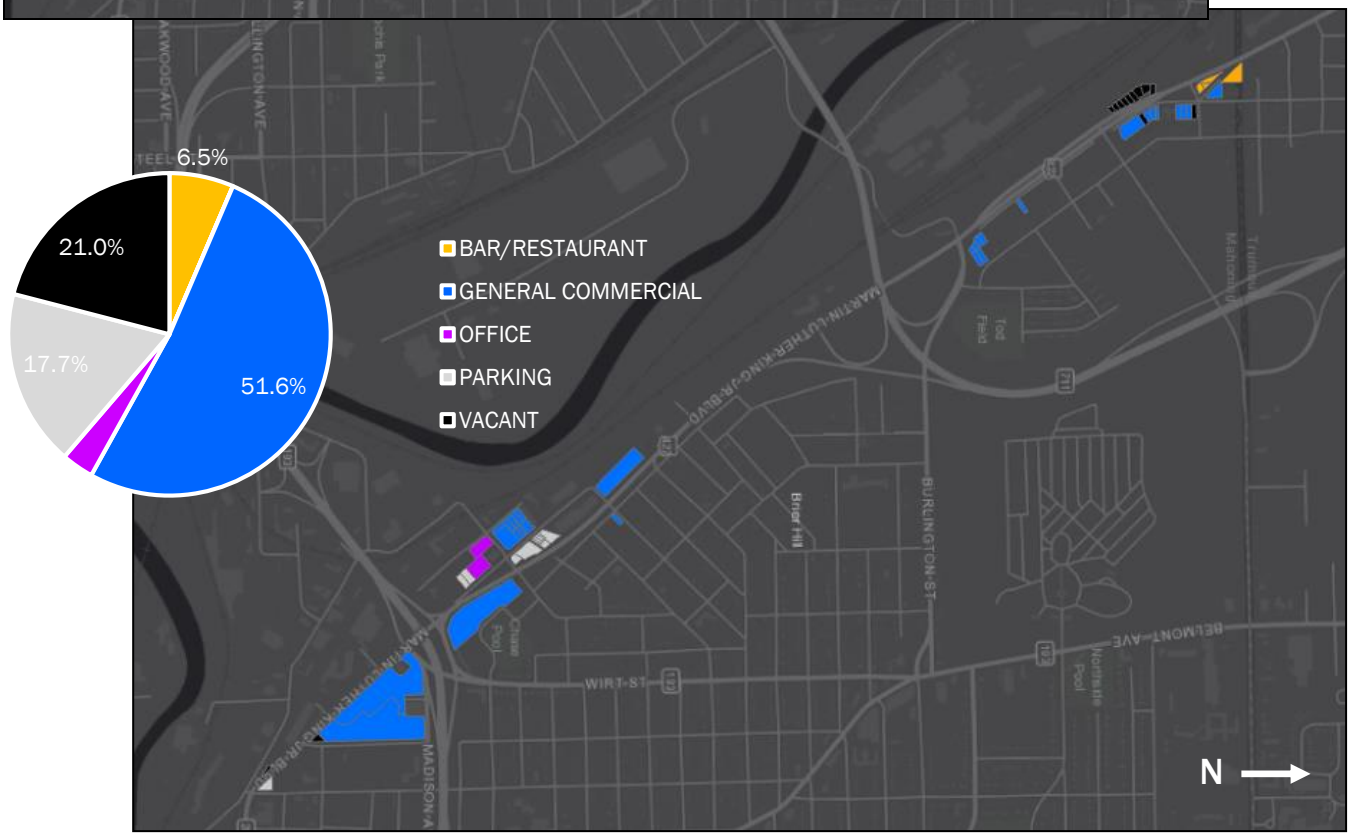

4. New Castle Recycling


5. Vacant commerical building


6. Vallourec Star manufacturing facility

Zoning/Commercial Uses Maps



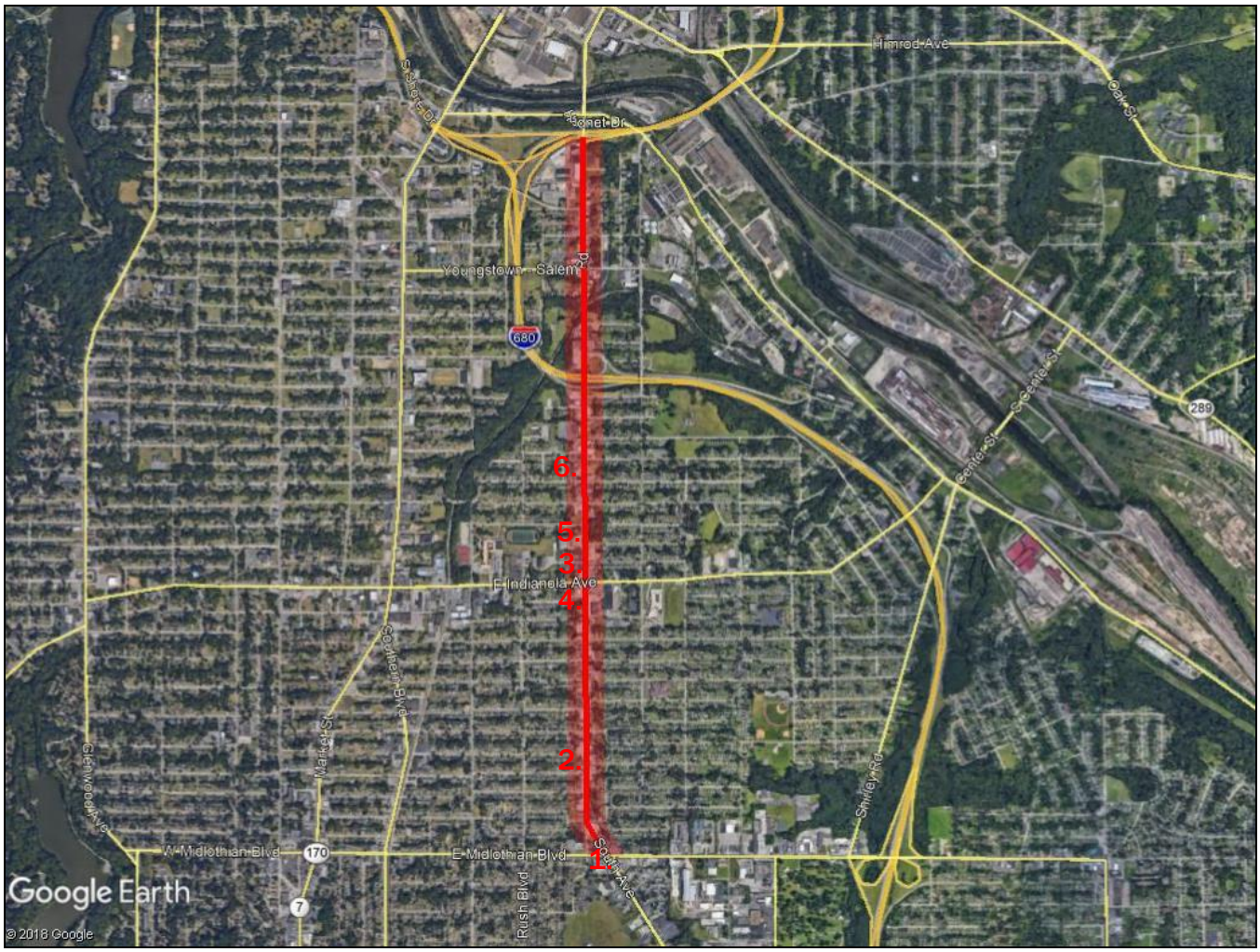


SOUTH AVENUE

Located on the city's south side, the South Avenue corridor spans 2.2 miles from U.S. Highway 62 in the north to East Midlothian Boulevard in the south. The corridor travels through the neighborhoods of Lower Gibson, Erie, Lansingville, and Cottage Grove.

COMMERCIAL CORRIDOR SUMMARY			
Average Daily Traffic	12,557	**% Zoned Commercial**	95.6%
Walkability	Mostly Walkable	**% Vacant**	20.5%
5-Year MHI Growth	0.5%	**Opportunity Zone %**	0.0%
Strength	High % Zoned Commercial	**Use Diversity Index**	1.32
Weakness	Low MHI Growth	**Overall Ranking**	4th

Historically, South Avenue comprised a higher number of union halls, local bars, and family-owned businesses. According to local historian, Shawn Posey, the businesses along this corridor generally catered to those with less disposable income. Therefore, according to Mr. Posey, the city's economic decline did not impact South Avenue as significantly as Market Avenue, whose businesses generally catered to higher-income customers. The map below displays the extent of the corridor's study area, and numbers correlate to the location of existing use photos on the following page.



Existing Uses Photos

1. Shell gas station

2. Local businesses

3. Small shopping center

4. Auto repair shop

5. House of worship

6. Local business

Zoning/Commercial Uses Maps

Conclusion

The following chart summarizes each corridor's ranking among each analysis criteria. We used the average ranking to determine which commercial corridors rank highest and lowest overall.

COMMERCIAL CORRIDOR RANKINGS

Corridor Name	Traffic Count	MHI Growth	Opportunity Zone Coverage	Walkability	% Zoned Commercial	% Vacant	Use Diversity Index	Average Ranking	Overall Ranking
Belmont Avenue	4th	3rd	2nd	4th	4th	3rd	1st	3.0	**1st**
Mahoning Avenue	2nd	4th	4th	3rd	3rd	1st	6th	3.3	**2nd**
Market Street	1st	6th	6th (T)	1st	2nd	8th	2nd	3.7	**3rd**
South Avenue	3rd	7th	6th (T)	2nd	1st	4th	9th	4.0	**4th**
Oak Street/McCartney Road	8th	2nd	3rd	7th	8th	2nd	4th	4.9	**5th**
Route 422	5th	1st	1st	9th	6th	6th	5th	5.3	**6th**
Canfield Road	6th	9th	9th	5th	9th	5th	3rd	6.6	**7th (T)**
Glenwood Avenue	7th	8th	6th (T)	6th	5th	7th	7th	6.6	**7th (T)**
McGuffey Road	9th	5th	5th	8th	7th	9th	8th	7.3	**9th**

As illustrated in the previous table, our analysis methodology indicates that Belmont Avenue is the commercial corridor with the highest average measures of viability. McGuffey Road is the most economically distressed, and therefore, the least viable commercial corridor.

V. COMMERCIAL REAL ESTATE MARKET ANALYSIS

COMMERCIAL MARKET ANALYSIS

In order to assess which of the corridors are most viable for development, we have analyzed the commercial lease rates of the corridors. We believe the lease rates of each corridor speak to both its current health and its relative likelihood to attract development with economic viability. Therefore we provide a determination of achievable market rents along each of the nine previously described commercial corridors. Market rent is the rent that the commercial space would command in the open market considering its location, features, and amenities. We will utilized local broker interviews and market rent research in our determination.

- Broker Interviews
- Market Rent Discussion

We relied on a combination of executed commercial leases and commercial lease listings along the nine previously discussed corridors, and anecdotal evidence of achievable lease rates from experienced commercial brokers. It should be noted that executed leases and lease listings data was not available for all corridors.

Broker Interviews

We interviewed brokers familiar with the Subject's region who were able to provide insight on the achievable rents for the proposed Subject. One of the interviews we found particularly informative is detailed following.

Don Thomas – Platz Realty Group

We spoke with Mr. Don Thomas, a broker at Platz Realty Group with ten years of experience in the Youngstown commercial real estate market. Mr. Thomas stated that asking rents for commercial office and retail space typically range from $7.00 to $25.00 per square foot throughout the area. Typically, rents on the lower end of that spectrum include office space in the neighborhoods surrounding downtown, and rents on the higher end are retail spaces with nearby highway access and high visibility.

Mr. Thomas estimated that vacancy in the commercial real estate market is approximately 30 percent in Downtown Youngstown, 40 percent on the north and west sides, 50 percent on the south side along Market Street and South Avenue, and higher than 50 percent on the east side. Despite vacancy levels that have remained high for decades, Mr. Thomas noted that there is has been positive economic growth generated around Youngstown State University (YSU) and the Youngstown Business Incubator (YBI).

Mr. Thomas believes the downtown market is in the best position to attract future development, noting declining vacancy rates and healthy rent escalations between 3.0 and 5.0 percent over the last few years. Further, he added that tenant improvement allowances are not common in the Youngstown market; however, they are common in the suburban office market. Additionally, Mr. Thomas highlighted the eastern end of Mahoning Avenue and the southern portion of Belmont Avenue as areas of opportunity. He cited their proximity to the city's primary economic drivers: YSU, YBI, and the Central Business District (CBD).

When asked about specific needs within the city's primary commercial corridors, Mr. Thomas noted the lack of restaurants, retail stores, and small neighborhood grocers. Lastly, Mr. Thomas mentioned two developments, a currently under construction amphitheater park and a recently completed 125-room Hilton DoubleTree Hotel, which is the first full-service hotel in the city since the 1970s. Both of the projects are located in downtown, but Mr. Thomas believes they could help catalyze additional investment throughout the city. Overall, Mr. Thomas expressed a positive outlook for the downtown market, but had concerns about the future of commercial corridors outside of downtown, especially those located on the city's south and east sides.

Local Market Rent Discussion

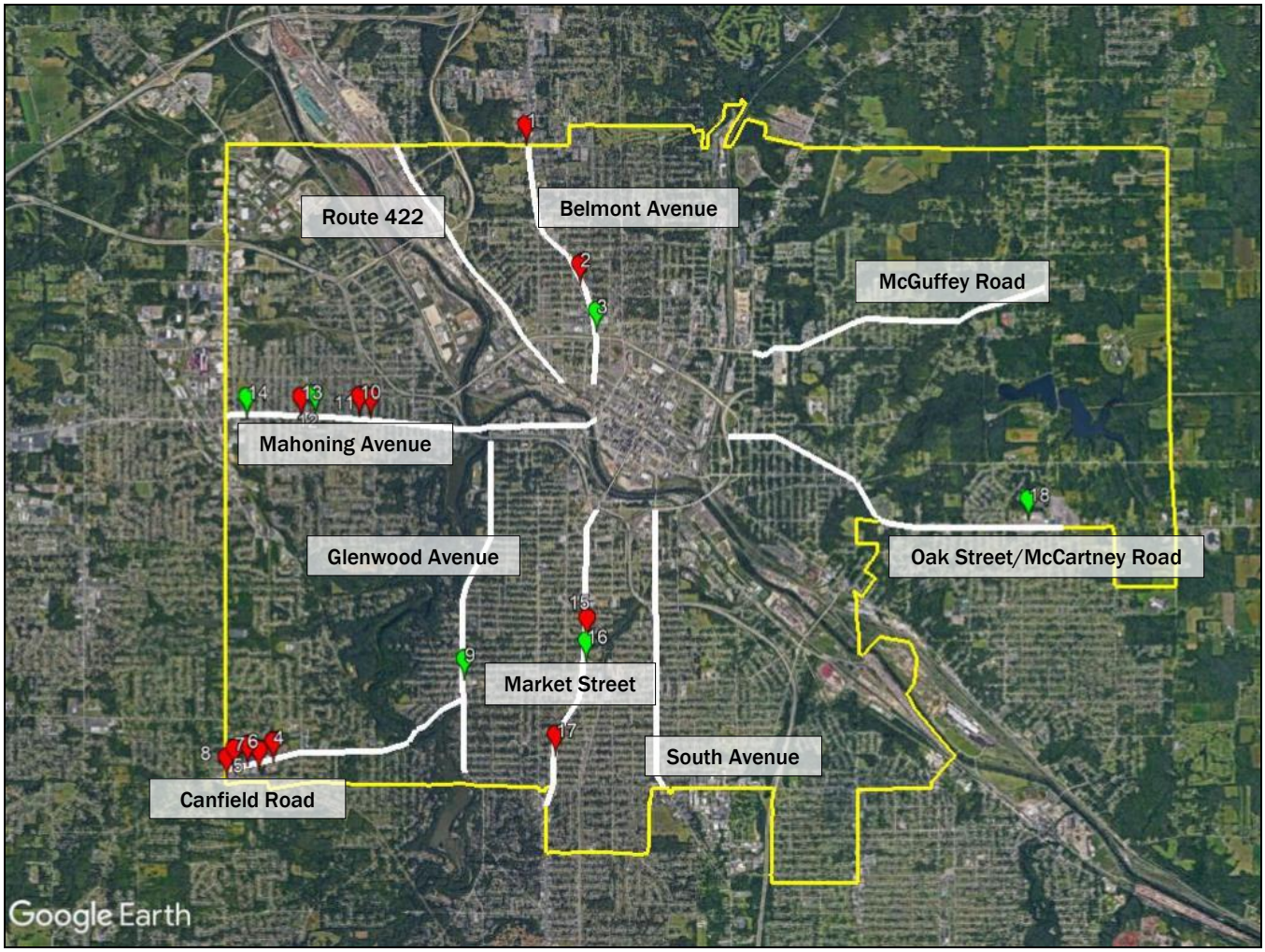
The following table illustrates executed leases and listings for commercial space along specified corridors within the Youngstown market. Some of the leases are listed as triple net (NNN), which means that the tenant pays for all expenses, while others are listed as "modified gross," which could indicate that the tenant pays for some or all utilities and could also pay for insurance, and the remaining leases are listed as full-service, meaning the landlord pays for all expenses. According to the 2015 IREM report, the average difference between modified gross leases and NNN leases is approximately $1.78 in Cleveland, OH, the nearest market with available data. The difference between full-service leases and NNN leases is approximately $6.36. We believe the Subject's market is similar enough to the Cleveland commercial real estate market in order to use this data as a basis for comparison. Therefore, we adjusted the modified gross leases downwards by $1.78, and full-service leases downwards by $6.36.

COMMERCIAL CORRIDOR LEASES

#	Address	Square Footage	Rent/SF	Rent Adjustment	Adjusted Rent/SF	Services	Date Leased	Length of Lease
1	2718 Belmont Avenue	6,000	$5.00	$0.00	$5.00	NNN	10/1/2018	-
2	1340 Belmont Avenue	5,000	$11.25	($6.38)	$4.87	Full-Service	Listing	3-5 years
3	911 Belmont Avenue	2,500	$24.40	($6.38)	$18.02	Full-Service	Listing	3-5 years
	Belmont Avenue Average	***4,500***			***$9.30***			
4	2959 Canfield Road	1,200	$9.00	($1.78)	$7.22	Modified Gross	9/1/2017	2 years
5	3265 Canfield Road	13,811	$7.00	$0.00	$7.00	NNN	3/1/2017	-
6	3373 Canfield Road	7,500	$7.20	($1.78)	$5.42	Modified Gross	10/1/2016	5 years
7	3415 Canfield Road	1,200	$5.04	$0.00	$5.04	NNN	5/1/2016	-
8	3521 Canfield Road	5,661	$7.00	($1.78)	$5.22	Modified Gross	Listing	-
	Canfield Road Average	***5,874***			***$5.98***			
9	2637 Glenwood Avenue	1,544	$31.20	($6.38)	$24.82	Full-Service	Listing	-
	Glenwood Avenue Average	***1,544***			***$24.82***			
10	2030 Mahoning Avenue	2,562	$5.62	($1.78)	$3.84	Modified Gross	3/1/2017	-
11	1912 Mahoning Avenue	11,920	$3.62	$0.00	$3.62	NNN	Listing	-
12	2528 Mahoning Avenue	1,100	$24.00	($6.38)	$17.62	Full-Service	Listing	-
13	2725 Mahoning Avenue	946	$8.62	($6.38)	$2.24	Modified Gross	Listing	3 years
14	3309 Mahoning Avenue	18,330	$9.50	$0.00	$9.50	NNN	Listing	-
	Mahoning Avenue Average	***6,972***			***$7.36***			
15	2203 Market Street	12,000	$2.70	$0.00	$2.70	NNN	9/1/2018	3 years
16	2501 Market Street	3,500	$23.66	($1.78)	$21.88	Modified Gross	Listing	3-5 years
17	3431 Market Street	2,640	$7.00	$0.00	$7.00	NNN	Listing	-
	Market Street Average	***6,047***			***$10.53***			
18	2828 McCartney Road	2,990	$12.04	$0.00	$12.04	NNN	3/1/2016	-
	McCartney Road Average	***2,990***			***$12.04***			
	Minimum	**946**			**$2.24**			
	Maximum	**18,330**			**$24.82**			
	OVERALL AVERAGE	**5,578**			**$9.06**			

The comparable leases exhibit an adjusted rent range from $2.24 per square foot to $24.82 per square foot with an overall average of $9.06 per square foot. It should be noted that the average adjusted rent among executed leases is $5.17 per square foot, less than half the asking rents for lease listings, which averages $11.48 per square foot. Therefore, there seems to be a significant difference between asking rents and achievable rents within the Youngstown commercial real estate market. Additionally, the highest rents are for generally smaller spaces, and/or listings. Excluding unexecuted listings and commercial spaces under 2,500 square feet, the adjusted range is $2.70 to $12.04 per square foot, with an average of $6.00 per square foot.

The following map corresponds to the previously presented table and identifies the locations of the commercial leases. The lease data is color-coded, with green markers representing above-average lease rents, and red markers representing below-average rents.



As shown in the previous map, there does not seem to be a strong correlation between rents and their spatial locations within the city. However, there seems to be a slight correlation between rents and a property's proximity to downtown, with higher rents being asked/achieved at properties located closer to the city's center, and lower rents near the city outskirts.

Conclusion

We considered all of the previously presented data points, discussions, and calculations in our determination of market-oriented lease rates for Youngstown's commercial corridors, and believe the data points presented provide a reasonable examination of market-oriented rents in the Youngstown commercial real estate market.

COMMERCIAL CORRIDOR ACHIEVABLE RENTS

Corridor Name	Average Lease Rents	Overall Ranking	Novoco Estimated Achievable Market Rents PSF
Belmont Avenue	$9.30	1st	$10.00 - $12.00
Mahoning Avenue	$10.53	2nd	
Market Street	$12.04	3rd	
South Avenue	-	4th	$8.00 - $10.00
Oak Street/McCartney Road	$12.04	5th	
Route 422	-	6th	
Canfield Road	$24.82	7th (T)	$6.00 - $8.00
Glenwood Avenue	$7.36	7th (T)	
McGuffey Road	-	9th	

The achievable rents vary between each of the nine corridors, but we generally believe market rents fall within one of three tiers. We used the previously discussed corridor rankings to determine whether achievable rents within that corridor generally fall within the first, second, or third tier of estimated achievable rents. As such, we believe commercial properties along Belmont Avenue, Mahoning Avenue, and Market Street can achieve the highest commercial rents in the area, of $10.00 to $12.00 per square foot. We believe achievable rents for properties located along South Avenue, Oak Street/McCartney Road, and Route 422 fall within the second tier, of $8.00 to $10.000 per square foot. Lastly, we believe the lowest level of rents, $6.00 to $8.00 per square foot, are generally the maximum achievable at the lowest-ranked commercial corridors: Canfield Road, Glenwood Avenue, and McGuffey Road. It should be noted that these market rent estimates are highly generalized, meaning that, commercial property on a third tier corridor could achieve higher rents than a similar commercial property located along a first tier corridor. Achievable rents are highly-dependent upon the exact location along that corridor, specific needs of the tenant, and condition of the commercial space. However, we believe these estimates provide a well-informed guideline to use as a starting point for future analysis.

VI. INTERVIEWS

INTERVIEWS

In order to further ascertain the current health and redevelopment viability of Youngstown's previously described commercial corridors, interviews were conducted with various experts and local officials.

Youngstown Community Development & Economic Development Department

We contacted Mr. Taron Cunningham, Director of the Community Development Department and Deputy Director of Planning for the City of Youngstown. Mr. Cunningham identified a variety of recent residential developments in Youngstown, but did not detail any recently proposed or completed commercial developments. Currently, there is a proposed six-unit rehabilitation multifamily development located in the Wick Park neighborhood, just north of downtown. Additionally, there is a recently completed multifamily development currently leasing in the Idora neighborhood, approximately two miles southwest of downtown and adjacent to the Glenwood Avenue Corridor. Lastly, Mr. Cunningham noted there is a 60-unit senior development under construction in the Crandall Park neighborhood. Crandall Park is approximately two miles north of downtown, adjacent to the Belmont Avenue Corridor.

Youngstown/Warren Chamber of Commerce

We contacted Ms. Michelle Phillips, the Director of Research for the Youngstown/Warren Regional Chamber of Commerce. Ms. Phillips provided information about various economic development activities throughout the region, and directed us to the Youngstown/Warren Chamber of Commerce website. We used this information in the Employment Expansions section discussed previously. In addition to the job-creating economic development projects discussed previously, Ms. Phillips described various real estate developments that have occurred. The Youngstown Business Incubator spent $5.2 million on renovations that added 65,000 square feet of productive commercial space to downtown Youngstown. Additionally, the recently completed Campus Edge Student Apartments at Youngstown State University added 200 new units to the growing downtown neighborhood population. Ms. Phillips noted that, while automotive and steel production has historically remained at the core of its manufacturing-oriented economy, the region is actively working to diversify its manufacturing sector employment through opportunities in shale extraction and petroleum chemical processing, as well as expanding supply chains for local companies. Given the information provided by Ms. Phillips, there has been significant amount of new investments made into the region indicates, which should help facilitate positive economic growth over the next few years.

Local Expert

We discussed the local market and the corridors with Mr. Ron Emery, President of Alchemy Associates and adjunct professor at Hiram University and Kent State University. Mr. Emery indicated that most of Youngstown's commercial corridors are in serious need of investment, with corridors on the south and east sides being the most severely distressed. In Mr. Emery's opinion, the Mahoning Avenue and Belmont Avenue corridors are currently the most economically healthy. This information supports our analysis, which found Belmont Avenue and Mahoning Avenue to be the first and second most viable corridors in the city.

According to Mr. Emery, Mahoning Avenue has ample space for development with a good mix of existing businesses and historical structures that could act as a catalyst for future development. One historic structure Mr. Emery highlighted is the B&O Station on the east end of Mahoning Avenue, near downtown, on the west bank of the Mahoning River. The structure was built in 1905 as a rail station for B&O Rail Road Company, and is on the National Register of Historic Places. Expected to open in spring 2019, the structure will be home to a new brewery. Additionally, Mr. Emery mentioned that a vacant commercial space on the west bank of the Mahoning River that was formerly the *Anthony's on the River* restaurant was recently acquired, and the new owners are exploring a number of unique redevelopment opportunities. Overall, Mr. Emery had a positive outlook regarding future development along the Mahoning Avenue corridor, especially in the eastern most section closest to Downtown Youngstown.

Mr. Emery believes that Belmont Avenue also holds significant potential for future economic development, especially the southern portion of the corridor which is adjacent to Youngstown State University and Mercy Health – St. Elizabeth Youngstown Hospital. Additionally, Mr. Emery indicated that the Stambaugh Auditorium, on 5th Avenue just east of Belmont Avenue, could serve as a catalyst for future development in the area. The Stambaugh Auditorium is a non-profit public auditorium opened in 1926 and has been designated as historic since 1984. The Auditorium seats 2,553 and contains an 8,800 square foot ballroom. Mr. Emery suggested that the educational and medical institutions paired with an entertainment venue make the southern section of Belmont Avenue particularly suitable for future development. Lastly, Mr. Emery added that there is good housing stock along Fifth Avenue, which runs parallel to Belmont Avenue to the east. He indicated that the higher residential home values could mitigate the risk for new developments along nearby Belmont Avenue.

Local Historian

Additionally, we spoke to Mr. Shawn T. Posey, local historian and author of three books about Youngstown's past, including *Lost Youngstown*. According to Mr. Posey, property values on the east side were typically suppressed, partially due to lower air quality caused by west-to-east winds carrying smoke and pollution from factories located closer to downtown. Mr. Posey highlighted the importance of Youngstown State University (YSU) to the city's economy and future growth. According to Mr. Posey, YSU's campus initially consisted of barracks built during the Great Depression, and several single family homes. Eventually, the school outgrew this configuration, and several blocks of near-downtown neighborhoods were demolished to make way for larger facilities. Mr. Posey believes that the area around Wick Park, approximately one mile north of downtown, is particularly well-positioned for new investment. This mostly residential area is closest to the Belmont Avenue corridor, approximately 0.5 miles west. He described this neighborhood as containing several large historic homes that were once owned by the city's wealthiest residents. However, as the growth of YSU drew more and more to the area, increased demand for housing caused most of Wick Park's mansions to be subdivided into several smaller units. Today, these units are typically rented to YSU students and staff, and the Wick Park area has experienced some recent commercial investment along the Elm Street corridor. Additionally, the city has acquired and demolished properties along Wick Avenue that were formerly blighted car dealerships in hopes that the now vacant lots will help entice redevelopment.

According to Mr. Posey, much of the new development and redevelopment over the last five years has occurred downtown in the form of adaptive reuse conversions of historic office buildings into apartments. Mr. Posey believes the growing number of people choosing to live downtown is the driving force behind downtown Youngstown's recent revitalization and success. Mr. Posey expects that the growth occurring downtown will soon spill over into adjacent neighborhoods as downtown living becomes more expensive and commercial rents continue to rise. Lastly, Mr. Posey citied the "reclaim the river" park project as the largest potential driver for future development and redevelopment in the city. Mr. Posey expects to see increased demand for commercial space near the new park once it's completed.

Summary of Interviews

Most of the local professionals interviewed indicated that the Youngstown economy, while not expected to recover to levels achieved during the city's economic peak, has shown slight signs of growth. All local professionals interviewed affirmed that Youngstown contains pockets of untapped potential for future growth along its commercial corridors. While the conclusions of our report will be substantially supplemented by the insights and opinions shared by these individuals, we also must factor in an element of bias that is inherent to those who represent the Youngstown community, and have a vested interest in promoting it positively. In some respects, the demographics data, economic data, and supply analysis paint a contrasting picture to the views shared in the previous interviews. Therefore, we have attempted to balance the information shared in these interviews against the data presented previously. However, both the previously presented data and interviews seem to indicate that strategic investments at targeted locations, particularly within key nodes along the city's commercial corridors, would result in positive economic growth.

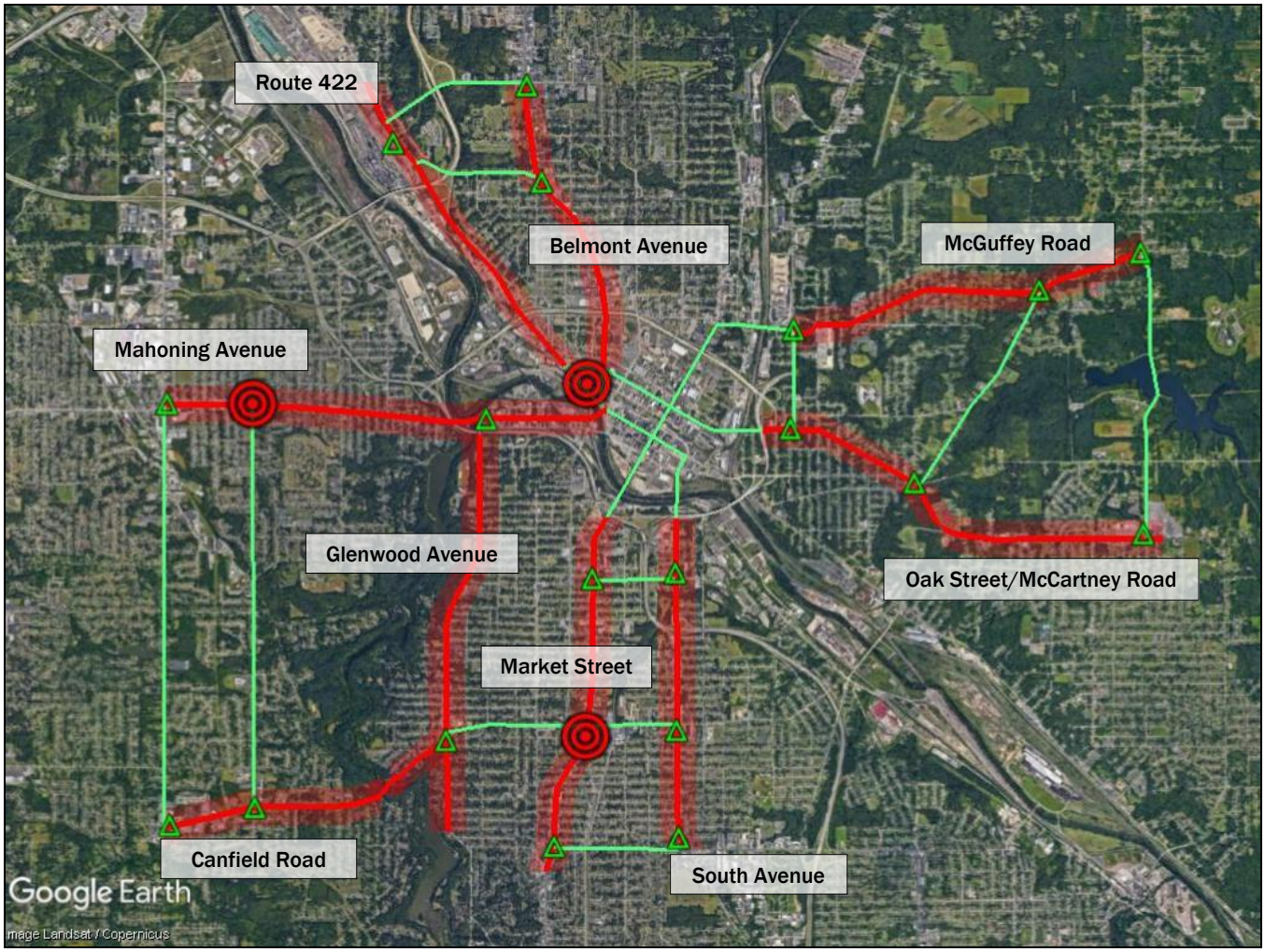
VII. SUMMARY AND CONCLUSIONS

SUMMARY

Due to limited resources, we believe investment should be targeted within areas that already contain the characteristics of a successful commercial corridor. New developments within these areas are more likely to catalyze additional development, investment, and revitalization. Conversely, a small amount of investment into an area that does not currently incorporate the elements of a successful commercial corridor would likely have less impact, as the additional resources needed to transform that area may not be available in time for the investment to be realized. Therefore, we recommend that future investments be made in targeted areas along commercial corridors which already exhibit the characteristics of other successful commercial corridors. Based on our analysis, these corridors include Belmont Avenue, Mahoning Avenue, and Market Street. The corridors that do not currently exhibit the characteristics of a successful commercial corridor include McGuffey Road, Glenwood Avenue, and Canfield Road. We believe it would require a great deal more investment into these corridors in order to their viability for future development/redevelopment.

IDENTIFICATION OF PRIMARY COMMERCIAL NODES

The following map details the locations of the study corridors (red lines), secondary network connections (green lines), primary commercial nodes (red bullseyes), and secondary commercial nodes (green triangles). This was determined through site inspections, interviews with local experts, and the previously presented data.



With respect to all previously discussed analysis, we have determined that three commercial nodes exhibit an exceptional level of potential for future development. We believe these target areas would benefit greatly from additional investment, and could act as catalysts for future development/redevelopment in nearby areas.

MARKET STREET/UPTOWN

Located near the center of Market Street, the area known as Uptown is at the intersection of four secondary commercial nodes. We believe investment in this area would provide the highest economic benefit due to its centralized location and existing supply of traditional development-style structures that are close enough to the street to provide a sense of enclosure and density. The map below displays the extent of the target area, and the locations of some existing uses.

Traffic through this area is above average, approximately 11,263 vehicles per day, and the average Walk Score is approximately 68 (Somewhat Walkable). All properties within the area illustrated above are zoned to allow commercial use, and vacancy is approximately 20 percent. It contains the highest density of existing commercial uses and buildings within a compact area, and the Uptown Theater is a unique asset. A weakness of this area is the significant level of residential neighborhood deterioration and abandonment. We believe street improvements, encouraging mixed-use infill development, and renovations to existing buildings, would provide a significant boost to the area's viability for future development.

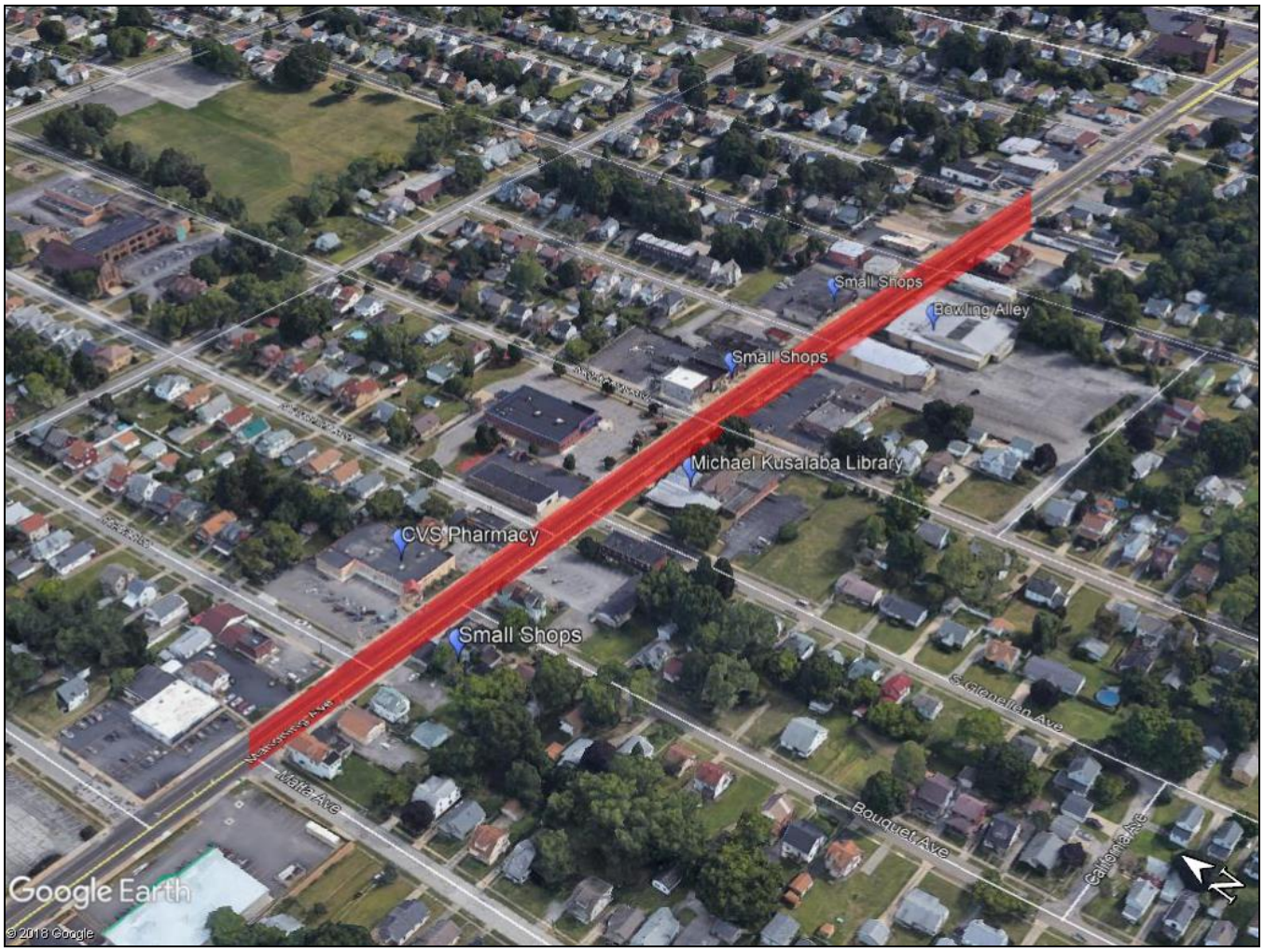
BELMONT/MAHONING/ROUTE 422 TRIANGLE

This commercial node is located at the intersection of three commercial corridors: Belmont Avenue, Mahoning Avenue, and Route 422. While technically just outside the study areas of each corridor, the ends of the three corridors form a triangular area located in close proximity to downtown, YSU, and the Mahoning River. We believe targeted investment into this area could kick start new development thanks to its proximity to a number of assets that serve (or, in the case of the Mahoning River, may serve in the future) as economic drivers. It should be noted that this area, dubbed the "Transition Zone", was also highlighted for its future development potential in the *Downtown Vision and Action Plan*, described previously. The map below displays the extent of the target area, and the locations of some existing uses.

Traffic through this area is below average, but the average Walk Score is approximately 65 (Somewhat Walkable). All properties within the area illustrated above are zoned to allow commercial use, and vacancy is approximately 30 percent. The strengths of this target area include its uniquely strategic proximity to downtown, YSU, and the river. The primary weakness of this area is that it is dominated almost entirely by light industrial and warehouse uses. We believe street improvements and encouraging existing buildings to be repurposed as mixed-use developments could provide a significant boost to the area's viability for future development.

MAHONING/SCHENLEY AVENUE

This commercial node is located near the western end of Mahoning Avenue, one of the city's most viable commercial corridors, near the intersection of Schenley Avenue and at the intersection of three secondary commercial nodes. The area benefits from a cluster of small shops that promote walkability and pedestrian-oriented development patterns. This style of development promotes long-term stability for commercial corridors. Therefore, believe investment in this area would provide substantial economic benefit. The map below displays the extent of the target area, and the locations of some existing uses.



Traffic through this area is above average, approximately 14,023 vehicles per day, and the average Walk Score is approximately 66 (Somewhat Walkable). All properties within the area illustrated above are zoned to allow commercial use, except for one which currently operates as a commercial property. Vacancy appears to be below 10 percent this node, which is low compared other commercial nodes across the city. A number of small shops and the new Michael Kusalaba Library are assets that are unique to this commercial node. Weaknesses of this commercial node include its lack of street trees, and several surface parking lots located along the street front which make certain areas feel less walkable. We believe street improvements, along with encouraging new developments to uphold street frontage along the sidewalk, will encourage continued stability and growth within this commercial node.

RECOMMENDATIONS AND CONCLUSION

Youngstown's commercial corridors exhibit various levels of health and potential for future growth. We believe that resources concentrated within areas are not currently achieving their full potential, but contain all or most of the attributes beneficial to successful commercial corridors, are the most likely to catalyze new development/redevelopment and provide the most overall benefit to the city and surrounding neighborhoods. As such, we recommend the following:

- Focus resources within areas that already exhibit the characteristics of successful commercial corridors. These characteristics include:
  - High traffic
  - High walkability
  - High percentage of zoning that permits commercial use
  - Low vacancy
  - High diversity of commercial uses

- Employ strategies that have been successful in other cities, such as:
  - Encourage higher density mixed-use developments
  - Discourage auto-centric design and development style
  - Invest in streetscape improvements like street trees, benches, trash cans, upgraded utility poles, better lighting, crosswalks, and allow on-street parking in certain areas

- Encourage new development/redevelopment to cluster within key commercial nodes, such as:
  - Market Street/Uptown
  - Belmont/Mahoning/422 Triangle
  - Mahoning/Schenley Avenue

It should be noted that our recommendations, such as clustering development and investment into targeted commercial nodes, are similar to some of the strategies presented in Youngstown's 2010 Citywide Plan, and other previously discussed plans. Overall, we believe approximately half of Youngstown's commercial corridors are currently suitable for investment that would encourage new development/redevelopment.

ADDENDUM A

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. 31534 – State of Arizona
Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

Partner, Novogradac Consulting LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," Novogradac Journal of Tax Credits, March 2016

Have presented at and attended various IPED and Novogradac conferences regarding various tax credit industries, including Section 47 credits and Investment Tax Credits. Have done additional presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

1. Valuation of the Components of a Business Enterprise
2. Valuation of Sustainable Buildings: Commercial
3. Valuation of Sustainable Buildings: Residential

V. Typical Assignments – Examples

In general, have managed and conducted numerous market analyses, evaluations reasonableness opinions and appraisals for all types of commercial real estate since 1988.

- Completed numerous analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms. Sample analyses include:

    - An analysis of the projected developer fee, incentive management fee, sublease agreement, hotel operator payments and overall master lease terms for a proposed mixed-use property located in the Midwestern United States. The project involved three individual closings, with funding sources including Historic Tax Credits and New Markets Tax Credits. The project involved three master lease agreements for various phases of the development which required both independent analyses in addition to consideration of reasonableness in aggregate. Our analysis included interviewing area market participants, research of comparable transactions and fees and a financial analysis of proposed compensation and returns to involved parties.

    - An analysis of projected license fees for daily and monthly market stall rental and daily and monthly office rental rates for a proposed public market and small-scale office development located in the Pacific Northwest. The project utilized New Markets Tax Credits. Our analysis included interviewing market participants familiar with similar developments and research regarding comparable transactions and fee structures.

    - An analysis of the proposed developer fee, asset management fee and master lease terms for a proposed multi-site solar installation located in the Western United States. The project involved the use of Investment Tax Credits. Our analysis included interviewing market participants familiar with solar developments and other forms of renewable energy, research regarding comparable transactions and fee structures in addition to a financial analysis of proposed compensation and returns to involved parties.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA

- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.

- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.

- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.

- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.

- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
Matthew A. Yunker

I. Education

The Ohio State University – Columbus, OH
Bachelor of Science in Family Financial Management

II. Professional Experience

Manager, Novogradac & Company LLP
Associate Developer, PIRHL Developers
Development Associate, WXZ Development/Zelnik Realty
Investment Real Estate Broker, Marcus & Millichap
Associate Relationship Manager, National City Bank

III. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Conducted numerous market and feasibility studies for family and senior affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; physical inspection of site and market, unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. Market studies completed in: Alaska, District of Columbia, Florida, Georgia, Illinois, Mississippi, Michigan, Nevada, New Jersey, and Virginia.

- Assisted in numerous appraisals of proposed new construction and existing Low-Income Housing Tax Credit properties.

- Conducted and assisted in market studies for projects under the HUD guidelines.

- Assisted in appraisals of proposed new construction properties under the HUD guidelines.

- Assisted in valuations of subsidized properties according to HUD guidelines.

- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

- Assisted in numerous valuations of partnership interests for a variety of functions including partnership sale, charitable donation, partner disputes, determination of exit strategies, etc.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
ALAN B. O'CONNELL

I. Education

The Ohio State University, Columbus, Ohio
Master of City and Regional Planning

Kent State University, Kent, Ohio
Bachelor of Arts in Geography

II. Professional Experience

Analyst, *Novogradac & Company LLP*
Director of Mapping, *CartoFront, Inc*
Transportation Coordinator, *Coyote Logistics*
Graduate Researcher, *Urban Land Institute*
Intern Planner, *City of New Albany, Ohio*

III. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis.
- Analyze and research economic trends such as unemployment, average wages, median income levels, and demand for low income housing in the target market area.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
Joseph Binder, CPA

I. Education

Cleveland State University
Master of Business Administration, Management

University of Cincinnati
Bachelor of Business Administration, Accounting

II. Professional Experience

Junior Analyst, *The Novogradac Group*
Staff Accountant, *Novogradac & Company, LLP*

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties

- Conduct preliminary property screenings, market analysis, comparable rent surveys, and demand analysis of competitive LIHTC properties and market rate properties operating in the target market area

- Analyze and research economic trends such as unemployment, average wages, median income levels, and demand for low income housing in the target market area.

- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information