The Lorain Avenue Master Plan



For the Westown Community Development Corporation Spring 2008

Table of Contents

Setting the Stage

Freeze Frame (The plan area)

Physical relationship of plan area to theater

Physical characteristics

Age/Style of structures/Existing land uses

Newsreel (Context)

History of neighborhood Jefferson SPA statistics

Market Study

Lead/Supporting Roles

The Variety Theatre Feasibility Study

Context: Other Theaters

Near-by investments

Our Feature Attraction (The Master Plan)

East End

Library Core

Theatre Core

West End

Curtain Call

Appendices

Zoning Map

List of Preferred Uses by location

Theatre Survey

Recollections

Credits

Setting the Stage

The Master Plan for Lorain Avenue, whose boundaries are situated near the Variety Theatre, inherits its genesis and inspiration from the past – a past that includes a viable, working neighborhood theater, and bustling pedestrian-filled sidewalks adjacent to thriving storefront shops and restaurants. Considered by many to be an excellent example of a traditional mixed-use commercial corridor, the buildings and public spaces of the Plan Area are currently underutilized and therefore are not living up to their former glory, as well as their future potential.

One of the difficulties in re-establishing a traditional commercial corridor at the beginning of the twenty-first century must surely be the need to engage numerous individual property owners. A common belief today is that "fragmented" property ownership is the bane of commercial development, and it is certainly true that there are difficulties inherent in getting real estate investors (possessing various philosophies towards property ownership) together on the same page, working together for the benefit of all. A laser-beam approach of consolidation, demolition and property management, all under some form of single ownership, tends to alleviate the need to build community amongst disparate groups, but it is not the only viable model. This plan is meant to inspire a coordinated effort that can generate a ripple-effect of successful reinvestment in the outstanding building stock of the Lorain Avenue Master Plan area, by fostering dialogue and stimulating new thoughts about the corridor.

The true spark of creativity behind all of this effort, however, is the renaissance of the Variety Theatre and the opportunities inherent in that promise.

Freeze Frame

The boundaries of the Lorain Avenue Master Plan area (Plan Area) were derived

from two sources: a sense of logical proximity to the Variety Theatre, and the quality of the architecture along Lorain Avenue. The guiding principal consists of a belief that a clear physical and visual linkage to the theater through historic architecture already exists along the corridor; the only necessity



was to specifically identify and build upon those perceived connections. Hence, it



became evident that one boundary must consist of a line drawn due west of the Westown Square shopping area (the site of the former Sears store) due to the abrupt change in character of the buildings and their placement in relation to the street.

The western border's potential location was not as clear-cut, but it was felt necessary to include a number of 1920's structures, more-or-less clustered together, until one begins to lose the sense of historical continuity that they provide. The final plan area, then, consists of Lorain Avenue from midblock just west of West 110th Street (with a slight jog to the west on the south side of Lorain), to West 123rd Street. See **Figure FF-1**.



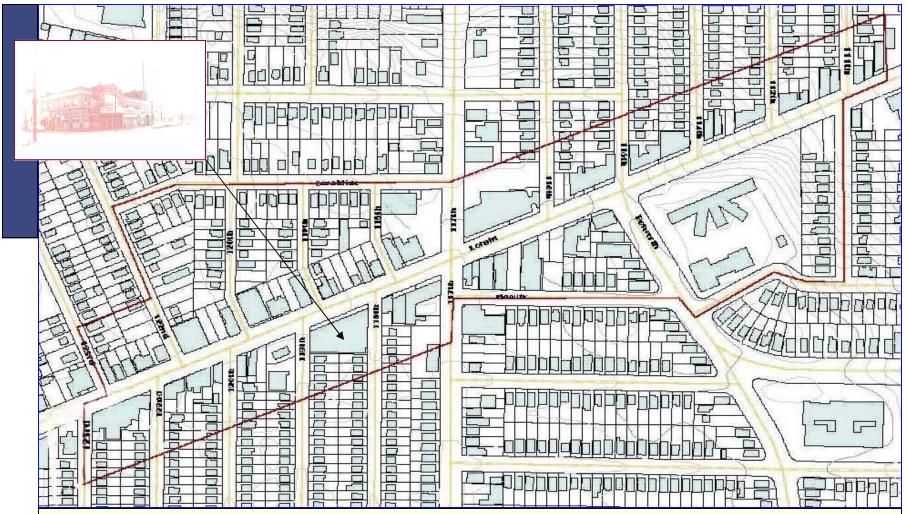


Figure FF-1: The Lorain Avenue Master Plan Area. The form of the Plan Area is linear, adhering closely to Lorain Avenue. This design focuses attention on the interplay between the form and function of existing structures in the corridor with the way these structures address the public realm. The Plan Area is also meant to be tightly centered around the Variety Theatre. Walking time from the far eastern end of the Plan Area to the theater is approximately 10 minutes, including time spent waiting to cross the street. Walking time from the western end to the theater is roughly 5 min-

Physical Characteristics

Setback. Although the form of the Plan Area is linear and relatively small, it is comprised of many interesting design details. The first is the relationship of each building to Lorain Avenue; the design element is called building setback, which leads to the question "How far away from the public right-of-way is each building?" If directly up against the property line, adjacent to the sidewalk, there is said to be "zero setback." This type of development is considered more desirable from the standpoint of pedestrian-friendliness, as walking next to a parking lot or other automotive-oriented layout (e.g., most commercial areas with large setback) is not perceived as being as safe or as aesthetically pleasing.

Of the sixty-five primary structures identified within the Plan Area, only three of them can be considered to have significant setback from the public right-of-way. This overall retention of the historic urban fabric is an important legacy to be preserved as much as possible; even recent developments such as Crocker Park in Westlake have chosen to incorporate this very traditional design trait.

The notion of minimal-to-zero setback is not entirely strict along the corridor, however. There are subtle changes in overall pedestrian right-of-way width as well as slight deviations in building placement (in relation to the sidewalk) that contribute a noticeably different pattern effect. It's easy to see, for example, areas where outdoor dining make better sense than other places along the corridor; this is where buildings stand apart from the right-of-way at a greater distance while still maintaining a close perceptual relationship to the street edge. Curb Cuts/Vehicular Access. One drawback to the pedestrian environment in any linear corridor is the necessity to allow for vehicular access to properties. With older areas such as this, there are often narrow alleyways or driveways between buildings that block the view of the motorist coming from a rear parking area. This condition means that the front of the car can be in the pedestrian right-of-way before either the motorist or pedestrian are aware of each other. Although these access points are not often used, it is important to identify them and plan for ways to protect pedestrians from potential conflicts.

Currently there are a total of thirty curb cuts/vehicular access points along the approximately 3000 lineal ft. of corridor encompassed by the Plan Area. Many of these are easy for pedestrians to see; there are only eleven that constitute a potential danger.



Sidewalk Condition. The overall condition of the sidewalks within the Plan Area is good, with many of them consisting of an older, exposed-aggregate look that one associates with many parts of the city. There are, however, areas that are in need of repair due to cracks, abrasions, weed growth, or unevenness caused by the lifting or settling of concrete. In any event, new sidewalks in the Plan



Area should be installed in such a manner as to blend in with the older sidewalks as much as possible. This could be as simple as avoiding the sweep marks of the brooms that are left when smoothing the concrete before it sets, using a dye in the poured concrete where desirable, and adding border detailing around the expansion joints.

Street Furniture. Along the corridor in the Plan Area there exists many healthy and mature street trees, generally Honey Locusts, which are set-off by various treatments such as raised concrete beds or tree grates installed at-grade.



While supplying welcome green and shade, they currently block motorists' views of many of the shops along the corridor. Existing bench placements are not as optimal as they could be, and wind-blown trash and debris collect in front of certain storefronts.

Sub-Areas. The identification of various sub-areas (within the overall Plan Area) that contain distinguishing characteristics that sets them apart slightly from each other is also a feature of this plan. These clusters will be merely identified now and will be discussed further in Our Feature Attraction.

See Figure FF-2.



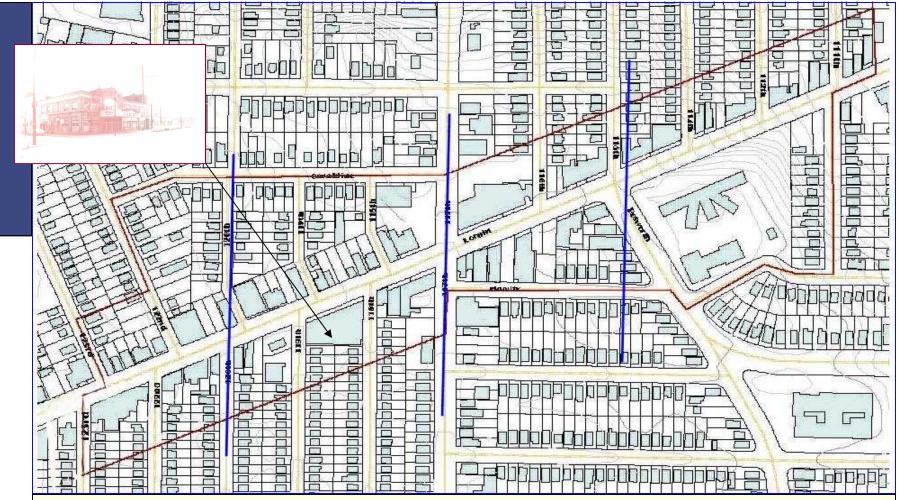


Figure FF-2: The Lorain Avenue Master Plan Sub-Areas Identified.

East End: Mid-block West 110th Street to West 114th Street.

Library Core: West 114th Street to West 117th Street. Theatre Core: West 117th Street to West 120th Street. West End: West 120th Street to West 123rd Street.

Age/Style of Structures1; Existing Land Use

The design and materials of the various structures within the Plan Area not only unify the corridor, they also act as the true embodiment of the area's potential for rebirth. With the phenomenal cost increases in building materials that have transpired since the advent of the 20th century, however, it is not too surprising to realize that many of the details and attributes of buildings that were constructed even pre-1970 are simply not capable of being replicated with today's dollars in any sort of economically feasible manner.

Therefore, when a traditional commercial corridor loses an historic or architecturally-significant building to poor maintenance, neglect, and ultimate demolition, it loses it forever. In almost every case, it will not be replaced with anything of similar quality of design or materials. Awareness of the architecture in cities such as Paris, Rome, or Venice, for example, is a good way to begin to appreciate the importance of historic preservation. In these cities and many others throughout Europe, older buildings quite clearly contribute to the vibrancy of everyday life, as well as standing as testaments to the aspirations and building methods of the past. In sum, we can say that a connection to past eras is desirable and necessary, and older buildings with character supply that connection admirably. We lose them at our own peril.

Fortunately the Plan Area is blessed with an interesting array of older structures, representing different eras and architectural styles. This section will articulate these features in order to show the depth and scope of the architectural heritage of the area.

¹Sources for architectural style identification include the *Ohio Historic Inventory* (Ohio Historic Preservation Office 1976); *How to Complete the Ohio Historic Inventory* (Gordon 1992); *Good for Business: A Guide to Rehabilitating the Exteriors of Older Commercial Buildings* (Jakubovich and Vollmert 1995); *Neighborhood Commercial Development in Cleveland* 1850-1950 (Cleveland Landmarks Commission 1993); and the University of Wisconsin Eau Claire website www.uwec.edu/Geography/lvogeler/w367/styles.

Age of Structures. The decade that is most heavily represented in the Plan Area is the era from 1920-1929. Fully thirty-four structures were initially constructed in the '20s, and this is 60% of all of the buildings involved. **See Figure FF-3**.

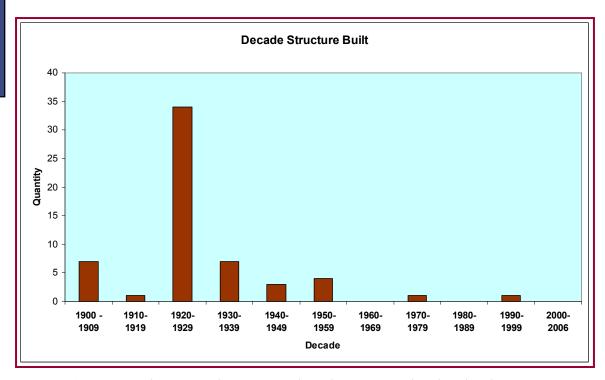


Figure FF-3. The Roaring '20s are most heavily represented within the Plan Area.

Style of Structures. Although unavoidably subjective in nature, the identification of the existing architectural styles in the Plan Area is an important aid to better appreciation of the uniqueness and character of the area. Note that this is mostly "working-class" architecture; although many of these structures were built with distinguishing characteristics, few can be thought of as "signature" buildings. Also, they are oriented in a horizontal—rather than vertical—fashion in order to better capture the prospective customer's eye from a passing streetcar. Finally, in order to organize the discussion, we will consider architectural style in terms of the various clusters or sub-areas identified above.

Mid-block West 110th to West 114th Street: "East End" and "Library Core"



This cluster contains some of the oldest buildings extant in the Plan Area. Comprised of twelve primary buildings in all, dates of original construction range from 1900 to 1947. A good example of the <u>Art Moderne</u> style is at 11012 Lorain, a currently vacant structure that once was adjacent to an SS Kresge "dime store" now long gone.

Another style represented is the ubiquitous Masonry Vernacular with either sloped or flat roof. This utilitarian approach to commercial buildings does not attempt to distinguish the second floor from the first with any specific embellishments. By way of contrast, Two-Part Commercial Block, seen at right and also designed for retail/residential (or office) mixed-use, utilizes specific design elements (such as window treatments, sculptural band-

ing, or masonry patterns) to distinguish the two levels.





This cluster has the only example of Masonry Vernacular with flat roof and crenellations in the Plan Area (the former Bar 112); and the same can be said for the Georgian Revival Cleveland Christian Home.

An interesting aspect of this cluster is the group of buildings just west of West 112th Street on the north side of Lorain Avenue. These <u>two-part commercial block</u> structures utilize the bay window and the pent roof as an effective means to distinguish the upstairs apartments. These three buildings also share a common setback that is slightly (but noticeably) larger than the setbacks for the surrounding area, and look as if they were designed and built as mini-campus.



Existing land uses in the sub-area: barber shop, Spanish-language book store, convenience store, automotive repair, car audio sales, social-services mission, title agency, orphanage, and currently six vacant storefronts.





West 114th Street to West 117th Street

This area, as it approaches West 117th Street, takes on more of a true commercial identity. There are more buildings than the previous area, and more retail uses within them. One notable architectural style found here is known as **Enframed Window Wall**, which incorporates large areas of glass with narrow muntins on 'flat' facades (meaning no transoms or meaningful bulkhead treatments present). These windows serve as the focal point of the façade, which is typical of the 1950s and early-to-mid '60s. The **Post-War Modern** style (site of the original Eastman Branch library) also utilizes glass window areas on a flat façade but these are not as pronounced.

Other styles represented include **Tudor-Influenced**, represented by the former Lorain Medical building built in 1925; **Brutalism** (the current Cleveland Public Library, Eastman Branch); **Two-Part Commercial Block**; **Masonry Vernacular** with flat roof; **Vernacular (non-masonry)**; and **One-Part Commercial Block**. Years of original construction range from 1920 to 1979; the year 1930 stands out with six buildings represented.

An obvious focal point of this cluster is the Arab-American Center for Cultural and Economic Social Services or AACESS building, (the former Lyric Theater); a perhaps not-so-obvious focal point is the Eastman Branch Library.



A sensitive recent renovation of the former has included a marquee reminiscent of the building's function as a theater from the late -1920s through the early-1960s.

The Eastman Branch Library's <u>Brutalist</u> architecture sets an unfortunate example in an urban context – turning your back on the life of the street. Architects and public officials embraced this style in the late 1970s and 1980s, and despite the assumed logic of the time, the result is an unfortunate message that the public library is here because it has to be, not because it wishes to be. Recommendations to address this issue are found in *Our Feature Attraction*.

Existing land uses: carpet store, adult group home, offices, adult bookstore, karate training, food market, public library, furniture rental, dollar store, temporary labor services, work-clothing sales, tavern, appliance rental, pizza shop, Arab-American social hall, garden center, social



service agency, and automotive paint sales. There are currently two storefront vacancies and an upper-floor office/commercial space vacant with access from West 115th Street.

West 117th Street to West 120th Street: "Theatre Core"

This cluster, which includes the Variety Theatre, can be considered the heart of the Plan Area. It contains the best potential areas for public spaces, including outdoor dining, and may also provide much-needed off-street parking as well.



Its current condition is reflected in the following architectural styles represented:

Post-War Modern; Art Deco (the former Guardian Trust building); Masonry

Vernacular with either flat or sloped roof;

Two-Part Commercial Block (the 'Stefan Decker' pictured is one example); One-Part Commercial Block; Classically-Influenced ("Banater Hall" and the

Variety Theatre itself); **Art Moderne** (a former donut shop with 1950s cylindrical flair); and **Enframed Window Wall**.

The years of construction for this cluster range from 1900 to 1999. This area, as compared to the other sub-areas, has the most intimate feel to it, with the potential to significantly compliment a working theatre. Current land uses are as follows: drug store, two barber shops, congressional offices, vacuum cleaner sales and service, office, beverage store, print shop, glass and mirror sales and installation, beauty shop, medical office, two storefront churches, gym, social service agency, private club, temporary labor services, insurance agency, clothing store, electronic repair, title agency, law office, and medical offices. Current storefront vacancies: seven.



West 120th Street to West 123rd Street: "West End"

The westernmost cluster within the Plan Area incorporates the most intact grouping of pre-1930 structures. It has its own mild 'downtown' feel and complements the Theatre cluster well. With the exception of the auto-related uses near West 122nd St. and the modern-day façade applied to the two Danny Vegh's buildings, this area retains a look

and feel of an earlier time. If one peers into various entranceways, for example, tile patterns from a local 1920's craftsman can still be seen.

Architectural styles here are by now mostly familiar and include the following: **Two-Part Commercial Block**; **Masonry Vernacular with flat roof**;



Enframed Window Wall; One-Part Commercial Block; and Two-Part Vertical Block.

The latter is associated with the 1925 "Durk" building (pictured below), and relates to the three-storied structure's use of granite trim work setting off the lower storefront level from the upper two floors, which also contain smaller trim work and masonry





Current land uses: antique store, used car lot, auto repair, auto hubcap sales, tavern, hair stylist, recreational equipment sales, Mexican restaurant, ground-floor apartment, tobacco shop, private restaurant, driver's education office. Current store-front vacancies: nine.

In sum, although treated differently here for the sake of organization, these four subareas are tied together by more than just close proximity. First of all, the mixed-use functionality of the majority of these buildings is found throughout the Plan Area. Also, many architectural design elements are repeated in various arrangements. One example would be the pent roofs used on upper floors that are used to tie together bay window treatments, set off an otherwise undistinguished façade, or to crown a flat roof in lieu of a cornice or parapet. Finally, the scale and location of many of these buildings throughout the Plan Area make this a potentially very intimate pedestrian environment, despite the close proximity to the vehicular traffic on Lorain Avenue.

Newsreel

Neighborhood and Theatre History

After the City of Cleveland's founding in July, 1796, its continued early vitality became a function of evergreater increases in land and people. Annexation of unincorporated land continued well into the present day, in fact, ending in 1960 with the acquisition of Brook



On March 5th, 1900, West Park Village in Rockport Township was established. The boundaries of the village were the City of Lakewood to the north, the Rocky River to the west, Brookpark Road to the south and West 117th Street (then Highland Road) to the east. The name 'West Park' was derived from early settler John M. West who lived at what is now Lorain Avenue and West 140th Street. His property consisted of a home (that still stands today), a lake, and picnic facilities that were used by other families in the neighborhood. These early residents began calling the area "West's Park" which was eventually altered to "West Park" and became the name for the entire area².

Annexation by the City of Cleveland of the twelve-and-a-half square mile area came in 1923, with over 3,500 people adding to Cleveland's population. Today, the neighborhoods of Jefferson, Kamm's Corners, Puritas-Longmead, and Riverside claim the land formerly known as West Park Village.

In the mid-1800s, Lorain Avenue was a wooden plank toll road. In 1893, several local railway companies consolidated into the Cleveland Electric Railway Company, introducing the first electric streetcar to Lorain Avenue. Originally, the streetcar line extended from downtown to West 98th Street with expansion to West 117th Street coming in 1913. The streetcars allowed the majority of Clevelanders, who were without private automobiles, easy access to downtown and the westernmost points of the city. This led to a dramatic increase in residential and commercial development along Lorain Avenue.

This influx of new residents and businesses created a market for entertainment, and the early 1920s brought about the birth of the motion picture phenomenon and the heyday of vaudeville performances. The area around West 117th Street soon became home to several theaters: The Variety (1927), The Lyric (1926), The Tivoli (1930), and the Almira (1927), all located within one half-mile of each other.

In 1927, The Variety Theatre was constructed at 11815 Lorain Avenue. Designed by prominent Cleveland architect Nicola Petti, this 1900-seat theater included 1550 seats on the first floor and 350 seats in the balcony. The original owners were Sam Stecker, Meyer Fine and Abe Kramer. In 1929, the Variety Theatre was sold to Warner Brothers, who operated it until 1954 when it was sold to local realtors Edward and William Wargo for \$500,000. This has been one of the largest real estate transactions involving theater property in Cleveland since the Depression.

In 1976, Russell Koz took ownership of the theatre and showed second-run movies until the early 1980s. The theatre closed in 1984 and was later used as a Halloween "haunted theater," a concert hall for rock bands, and a private school.

The Variety Theatre is a Local Cleveland Landmark and in 1982 was placed on the National Register of Historic Places. It is a two-story building which houses ten commercial storefronts, twelve apartments, and the theatre itself. The building has a large marquee that originally featured a vertical sign that was removed (in 1953) after it sustained damage from a tornado. The following description of the theatre, from 1982, still remains applicable today.

Above the theater marquee, the lobby wall has a curved parapet with urns and a large segmental-arched window. The lobby has an arched ornamental plaster ceiling of three bays, framing a giant semi-elliptical window on the front wall which fills the entire width of the lobby; on the inner wall a semi-elliptical mirror of the same size reflects the window. The original cut-glass chandelier hangs from the ceiling. The lobby leads to a long rectangular foyer with a low coved plaster ceiling. There is a stairway from the foyer to the balcony. The auditorium is basically rectangular, measuring 81 feet by 102 feet. The original 350 seats in the balcony remain in decent condition, while the majority of seats on the first floor have been removed.

The ceiling is a flattened vault with seven transverse bays which meet the wall in groined arches. The three bays nearest the proscenium diminish in width and end in arched bays, which have vestigial boxes containing indirect lighting. The ceiling of these three bays is ornamented with raised plaster ribbing in a diamond pattern. A forestage has been built over the original orchestra pit, which is still intact. The stage measures 56 feet by 25 feet, and the backstage area contains three dressing rooms. The basement area runs the entire length and width of the building area and contains a series of small rooms³.

The Variety played an important role in the development and history of the Jefferson neighborhood. During the fifties and sixties, the Theatre was immensely popular with 'West Park' baby-boomers who flocked to the Sunday matinees. Among the early tenants of the storefronts were bakers, confectioners, a fruit merchant and a milliner. The storefronts have since been used as office space, a coffee shop, restaurant, beauty & barber shops and an electronic-appliance repair store.

The Jefferson Neighborhood Today

It should be noted that although officially known as Jefferson by the City of Cleveland, the residents of the area may be more familiar with the unofficial names 'West Park' or 'Westown.'

The neighborhood, which entails quite a bit more than the Plan Area itself, is currently home to a good proportion of the City's ethnic restaurants and shops. Centrally located between I-90 and I-71 and highly accessible to and from downtown, Hopkins airport and surrounding communities, the Jefferson neighborhood had a Census 2000 population figure of 19,479, down from the 1970 peak of 25,609, which is partially a result of a trend in fewer persons per household over the intervening years. This still leaves a population density of 7,150 persons per square mile⁴, which has stabilized in the last decade, with a population loss of less than 1% from 1990 to 2000⁵.

One may also note the difference in the age of the population for the neighborhood, depicted below. It appears that the cohorts in the range of ages 30 through 54 have increased overall for both males and females.

⁴ArcView calculations were used to derive an area for Jefferson of 2.79 sq. miles.

⁵http://planning.city.cleveland.oh.us/census/factsheets/spa03.pdf

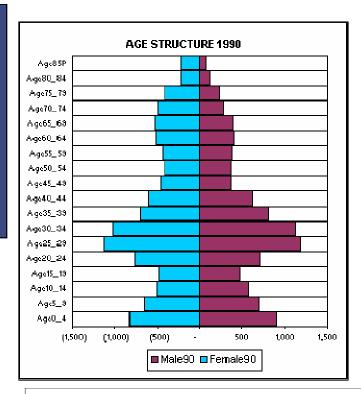
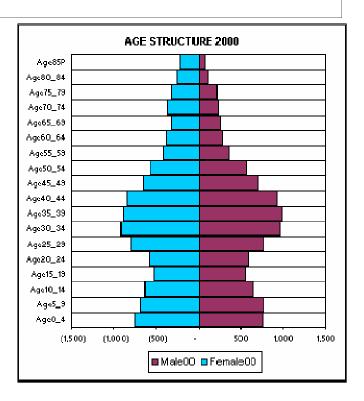


Figure NR-1. Age cohorts for the Jefferson neighborhood show a more normally-distributed population (statistically speaking) for 2000 compared to 1990. They also indicate the majority of residents in 2000 were between the ages 30 and 54.



Market Study Considerations

The Lorain Avenue Master Plan's fundamental goal is to set a framework for discussion regarding future development along the corridor near the Variety Theatre. This framework reflects the belief of City of Cleveland Planning Commission staff, consultants The Longwell Law Firm, Ltd. (historic theatre consultants), and the Westown Community Development Corporation that a well-planned retail redevelopment strategy should take advantage of proximity to the theatre. Therefore, the successful historic renovation of the Variety Theatre is seen as the key to attracting reinvestment to the area, and admittedly, this is a long-range strategy.

Future potential business owners who would like to capitalize on the theatre's re-opening need to consider who is likely to be attracted to the area once the marquee is re-lit. Three logical target markets are listed below.

- Residents of the surrounding area, especially those within walking, cycling, or a short car-trip distance to the theatre (roughly a 1-mile radius). These need not necessarily be theatre patrons.
- <u>Culture seekers</u>, i.e., those who are interested in the theatre's offerings and who travel from outside of the immediate (1-mile) area. This defined "trade area" should be consistent with the Variety Theatre's primary and secondary trade areas.
- Other Shoppers are those who are attracted to near-by shopping opportunities and are willing to travel a short additional distance to the Plan Area to patronize the theatre, go to lunch or dinner, or to shop further. This trade area should incorporate all current and future potential retail developments within a reasonable distance.

Residents: Primary Market Area

In 2003, Great Lakes CB (now Great Lakes Resources) prepared a market study for the Westown Community Development Corporation⁶.

The Westown Commercial Corridor Retail Analysis utilized a Primary Market Area defined as a 1-mile radius circle centered on the intersection of Lorain Avenue and West 117th Street, which, for all intents and purposes, is contiguous with the same circle drawn around the Variety Theatre⁷. The study concluded that there were 25,657 people living within one mile of the intersection in the year 2000, with a 2003 estimate of 25,386 (based on trend analysis from the 1990 census figures).

The total number of households in this trade area for 2003 was estimated to be 10,110, and average household income was calculated to be \$44,639 per year. This translated into a 'per acre buying power' of \$737,909, which was said to be significantly larger than municipalities such as Strongsville and Westlake⁸.

Although a well-designed survey of shopping habits of the residents of the defined Primary Trade Area has not been performed, other studies have shown rather conclusively that many of the retail needs of the residents of the City of Cleveland are currently not being met within the city limits⁹. However, recent large-scale retail developments offer evidence that the city-based market is currently perceived to be underserved¹⁰.

⁶Although citing the Great Lakes CB study in terms of data, it must be stated that the Lorain Avenue Master Plan takes a different approach to understanding the potential for retail opportunity in the corridor (within the Plan Area).

⁷Census tracts involved include all or parts of 123330, 101400, 101500, 102300, 102200, 102101, 102102, 124100, 123900, and 123501.

⁸Great Lakes CB (2003). Westown Commercial Corridor Retail Analysis. Self-published, Cleveland.

⁹For example, see Northeast Ohio Regional Retail Analysis (Cuyahoga County Planning Commission 2000).

¹⁰Recent developments underway include Steelyard Commons in the Industrial Valley and a new Target store in the Jefferson neighborhood.

Within the Primary Trade Area, based on the above population pyramid and the respondents' ages in the two surveys for the theatre discussed below, there exists a sub-market of adults between the ages of 30 and 65, who are potentially a prime market for the theatre's offerings as well as theatre-related retail¹¹.

There are conceivably quite a few retail uses that could cater to such a wide audience. The closest clustered "competitors" are the Home Depot/Target cluster at I-90 and West 117th St., and the Westown Square Shopping Center at West 110th St. and Lorain Avenue, but these should not be considered competitors in the strict sense of the term. Retail offerings in the Plan Area should be sufficiently distinguished to avoid any sense of competing for market share with these established entities.

To return to the existing situation, the glaring lack of certain various retail categories along corridors such as Lorain Avenue can be attributed to some extent to investors' lack of experience with the re-use of 1920s-'30s buildings. Perceived constraints, (including lack of easily-identifiable parking and square footage limitations), may limit the available options in such a way that a researcher's conclusion can only be that a market for that retail category simply does not exist. It is interesting to note that, contrary to Cleveland's experience, most major retailers <u>are</u> experienced with fitting into smaller existing structures when the market they wish to enter requires it (e.g., the Georgetown area in Washington, D.C.). Creative thinking and cooperation between property owners can go a long way towards re-imagining the uses within the existing urban framework in an attempt to overcome these types of constraints.

¹¹Although beyond the scope of the Lorain Avenue Master Plan, a detailed study of potential categories of users of the Theatre, and how that translates into a 'spillover effect' in the Plan Area, is recommended.

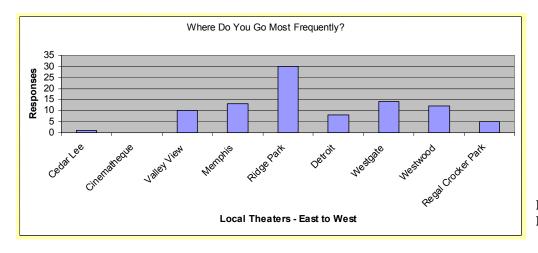


Fig. NR-2.

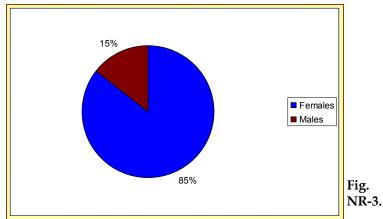
Culture Seekers: Theatre Primary and Secondary Trade Areas

One assumption made for this study is that persons interested in attending dinner theatre or movies will travel further distances than the potential shoppers in the 1-mile radius circle discussed above. Two market surveys were performed by the Westown Community Development Corporation (with the cooperation of the Cities of Cleveland and Lakewood) to try to gain an understanding of the potential end-uses to be identified for their feasibility within the site- and building envelope-constraints. These results, although preliminary, are helpful in laying a framework for understanding the market for the theatre's offerings.

The local survey for Ward 19¹² was meant to gauge potential interest in the theatre and should not be construed to be scientifically valid. Potential survey respondents were generated from a members' mailing list (residential addresses only) of the Westown Community Development Corporation. One-third of the targeted addresses were randomly selected directly from this list; one-third were generated by selecting an address next-door to a chosen address; and the final third were obtained by choosing an address across the street from an initial chosen address. A total of 609 surveys were mailed out, with 50 respondents (an 8% response rate).

 $^{12}\mbox{Ward}$ 19 includes parts of Edgewater, Cudell, Jefferson, West Boulevard, and the Puritas-Longmead neighborhoods.

The survey¹³ began by asking about the frequency with which people go out to the movies and what theaters they prefer.



Figures NR-2 and 3. Local survey results on frequented venues and a chart depicting gender breakdown of respondents.

Next, respondents were asked about their interest in children's theater, dinner theater, dance performances, live musicals, and plays, based on their own attendance in the past year. Finally, potential (future) interest in these events was inquired about with the addition of such activities as opera, high school graduations, stand-up comedy, dance instruction, specific types of films (e.g., new Hollywood releases, 2nd-run movies, and independent films), wedding receptions, and private parties as options to consider.

The population of survey respondents was highly-skewed in terms of gender and age of respondents. Eighty-five percent of the returned surveys were from females; the age distribution leaned heavily towards the 46-65 year age cohort (both male and female). Unfortunately, neither result could be considered to reflect the actual age/gender distribution of the neighborhood, which might have compensated slightly for the overall poor response rate. Once again, the following results must be considered in the light of the above information.

¹³See Appendix for survey questions. Although only the Lakewood survey is shown, it is practically identical to the one sent to the local neighborhood residents.

			49	
			53	
			61	
			67	
			49	
			49	
			46	
			47	
			63	
			63	
			58	
			55	
			63	
			60	
			55	
			63	
			60	
			58	74
			55	75
			60	81
	35		50	86
	31	45	47	86
	34	42	53	75
	30	41	57	73
	34	42	55	67
13	35	43	46	71
0-21	22	36	46	65+
		_	_	
	35	45	65	
Ago Distributions				1 \

Age Distributions (Male and Female)

Figure NR-4. Age distribution of local survey respondents. Red indicates the category and each respondent's age is reflected above its respective category.

In terms of film, the respondents preferred traveling not too far from home, with the Ridge Park cinema as the most popular destination. However, theaters in Fairview Park to the west, and the Valley View cinema in Valley View to the east, were also frequented. These cinemas feature new and 2nd-run Hollywood-style films. Independent films generated little interest. Regarding live performances, respondents indicated that children's theater, dinner theater, musicals, plays, and stand-up comedy were all interesting. Although the small, skewed sample cannot allow us to extrapolate with any confidence, a preliminary conclusion based on the above would be that it makes sense to imagine the Variety Theatre re-invented as a multi-use facility.

Have Been to in Last Year

		Children's	Dinner	Ballet/ Mod- ern Dance	Live Musical/ Play
	Yes	14	11	8	24
Ī	No	34	35	38	21

Interest In

	Children's	Dinner	Ballet	Modern
Very Interested	17	18	4	5
Somewhat Interested	15	16	9	10
Not Interested	8	7	20	18

	Musical	Opera	Plays	HS Grad
Very Interested	16	5	20	11
Somewhat Interested	13	6	13	11
Not Interested	9	21	6	10

	Stand-up	Lessons	New Films	2nd Run
Very Interested	19	9	24	20
Somewhat Interested	14	7	6	8
Not Interested	7	16	7	6

	Indy/Arts	Wedding	Private Parties
Very Interested	7	9	11
Somewhat Interested	7	11	19
Not Interested	17	14	6

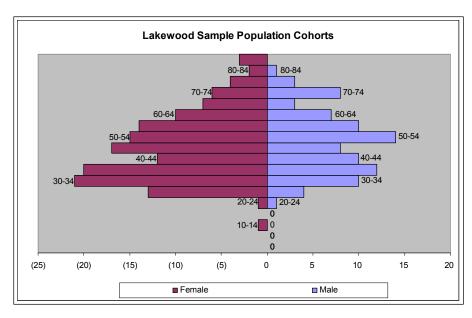
Figure NR-5. Local survey results on potential interest in various theatre offerings. Majority answers are in **Bold Red**.

City of Lakewood Survey

It was determined quite early on that it made sense to try to gauge the interest of a surrounding suburban community in what the Variety Theatre could potentially offer. The theatre's location, almost centrally placed between Interstates 90 and 71 just one block west of West 117th Street, allows for easy access from the western and southwestern suburbs such as Linndale, Brooklyn, Brook Park, Berea, Fairview Park, and Lakewood. As representing the largest population of these adjacent communities, the City of Lakewood was chosen in which to mail out a theater survey.

The survey was based on a partitioning of the City of Lakewood into five more-or-less equally sized parts with boundary lines chosen along the centerline of various major streets. This allowed for a delineation of addresses, either north-south or east-west, that could be easily grouped into a respective section. A list of residents was obtained from the City of Lakewood, and 200 addresses per section (1000 overall) were randomly chosen to receive the slightly revised questionnaire. The response rate was good, 25%, with a total of 252 respondents. Figure **NR-6** shows the population cohorts for the City of Lakewood and the sample population.

As far as survey results are concerned, first- and second-run movies were clearly the favorite entertainment choice of the majority of the respondents, while plays, independent/art films, and stand-up comedy were very close behind.



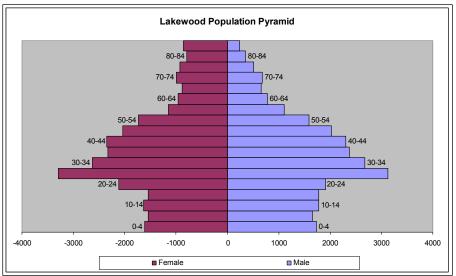


Figure NR-6. Population cohorts by gender for sample (top) and City of Lakewood. As with the Cleveland neighborhood sample, the sample population shows results skewed towards more female respondents than a truly representative sample would indicate. (Data source: http://factfinder.census.gov)

In terms of overall analysis, when the entire west side is viewed on a map, the area-wide competition for 1st- and 2nd-run movies is fairly steep, with plenty of options for west siders within a fairly small radius. For Lakewoodites, the Westgate cinema and the Westwood Town Center movie options were most often listed as a frequent destination (i.e., 54% of all movie theaters frequented). In contrast, the east-side theaters that offer more independent-based film choices, the Cedar-Lee in Cleveland Heights and the Cleveland Cinematheque in Cleveland's University Circle neighborhood, comprised only 9% of all movie theater destinations frequented. However, these types of films scored high in terms of potential interest. See Figure NR-7.

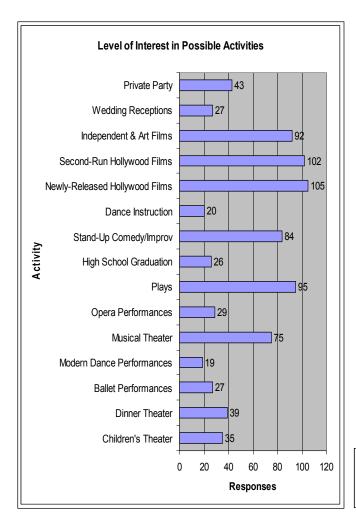
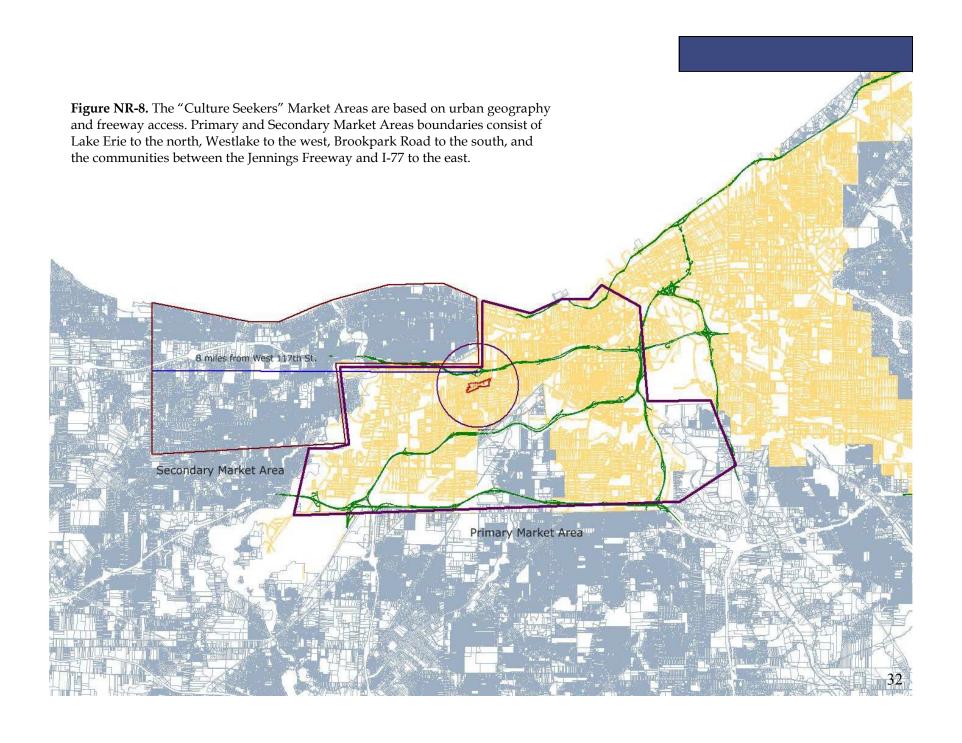


Figure NR-7. Lakewood survey results indicated slightly different preferences than the local neighborhood survey.

Based on the above, it does not seem unreasonable to extend the potential market area for the theatre to take in all of the west side of Cleveland and a good portion of the western (and some of the southwestern and southeastern) suburbs as well. Although the market for 1st-run mainstream film offerings has good coverage on the west side, there appear to be opportunities for dinner theater, children's theatre, 2nd-run independent films, and 2nd-run Hollywood-style films that could draw from a fairly wide area. Community theater and party/reception opportunities also seem promising. With the excellent access to the Variety that exists due to proximity to two Interstate highways, and a ring of other potential highways that feed into I-71 and I-90, a "Culture Seekers" market area has been identified that is represented by the irregular-shaped polygon in Figure NR-8.

While the surveys indicate a fairly strong potential market for specific theater attractions, it is, of course, also highly desirable that many of these theatre-goers decide to come to the area <u>before</u> a performance, and/or to linger afterwards, allowing time to take advantage of the retailers near-by. A more sophisticated market study could perhaps link various categories of theater-goers in terms of income levels, etc. with surrounding uses that they would be more likely to visit, and then determine how many of them are likely to be Variety Theatre-goers on any given night. Although that sort of study is outside of the scope of this plan, a more detailed look at the market for a potential coffee shop in the Plan Area can be found on page 89.



Other Shoppers: Primary Trade Area

Finally, those persons who would be attracted to the area (i.e., those from outside the immediate neighborhood, generally the west side of Cleveland and parts of Lakewood) for its shopping opportunities could be considered as a potential market. Data collected by the Social Compact and published in 2004 as the *Cleveland Neighborhood Market Drilldown Profile* disputes Census Trend Projections based on data collected in 2000¹⁴ and concludes (for the west side of Cleveland's Planning District 1, which includes the neighborhoods of Edgewater, Cudell, West Boulevard, Jefferson, Puritas-Longmead, Kamm's Corners, and Riverside), that "[w]ith potential buying power exceeding gross retail sales, Cleveland's District 1 is home to a sizeable untapped market."

In sum, the study found that significantly more people were living in District 1 than were projected by the Census, and that median home values exceeded projections as well. And although median and average incomes were not as high as Census projections, average incomes for each neighborhood were higher than Census 2000 average incomes, with median incomes stable four years after the 2000 Census. According to this report, the population of Planning District 1, encompassing an area of roughly 77 square miles, is 120,137. This includes 42,667 households, with an aver-

age household income of \$42,68215.

¹⁴U.S. Bureau of the Census, Department of Commerce.

¹⁵Cleveland Neighborhood Market Drilldown Profile (Social Compact 2004).

These figures again suggest that the purchasing power of west-side Clevelanders is more extensive than many have given credit for. And while no one can say for certain at this point in time which retail mix will optimize activity in the Plan Area, a repeated assumption is that those geared towards a theatre-going crowd would stand to do well. Therefore, although it is interesting to speculate, for example, how retailers in the Plan Area might be able to tap into the synergy afforded by both the Variety Theatre and the Target/Home Depot developments near-by, it is beyond the scope of this plan to try to ascertain the market conditions for non-theatre related retail categories. It is certainly possible, however, that shared marketing strategies between the two areas could be mutually beneficial.

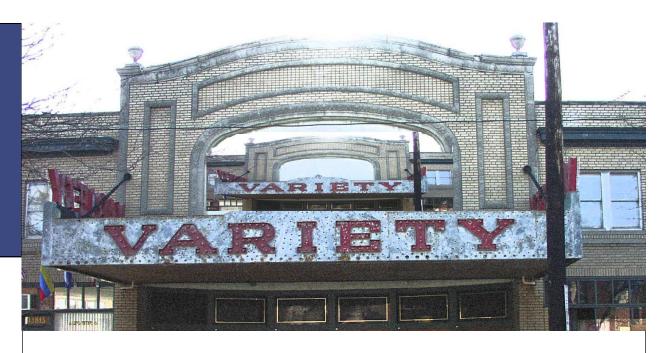
In any event, working within the constraints of the existing structures, (with some additions/corrections where needed), the businesses of the Plan Area will find it necessary to brand the area as a 'one-stop shop' in much the same way the Lorain Antiques District has done. Important steps in this direction are suggested in *Our Feature Attraction*.

Lead/Supporting Roles

Of course, since much of the future success of the businesses in the Plan Area is predicated on the revival of the

Variety Theatre, a feasibility study was performed to assess the chances of bringing the theatre back to life. . .





The Variety Theatre Feasibility Study Background

The Variety Theatre building is owned by JJAM MAN, Inc. (the "Owner") and its controlling shareholder is Adrian Ortega. Mr. Ortega has indicated his interest in restoring the Theatre portion of the building (as well as renovating the storefront space and apartments located in the building) and has sought advice on the most efficient and expedient way to achieve that goal. It is interesting to note that the restoration and operation of historic theatres is extremely expensive and few for-profit entities have successfully completed the restoration and subsequent operation of an historic theatre. Non-profit entities have had much more success in restoring and operating historic theatres as they have access to grants, government programs and fund raising which provides free or lower costs funds to subsidize the restoration and operation of the theatre. Since the Owner is a for-profit corporation, the Friends of the Historic Variety Theatre (FHVT) was recently formed to undertake the restoration and operation of the Theatre space (the "Project") as more fully explained below. The Owner is willing to consider a donation or bargain sale of the Theatre space to the FHVT, but as of April 2007 wishes to maintain ownership of the apartments and storefront spaces in the building.

35

If this condition remains, it would then be necessary to form a condominium association as part of the proposed renovation plan to allow for the transfer of only the Theatre portion of the building to the FHVT. Also, since the building is on the National Register of Historic Places, the feasibility study assumes the use of the Federal Rehabilitation Tax Credit ("Tax Credit") as a source of funds for the Project which provides a tax credit of twenty percent (20%) of the qualified rehabilitation expenditures (QREs) incurred as part of the restoration (a more detailed summary of the Tax Credit program and requirements follows below).

The Friends of the Historic Variety Theatre

Because of the great expense to restore the Theatre, the assumption that the cash flow will be insufficient to cover the operations of the theatre after the restoration, and the availability of grants and donations available to tax-exempt organizations, the feasibility analysis includes the recommendation of the formation of a 501(c)(3) tax-exempt entity to raise the funds necessary to restore the Theatre, serve as the developer for purposes of the restoration, and operate the Theatre upon completion of the restoration. As noted above, this has been accomplished with the establishment of the Friends of the Historic Variety Theater.

The FHVT's initial board members are as follows:

Michael Ripich, President Chad Dasher, Treasurer Jonathan Stark, Secretary Scott Ferrell

Other potential members are being actively pursued.

The FHVT Board has been actively meeting since April 8th, 2006 and has been determining anticipated uses of the Theatre as well as planning the fund raising process. It is anticipated that the FHVT Board will be in a position to commence fund raising and more definitive planning and design of the Project soon after the issuance of this study.

Architectural Analysis

An initial step in determining the feasibility of the Project was to complete a preliminary architectural analysis of the building and the Theatre space by Arkinetics, Inc. Arkinetics measured the spaces included in the building and completed preliminary architectural drawings of the building. In Arkinetics' review, they indicated that the building appeared to be structurally sound and in relatively good condition to undertake the Project. They also indicated that in the case of condominiumization of the building, the minimum space the Owner would be willing to make available to the Project in the building would be adequate for uses such as dinner theatre, first-run movies, second-run movies, leasing the space for receptions, commencements, etc.

Estimated Project Costs

The preliminary architectural drawings were used to estimate the size, layout and functional areas of the theatre, storefronts, apartments, and basement areas of the building. The estimate was then utilized to determine the general areas of the building which may be necessary for theatre operations depending upon the anticipated use(s) of the theatre. An analysis of such areas was completed to determine the estimated restoration costs which are required to restore the theatre space, excluding those costs which may vary depending upon the use(s) of the restored theatre. Estimated use-specific variable costs were then calculated and added to the other estimated restoration costs to estimate the Project's hard construction budget. Soft costs (such as architectural and engineering fees, legal and accounting fees and other such costs), and construction period interest were also estimated. The Project cost estimate also includes a developer fee of 15% which would be paid to the FHVT for undertaking and completing the Project (which fee is assumed to be deferred as shown on the Sources and Uses of Funds below). The estimated project costs were reviewed and the portions which are QREs and those that are not QREs were estimated (See Tax Credit Summary below for more information on QREs and non-QREs). A summary of the Project costs are as follows:

Estimated Project Costs					
Hard Construction Costs		QRE	Non-QRE	Total	
Estimated		\$3,250,000.00	\$250,000.00	\$3,500,000.00	
Contingency	10%	\$325,000.00	\$25,000.00	\$350,000.00	
Total	•	\$3,575,000.00	\$275,000.00	\$3,850,000.00	
Soft Costs				Total	
Architectural/Engineers		\$246,475.84	\$88,524.16	\$335,000.00	
Legal		\$50,000.00	\$0.00	\$50,000.00	
Other Soft Costs		\$24,647.59	\$8,852.42	\$33,500.01	
Fundraising Expenses		\$0.00	\$200,000.00	\$200,000.00	
Total	•	\$321,123.43	\$297,376.58	\$618,500.01	
Total Costs w/o Interest		\$3,896,123.43	\$572,376.58	\$4,468,500.01	
Construction Interest	7%	\$136,364.32	\$20,033.18	\$156,397.50	
Total Cost w/o Developer Fee		\$4,032,487.75	\$592,409.76	\$4,624,897.51	
Developer Fee	15%	\$604,873.16	\$88,861.46	\$693,734.62	
Total Cost	Í	\$4,637,360.91	\$681,271.22	\$5,318,632.13	

Sources and Uses of Funds

The Sources and Uses of Funds set forth below shows the total Uses of Funds (i.e., the Estimated Project costs) and assume a donation of the Theatre space by the Owner. The Sources of Funds include the estimated net contribution related to the Tax Credits based upon the estimated QREs generated by the Project, the deferred developer fee (as described in Estimated Project Costs above). Balance of the Sources of Funds is the amount that the FHVT would need to raise through grants, donations and other sources to complete the Project. The amounts raised by the FHVT are shown as a "Loan from the FHVT" as it is assumed that the funds raised by the FHVT would be loaned to the Tax Credit Entity to complete the Project, as more fully described in Tax Credit Structure below. The estimated Source and Uses of Funds is as follows:

Uses of Funds:			
Land Acquisition Building Acquisition Construction Costs Qualified Rehabilitation Expenditures Non-Qualified Expenditures		\$4,637,360. 91 \$681,271.22	\$0.00 \$0.00
Total Construction			13
Total Uses			\$5,318,632. 13
Sources of Funds:			
Historic Rehabilitation Tax Credits:	20.00%	\$0.92	\$844,741.6 6
Construction Loan:			\$0.00
Deferred Developer Fee			\$693,734.6 2
Loan from the FHVT			\$3,780,155. 85
Total Sources:			\$5,318,632. 13

Hence, the FHVT would need to raise approximately \$3,780,155.85 to complete the restoration of the Theatre.

Federal Tax Credit Basics

THE FOLLOWING INFORMATION IS A BASIC SUMMARY OF THE TAX LAW INVOLVED IN QUALIFYING FOR AND UTILIZING THE TAX CREDIT AND DOES NOT PURPORT TO EXPLAIN ALL ISSUES INVOLVED IN THIS VERY COMPLEX AREA OF THE TAX LAW. IT IS INCLUDED FOR THE CONVENIENCE OF THE READER AND SHOULD NOT BE RELIED UPON. PLEASE SEEK THE ADVICE OF COMPETENT TAX COUNSEL BEFORE UNDERTAKING A TAX CREDIT TRANSACTION.

The Tax Credit is calculated at 20% of the QREs for certified historic structures, which are either listed on the National Register of Historic Places, or located in a National Historic District and functions as a contributor to that district. The Tax Credit is calculated at 10% of the QREs for non-certified structures built before 1936, where the use is non-residential. The Tax Credit can usually only be fully utilized by non-closely held C-corporations, unless special circumstances exist. Hence, transactions are usually structured as a partnership between the developer and a publicly traded C-corporation to provide the economic benefit of the Tax Credit to a particular project. The typical Tax Credit Process is outlined in Tax Credit Process below.

QREs are defined as all work on the building, within the current volume of the building. Typical items that are QREs include: interior demolition; all façade construction (e.g., windows, cleaning repair of brick or other siding, roof); all interior construction (e.g., plumbing, electrical, HVAC, framing, drywall, and finishes); soft costs (e.g., architectural, engineering, historic consultant, legal and accounting); construction period interest; and developer fees. Typical items that are **not** QREs include: land acquisition and interest-carry on the land; building acquisition and interest-carry on the building; acquisition-related costs; site improvements and landscaping (e.g., parking lots, and sidewalks); enlargements of the building's volume; demolitions reducing the building's volume; personal property (e.g., non-fixtures); and a portion of shared improvements (e.g., HVAC, and roof) allocable to an enlargement of the buildings volume based upon the relative volume of the original building and the enlargement. A project must meet the substantial rehabilitation threshold test in order to qualify for the Tax Credit. The test is that the QREs incurred on the project during a 24-month period selected by the tax credit entity must exceed the greater of \$5,000 or the adjusted basis of the building as of the beginning of the 24-month period.

For phased projects (those completed in two or more phases of construction), a 60-month period is used instead of the 24-month period. This test was incorporated in the tax code to insure significant work be completed on a building in order to qualify for the Tax Credit and that such work take place in a diligent fashion. However, the substantial rehabilitation test does not limit when the QREs can be incurred in the project. The Tax Credit is calculated on QREs incurred from the beginning of the project, including those incurred during the 24-month (or 60-month if phased) period, through the end of the tax year in which the building is placed-in-service. Placed-in-service is defined as the building being ready for its intended use, post-rehabilitation or restoration. Evidence of placed-in-service includes certificate of occupancy and/or tenant occupancy.

The Tax Credit is 100% available to the tax credit investor in the tax year in which the building is placed-in-service. The Tax Credit can be carried back one tax year and carried forward for up to 20 years. Typically, the tax credit investor seeks to utilize the entire Tax Credit in the carry-back year and the tax year in which placed-in-service occurs to maximize the time value of their investment.

The Tax Credit may be recaptured (i.e., repaid) if one of the following triggering events occurs: (i) disposition of the property by the tax credit entity; (ii) disposition of more than 1/3 of the interest in the tax credit entity; or (iii) non-compliance with the terms of the Part 2 applications requirements as to features to be preserved as part of the rehabilitation or restoration. The amount of the Tax Credit subject to recapture is 100% if the triggering event occurs in the first 12 months from the date the project is placed-in-service and declines by 20% every 12 months thereafter. The recapture period expires sixty months after the project is placed-in-service.

Certain issues arise when tax-exempt entities are involved in a Tax Credit transaction. First, a tax-exempt entity cannot claim the Tax Credit directly. A tax-exempt entity can, however, be the developer and managing member (or general partner) of the tax credit entity. When tax-exempt entities are going to be tenants (or otherwise use the property post-rehabilitation), care must be taken not to structure a disqualified lease. A disqualified lease occurs if: (i) the tax-exempt entity owned the property prior to the rehabilitation; (ii) the lease term for such tax-exempt entity is longer than 20 years; (iii) the tax-exempt entity has an option to purchase the property; or (iv) the tax-exempt entity is the issuer of tax-exempt bonds and the proceeds of such bonds are used as a source of funds for the project. A de minimis rule applies that ignores disqualified leases in the event the total space in the project subject to disqualified leases does not exceed 35% of the rental area in the project. In the event disqualified leases exceed 35% of the rental area in the project, the Tax Credit is reduced by the proportion of the rental area subject to disqualified leases to the total rental area in the project. Hence, if 35% of the rental area in a project is subject to disqualified leases, 36% of the Tax Credit will be lost. Again please seek the advice of competent tax counsel before undertaking a Tax Credit transaction.

Tax Credit Structure

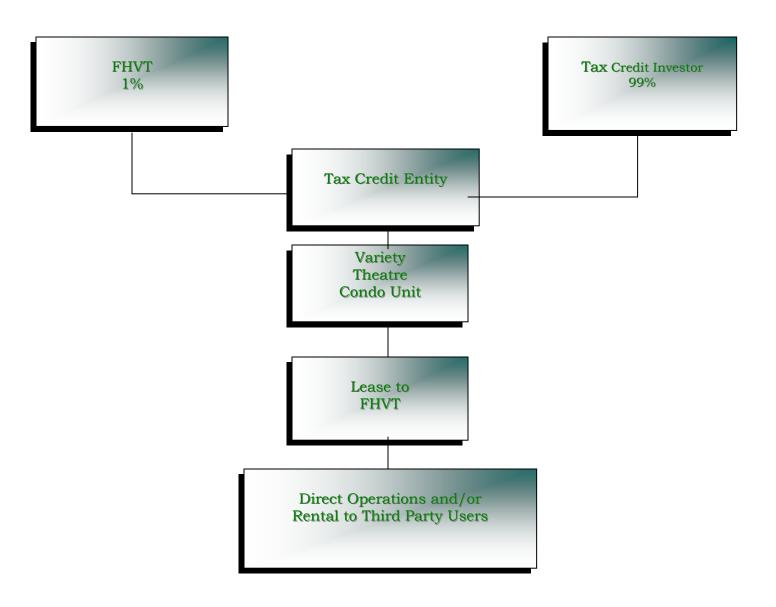
Since the FHVT will be a tax-exempt organization, the Tax Credit would be of no direct use to the organization. The planned approach to allow FHVT to enjoy the economic benefit of the Tax Credit is to create a limited liability company (the "Tax Credit Entity") in which FHVT would serve as the managing member and a publicly-traded entity (most likely a local bank) (hereinafter "Tax Credit Investor") would become a "partner" in the Tax Credit Entity. The FHVT would also serve as the developer of the project and earn a deferred developer fee as described above. The Tax Credit is allocated among the "partners" in accordance with their respective profits interest in the Tax Credit Entity.

In the typical structure, the FHVT would own a one percent (1%) (or less) profits interest in the Tax Credit Entity and the Tax Credit Investor would own a ninety-nine percent (99%) (or more) profits interest in the Tax Credit Entity depending upon the requirements of the Tax Credit Investor selected for the Project.

FHVT would control all management and operations of the Tax Credit Entity, and the Tax Credit Investor would have veto power over certain major decisions which would jeopardize the Tax Credit by causing Recapture (as defined in Federal Tax Credit Basics above). One hundred percent (100%) of the Tax Credit is available on the day the Project is placed in service after the restoration is complete. The Tax Credit is then allocated by the above-referenced profits interests, such that the Tax Credit Investor would gain the benefit of ninety-nine percent (99%) of the Tax Credit. The Tax Credit Investor typically makes a tax-free capital contribution to the Tax Credit Entity of a percentage of the value of the Tax Credit to be allocated to the Tax Credit Investor. The feasibility analysis assumes a rate of \$0.92 per dollar of Tax Credit will be contributed by the Tax Credit Investor, which should be achievable in the Cleveland market for larger Tax Credit transactions involving a non-profit developer. The Tax Credit Investor's capital contribution is then applied to offset the construction costs of the Project.

After the Project is placed in service, the FHVT would lease the theatre condominium unit from the Tax Credit Entity and the FHVT would operate the theatre both directly (e.g., showing movies and operating concessions) as well as renting the theatre to other users on a short term basis (e.g., dinner theatre and other shows in the Theatre). The Tax Credit Investor is required to remain a member of the Tax Credit Entity for at least five years after the Project is placed in service. Upon the expiration of the Recapture Period, the ownership of the Tax Credit Entity can be changed and thereafter the interest of the Tax Credit Investor is typically repurchased (or, in some cases, donated, since the FHVT should be a 501(c)(3) organization).

Proposed Structure



Tax Credit Process

The following is an outline of the typical process of rehabilitating or restoring a historic property utilizing the Tax Credit:

- 1. The developer files a <u>Part 1 Evaluation of Significance</u> application with the State Historic Preservation Office and the National Park Service to determine whether the historic property is a certified historic structure or if not a certified structure, whether the building was constructed prior to 1936 and the intended use is non-residential.
- 2. The developer of the project forms a for-profit tax credit entity (typically a limited liability company or a limited partnership) controlled by the developer.
- 3. A qualified property right (fee title or long-term leasehold interest) in the historic property is transferred to the tax credit entity.
- 4. Initial design for the rehabilitation or restoration is prepared by the project's architect and historic consultant.
- 5. Part 2 Description of the Rehabilitation application is filed with the State Historic Preservation Office and National Park Service to determine whether or not the proposed work meets the Department of the Interior's Standards for Preservation.
- 6. Once Part 2 approval is received construction of the project occurs.
- 7. Prior to the completion of the project and the first "placed-in-service" of the historic building, the tax credit investor is admitted to the tax credit entity.
- 8. The tax credit investor makes capital contributions typically calculated at \$0.85 -\$0.95 per dollar of Tax Credit to the tax credit entity.
- 9. The property is operated by the tax credit entity as income-producing property.

10. After the expiration of the recapture period, the tax credit investor interest in the tax credit entity is purchased by the developer (or in some cases donated by the tax credit investor to the developer in the case of a tax-exempt developer).

The Friends of the Variety Theatre Fund Raising

As described earlier, the projected fund raising needed to renovate the Theatre space is \$3,780,115.85. This amount will increase if the project is delayed due to increases in materials and labor costs over time. It is important that the FVHT work diligently in raising the funds necessary for the completion of the Project and commence the Project in a timely fashion. Likely sources for the funds necessary to complete the Project include grants from the City of Cleveland, Arts and Entertainment grants from the State of Ohio, possible line item grants from the federal government (support of local congressional representatives as well as senators would be necessary), Save America's Treasures grants, grants from local and regional foundations, and soliciting individual and corporate donations. The Project cost includes estimated fund raising expenses as well to insure that the FHVT has adequate resources to promptly raise the necessary support to commence and complete the Project in a timely fashion.

Operation of the Project

The FHVT will lease the Theatre condominium unit from the Tax Credit Entity and pay a fixed-rent amount for the use of the space. In this way, the Tax Credit Investor will be isolated from the risk of operating an historic theatre. In addition, since the FHVT will be a tax-exempt entity, it would continue to have access to grants and donations to supplement and support theatre operations. It is likely that the FHVT will directly operate certain aspects of the Theatre, such as the concessions and perhaps first-or second-run movies, while leasing the Theatre to others for dinner theatre and other performances. The FHVT board will be undertaking an analysis of theatre operations and programming as part of their strategic planning for the restoration of the Theatre.

The Variety Theatre's Impact in the Neighborhood

A renovated Variety Theatre will serve as a catalyst for economic development in the neighborhood. The Theatre will serve as a focal point and keep entertainment dollars within the neighborhood. In addition, the Theatre should draw visitors from outside the neighborhood bringing in outside entertainment dollars. Ancillary businesses, such as restaurants, coffee shops and arts and entertainment groups should thrive in the area surrounding the Theatre. As the existing businesses in the area prosper, the hope is that the property owners will invest a portion of the profits in their buildings which will further increase the desirability of the neighborhood. The addition of new businesses will help to fill vacant space and should lead to further investment in the buildings located in the neighborhood, both by existing building owners and by new investors drawn to the revitalization of the neighborhood. The renovated Theatre's location, just south of Interstate 90, allows it to be a focal point for both the residents and visitors to the neighborhood. The first step is that the renovation of the Theatre will allow either the Owner or FHVT, depending on final disposition of the building, to renovate both the retail storefronts and apartments located in the Theatre building and access the Tax Credit as a ancillary benefit of the Project. With the renovated Theatre, the Owner or FHVT should be able to re-tenant the retail spaces into businesses which support and enhance the Theatre's success and improve the apartments so that new and more affluent tenants will be drawn to the apartment units.

Implementation Steps

In addition to the designation of the Plan Area as a local historic district, we suggest that National Register District status also be sought. This would provide building owners in the study area access to the Tax Credit program, especially for smaller building that would have a difficult time showing individual historic significance. A National Resister District also would give heightened significance to the historic nature of the study area.

Since many of the buildings located in the Plan Area are small and the renovation costs are modest, consideration of a streamlined process for accessing the Tax Credits and other sources of funds available to building owners and prospective tenants is recommended. One suggestion is that a 'one-stop shop' be established by Westown Community Development Corporation to make building owners and potential tenants aware of the sources of funds and programs available for the renovation of buildings in the Plan Area. Westown could establish discounted fee arrangements with professionals such as historic consultants and others to reduce the costs of applying for the Tax Credit; a preferred relationship with tax credit investors so that a standardized set of documents could be used (further reducing the cost of accessing the Tax Credit); and work with the City of Cleveland and local and regional foundations to establish gap-financing programs to support redevelopment of the Plan Area.

Context: Other Theaters

It is not foreseen that the Variety Theatre will be able to compete on any sort of meaningful level with a multiplex cinema that can offer up to ten different movie options per night. This type of comparison is clearly inappropriate, as the Variety will only have one movie screen, and if, for example, a play is scheduled for a two-week run, the movie screen cannot be available every night of the year. It is much more meaningful to consider how the Variety relates to existing theaters that feature live shows or single-screen, second run movies.

Depending on one's point of view, the Variety Theatre is situated amongst either a dearth of working theaters, or a treasure trove. The difference lies in one's perspective as relates to necessary travel distance. On the entire west side of Cleveland, there are currently no operating indoor movie theaters. Of those that used to exist, only two survive in a form that distinguishes them as having the potential to be reborn: the Capitol and the Variety. The Capital's story¹⁷ is as follows:

¹⁷The following short theatre bios were supplied by contacts for each theatre.

The Capitol Theatre and Gordon Square Arcade, on the northwest corner of W.65th Street (originally Gordon Street) and Detroit Avenue opened to the public in April of 1921. At the time, this unique building was the largest construction project on the West Side of Cleveland, and was the mall of its day. Featuring a ground level and lower level arcades, the structure originally housed retail, professional offices, a small hotel, as well as a farmers market. The exterior of the Arcade is Classic Revival with simple stone pilasters and a decorative cornice that has since been removed. The interior of the Arcade features classically-inspired plasterwork with simple moldings, concrete floors, and marble baseboards.

The 1,200 seat Capitol Movie Theatre was originally part of the Allen Movie chain and also featured live vaudeville acts. The Capitol was part of the Allen chain for about 10 years. When opened in 1921, the interior was modeled after a classic peristyle hall, with grand plaster moldings, pilasters, and Adams-inspired ornament. The theatre was remodeled in the 1930s to reflect the Art Deco movement that was popular. The plaster ornament on the walls was covered with fabric to dampen sound from the "talkies," and to enhance the sound of the pipe organ. The theatre was remodeled again in the 1950s with surround-sound and Cinevision. At this time, a new screen was erected in front of the original proscenium arch.

The Capitol was used until the mid 1980's when interior damage from roof leaks forced its closure. Over the past 15 years, much of the decorative plaster ceiling has fallen, and the plaster walls have begun to crumble. Structurally, the theatre is in good shape. The Capitol Theatre is part of the Gordon Square Arts District, and will be restored over the next two years into a 3 screen arts and independent film house.

In the same area, Cleveland Public Theatre has striven to be *the* venue for experimental and innovative theater on the west side.

Cleveland Public Theatre (CPT) purchased the Gordon Square Theatre in 1995, which has the distinction of being Cleveland's oldest standing theatre. Built in 1911-12 for S. M. Hexter at an estimated \$30,000, Gordon Square Theatre was billed as "Cleveland's handsomest playhouse, perfectly ventilated, absolutely fireproof." By the time CPT became the owner in 1995, it had become a neglected, musty firetrap and had not been used as a theatre in 55 years.

The Gordon Square Theatre first opened as a Vaudeville theatre in 1912. A dedicated railroad spur delivered performers and sets to its stage door. It incorporated "silent drama" into the Vaudeville, and eventually devoted itself to silent pictures to the extent that a 2-manual, 17-rank pipe organ was installed, and a small resident orchestra played with each showing. Its Vitaphone sound system and carbon-arc projection equipment was as good as any in Cleveland. The Gordon Square presented the first movie musical, in color: "Broadway Melody" in 1928.

By late 1928, The Roberson-Smith Organization, with Blanche Wilcox, was presenting "popular plays at popular prices." For nearly two years, successful Broadway comedies and dramas were staged every few weeks. Eventually the players severed ties with the national stock company and formed The Gordon Square Players. As the aftershocks of the stock market crash were making an impact, live theater gave way to sound pictures.

After an attempt in the early '30s at competing with the newly opened Capitol Theatre across the street on W. 65th, Gordon Square Theatre was acquired and closed by the owners of the Capitol. Prior to its final closing as a theater in the late '30s, it operated briefly as "The Austrian Playhouse," showing German language films.

Over the years, before a condemnation order issued in 1994, the place had been a cold (and wet) storage warehouse, a scene shop, an auto-repair shop (otherwise referred to as a "chop-shop") and a grocery. In 1958, during a particularly dark period of Cleveland history, the seats were removed and a flat concrete floor was installed over the sloped auditorium floor and orchestra pit. Tenants had come and gone (but mostly gone) from its storefronts and second floor offices—notably an early AA meeting and the all-time longest tenant, Jewel Dutcher's Restaurant—popular from 1943 to 1971 with the after-bar crowd, with hot dogs, a juke box, and dancing all night long.

Since its return to live theater, The Gordon Square has been the venue of opera; original drama; musical comedy and political satire; American theater classics like The Skin of Our Teeth and Uncle Tom's Cabin; performances of The Tibetan Buddhist Nuns of Kathmandu; The San Francisco Mime Troupe; and many contemporary dance companies, among others. It has also been the setting for various parties, benefits, weddings, and receptions.

In partnership with the Detroit-Shoreway Community Development Corporation, Cleveland Public Theatre has paved the way for creation of the "Gordon Square Arts and Entertainment District," the next phase of an area renaissance that has already begun. The arts district will include the renovated CPT theatres, a new auditorium for Near West Theatre, and the renovation of the Capitol Theatre into a six-screen movie theatre.

Another venue for live community theater is Near West Theatre.

Based in the Ohio City Neighborhood, the Near West Theatre has a unique identity as a grassroots, intergenerational theatre with the features of a human service agency, with an emphasis on serving youth.

Since 1978, Near West Theatre, through the theatre arts, delivers an inclusive, self-esteem-building process that results in high-quality theatre productions & programming that helps build Cleveland's Near West Side & surrounding neighborhoods; educates & raises awareness around issues of social justice, discrimination and stigma; and provides people of all ages with the ability to nurture their sense of identity and strengthen their purpose as individuals and as a community.

The Near West Theatre emphasizes full-scale Broadway musicals with casts of up to 75 individuals of varying talent. The Near West Theatre is currently housed in St. Patrick's Club building in the 3rd floor. However the theatre is engaged in a process to build a new theatre in the Gordon Square Arts District on W 67th St. & Detroit. The conceptual design for the new building is completed and the capital campaign will be announced in the near future.

Finally, in near-by Lakewood, The Beck Center for the Arts has been a staple on the west side for many years.

The Beck Center for the Arts is the largest cultural arts center in northeast Ohio serving Cuyahoga & Lorain counties. Through its mission statement, "To be a comprehensive community arts center focusing on theatre arts education and gallery exhibitions," The Beck Center is committed to providing a wide variety of programs, events and activities designed to challenge the mind and stimulate creativity. The Beck Center recently merged with Riverside Academy of Music to enhance its presence as an arts education facility.

With both a mainstage theatre and a studio theatre, the Beck Center entertains 12,000 theatre goers each season. The Beck Center also serves 3,600 students each year through educational programs in dance, theatre, visual arts & music.

The above theaters, within relatively close proximity to the Variety, can be thought of as representing a synergy that can be tapped into for the benefit of all, rather than a competitive atmosphere that restricts options for any one place. It is highly recommended that the Variety Theatre operations personnel reach out to these neighbors and consider the sharing of resources, such as marketing and/or fundraising events, that can strengthen the image of all players to the community as vital components in an ongoing cultural renaissance on the west side of Cleveland.

Near-by Infrastructure Investments

The previously mentioned **Target retail development** at I-90 and West 117th Street commands attention as a very recent and significant private-sector investment in the community. And although this type of large scale retail development is inappropriate for the Lorain Avenue corridor itself, the location of big-box retail on West 117th St., clustered around Interstate 90, seems to be a good fit.

As far as the West 117th Street Corridor itself is concerned, the Cities of Cleveland and Lakewood recently combined forces with other agencies to repave and introduce street trees, amenity strips, and new curbs. **Total approximate investment: \$20,000,000**.

At the small business end of things, one important incentive for investment in Cleveland neighborhoods is the **City of Cleveland's Storefront Renovation Program** (SRP). The goal of this program is to make a significant visual and economic impact in neighborhood retail districts through the complete exterior renovation of qualified structures.

The City of Cleveland offers rebates and low interest loans to promote the exterior rehabilitation of participating retail structures. The SRP is funded by the federal government through the use of Community Development Block Grant funds. These funds are made available to stimulate reinvestment in neighborhood commercial and residential areas, and are administered by Community Development Corporations throughout the City.

The Storefront Renovation Program has been a successful tool in encouraging investment in Cleveland since 1983. In the area around the Variety Theatre known as Ward 19, the last 5 years have seen over \$750,000 in private investment and over \$350,000 in public investment through the program.

Two recent examples of SRP projects within the Plan Area include the following:

The Durk Building, located at 12023 Lorain Avenue, has recently completed the Storefront Renovation Program. Through the program, this three-story building underwent a complete transformation with masonry cleaning and repair, replacement storefront windows, new storefront and apartment doors, new gooseneck lighting, new awnings, and the addition of new coach lights at the apartment entrance. The owner's initial investment of over \$45,000 in the Storefront Renovation Program for exterior improvements inspired her to completely renovate the interior of the building, including the eight apartments and the parking lot. This project has now become a \$250,000 investment in the neighborhood, and the building is expected

to provide a much higher return on investment than was possible pre-renovation.



The Arab American Center for Cultural & Economic Social Services - Ohio

(AACCESS-Ohio) also completed the Storefront Renovation Program. This building, located at 11555 Lorain Avenue, was once the Lyric Theatre, a 1,100 – seat theatre built onto an existing storefront in 1926. The Lyric Theatre closed its doors in the early 1960s and later became the Lorain Avenue Masonic Temple. In 2003, the building was purchased by AACCESS-Ohio despite the fact that it was near condemnation. Through the Storefront Renovation Program, AACCESS-Ohio invested well over \$100,000 to replace the marquee, restore the storefront entrances and restore the damaged brick.



In addition to the storefront renovation, the interior of the building was also completely renovated, including restoration of the lobby and the transformation of the atrium into a banquet room.

Upstairs are the AACCESS-Ohio business offices; the group provides services to Cleveland's growing Arab-American community.

Our Feature Attraction: The Master Plan

Previously-explored topics, such as existing physical conditions, population numbers, market assumptions, and overall activity in the Plan Area have been designed to lay the foundation for the Master Plan, which is meant to guide future development within the Plan Area. Although it is certainly possible that this area could see future reinvestment without such a plan, it is highly unlikely that the necessary synergy to make the area as attractive and vital as many people believe it can be will be found in a *laissez-faire* approach. Furthermore, good planning should not only direct future investment, it should stimulate that investment as well.



The following five major points can be gleaned from the previous discussions:

- the Plan Area is blessed with an interesting array of older structures,
 representing different eras and architectural styles;
- the Variety Theatre played an important role in the development and history of the Jefferson neighborhood;
- a well-planned retail redevelopment strategy should take advantage of proximity to the theatre;
- the purchasing power of west-side Clevelanders is more extensive than many have given credit for; and,
- the proper mix of retail shops, inviting streetscape, easy parking, and sense of having arrived at a destination need to work together to ensure the success of any strategy to revitalize the area.

Design recommendations in this section of the Lorain Avenue Master Plan are meant to show the potential for redevelopment and to suggest a subtle thematic element throughout the Plan Area. The design scenarios can be thought of as the beginning of re-imagining space utilization within the Plan Area to complement and support the land use recommendations, which in themselves

are meant to complement and build off of the Variety Theatre's rebirth.





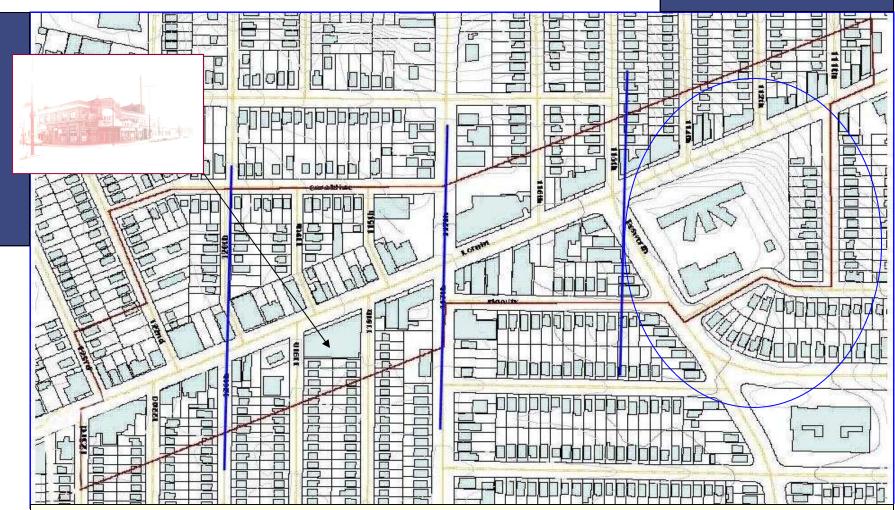


Figure FF-2: The Lorain Avenue Master Plan Sub-Areas Identified.

East End: Mid-block West 110th Street to West 114th Street.

Library Core: West 114th Street to West 117th Street.
Theatre Core: West 117th Street to West 120th Street.
West End: West 120th Street to West 123rd Street.

East End

57

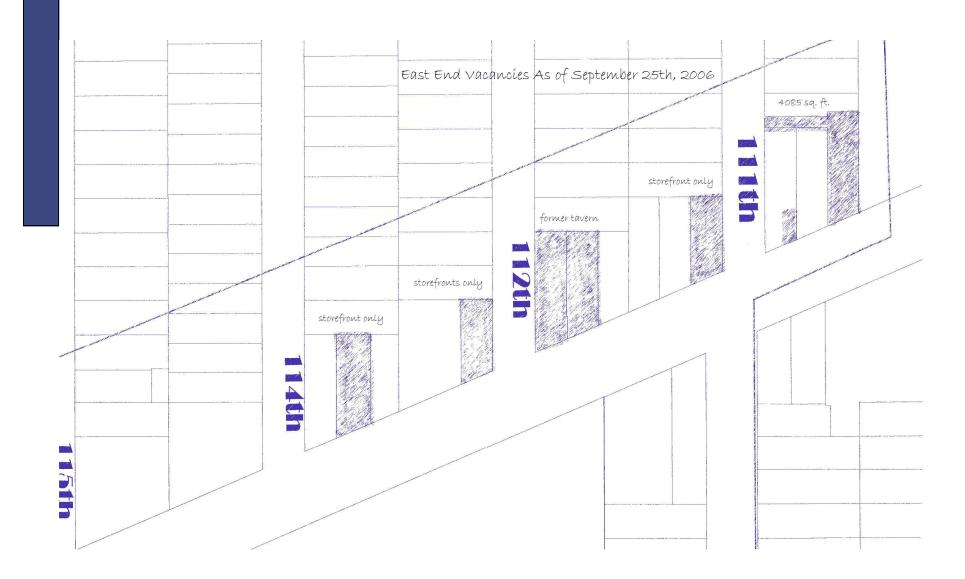
"East End" Treatments

Acting as a gateway into the Plan Area, the East End currently exhibits a somewhat disjointed feel. Transitioning out of the Westown Square plaza area, vacant storefronts start to become prevalent; currently there are five buildings that house vacant spaces underneath apartments. One other building of the remaining eight is completely vacant, that being a single-story retail space of approximately 4,000 square feet.

Adding to the identity crisis is the large parcel on the south side of Lorain, home of the Cleveland Christian Home (CCH). Although an important part of the community, the parcel itself does not address the urban context very well, and its park-like setting is not accessible to the general public. A cluster of buildings, across from CCH between West 112th and West 114th Streets, could act as a mini-campus due to their strong architectural similarity but ground-floor life is practically non-existent at the current time. The only consistent street (i.e., pedestrian) activity is that generated by the Corner Stop convenience store two blocks east.

Although only a short walk from the Variety Theatre, this part of the Plan Area is sufficiently isolated, perceptually-speaking, to discourage a Theatre-related, retail-based strategy. However, an arts-related office or live-work concept does seem to make sense for the East End. There may also be enough potential spillover traffic from the Westown Square block to attract some new retail uses, as long as they achieve some sort of perceptual connection to the existing shopping plaza. The Art Moderne-style building next door to Burger King has such a potential.

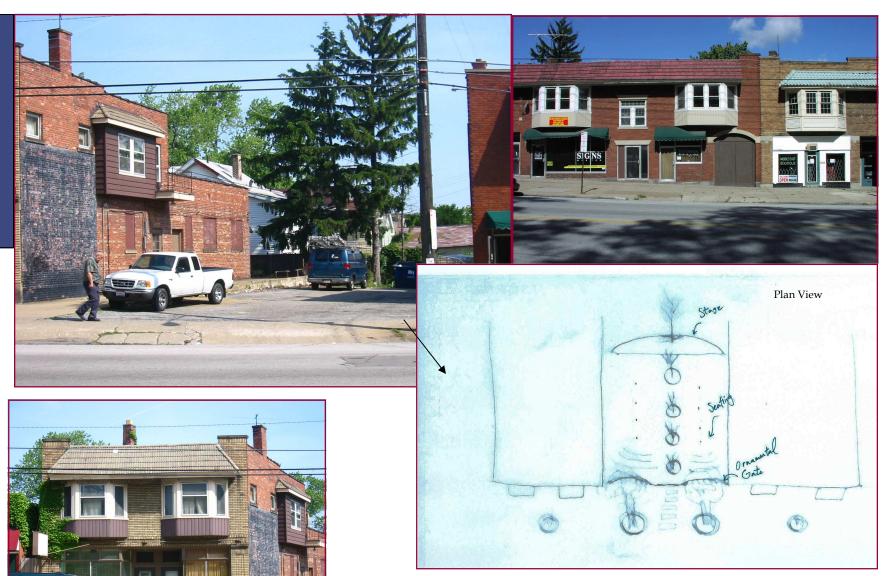
Finally, any urban design features that are meant to "brand" the Plan Area should be introduced here to start the perceptual shift towards seeing the neighborhood in a new light.











Proposed performance space picks up existing evergreen tree motif and replicates it through the middle of the space.

Deciduous trees are placed in landscaping in front to signal the existence of a special area. Gates keep space secure at night.

62



This fenced-off green space could be landscaped and the forward-most fence removed. Then the back fence could be replaced with a taller ornamental one similar to the proposed gate across the street. A small bench could be fitted for public seating.

Located across the street from the proposed performance space, this architectural motif marking the main entrance to CCH is vaguely reminiscent of an outdoor amphitheatre and could replicated in the performance space in some fashion.



Side Streets to the north of Lorain Avenue are in need of new pavements and curbing.



East End Treatments Summary

- ⇒ Art Moderne building at 11012 Lorain could be reutilized as either a dance studio or deli/sandwich shop
- ⇒ Vacant storefront at 11022 Lorain could be reutilized as a *boutique* or a *card/gift shop*
- ⇒ Masonry Vernacular (with crenallated roof) building at 11118-11124 Lorain to be reutilized as part of an Arts Learning Campus.
- ⇒ Cluster of buildings at 11202-11306 Lorain to be reutilized as either artists' live-work space or offices for various arts organizations
- ⇒ Current small parking area in above cluster to be reconfigured as an *outdoor performance space*
- ⇒ Setback area in front of above cluster to be reconfigured as a *landscaped area*
- ⇒ Space near pedestrian right-of-way at eastern end of Cleveland Christian Home be reconfigured as a small *pocket park* for the public
- ⇒ On adjacent side streets, *curb* and *sidewalk* replacements and *elimination* of weeds as necessary



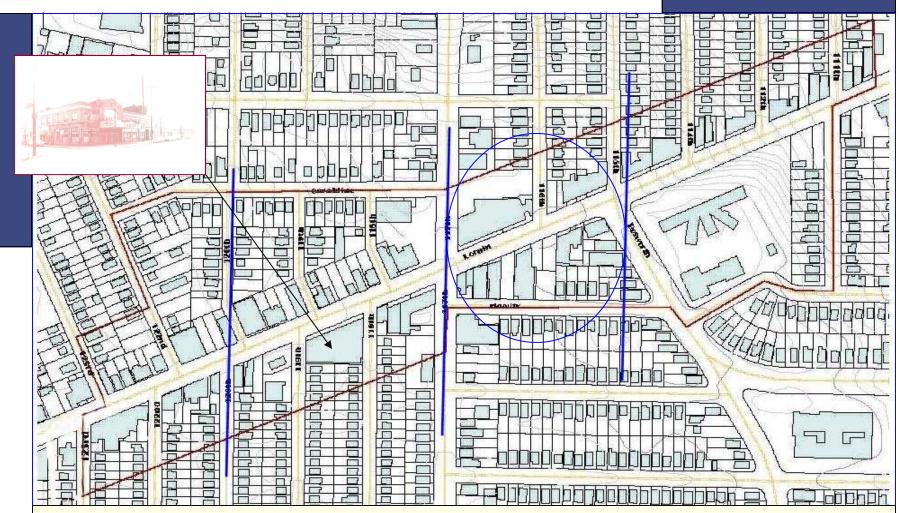


Figure FF-2: The Lorain Avenue Master Plan Sub-Areas Identified.

East End: Mid-block West 110th Street to West 114th Street.

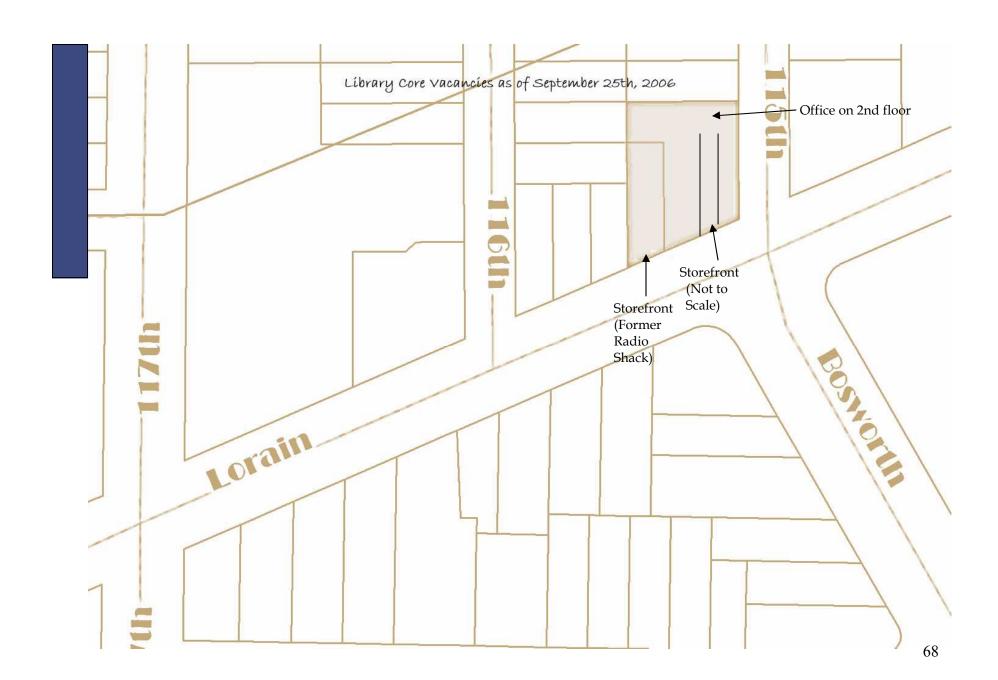
Library Core: West 114th Street to West 117th Street.
Theatre Core: West 117th Street to West 120th Street.
West End: West 120th Street to West 123rd Street.

Library Core

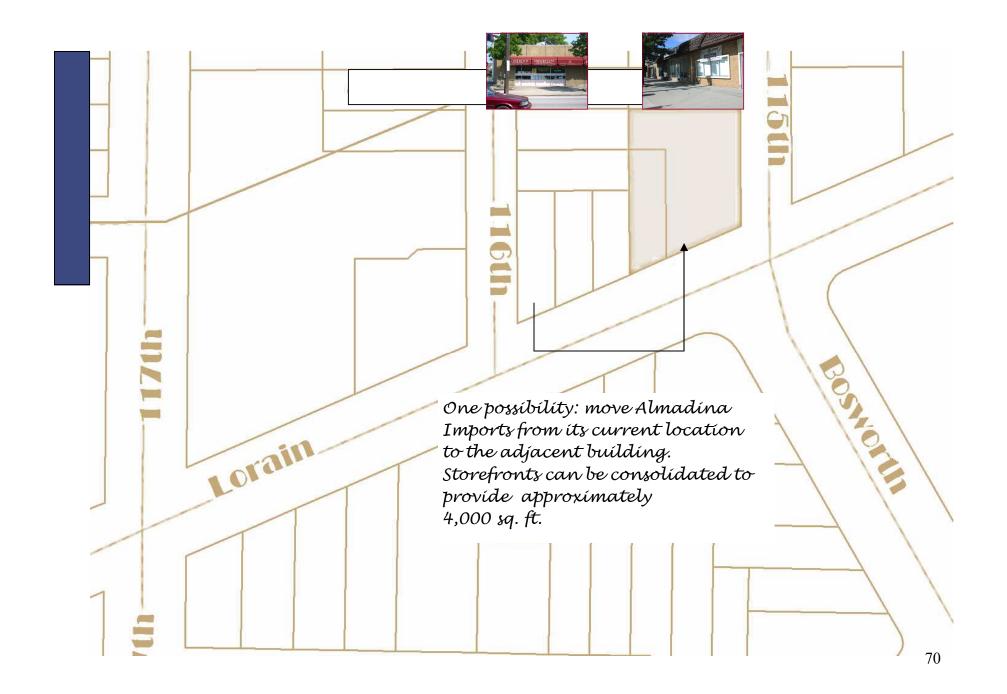
66

"Library Core" Treatments

Located between West 115th and West 117th Streets, this section of the Plan Area currently exhibits the most commercial activity, with the least number of vacancies (a total of three as of this writing). Two important criteria have been identified: strengthen the ability of the Eastman Branch Library to be a better neighbor (in terms of design) and help address the projected need for parking in the area once the Variety Theatre is restored to its former glory.











This building's incompatible siding texture and lack of architectural interest, coupled with a severe need for more parking in the area, make it a candidate for demolition.

The moving of Almadina Imports, perhaps into the adjacent building, coupled with the expansion of interior space within that building, could accommodate other retail stores as well.

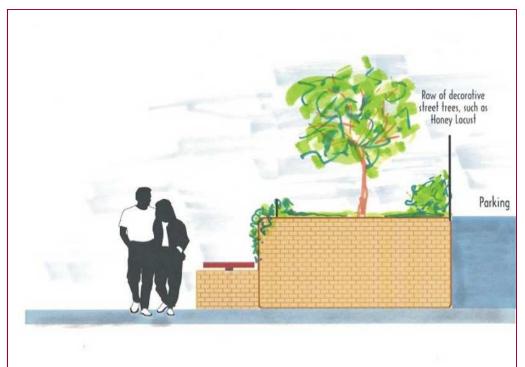




Current Almadina Imports parking lot, if enlarged, could be reconfigured to incorporate an **Eastman Library Reading Garden**. This view, looking northwest from Lorain Avenue, shows current conditions.



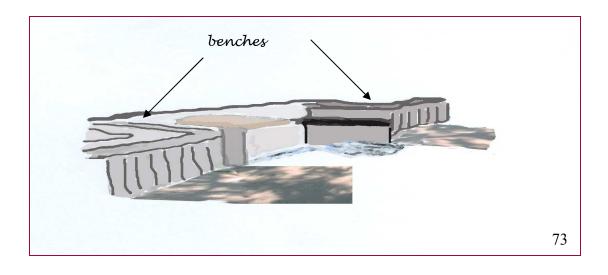
View looking north on West 116th St. from Lorain Avenue.





Rendering of proposed Reading Garden facing north along West 116th St.. This view shows relationship between elevated lot and sidewalk along West 116th.

One possible configuration of the table and bench layout shows tables recessed with built-in benches on either side.



The proposed Eastman Reading is one attempt to draw the library out of its restrictive architectural shell and help it to interact more with the surrounding community. This should be combined with sidewalk treatments on Lorain Avenue in front of the library.



Although restricted by location of street trees, a creative approach to landscaping to enhance this area and make it feel like an "outdoor room" could be achieved.



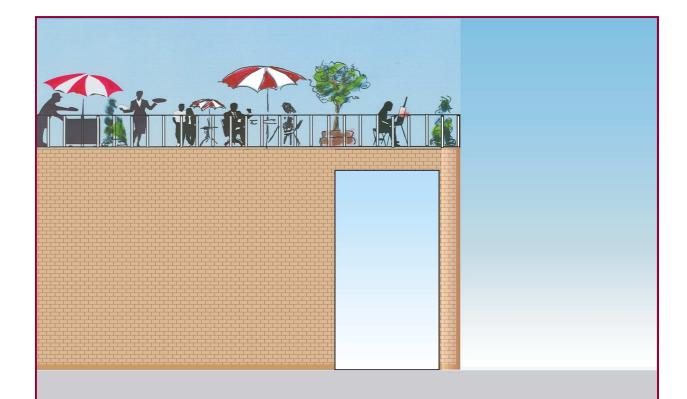
A further refinement to the Eastman Library would be the addition of a <u>roof garden and outdoor patio</u>, acting as an outdoor reading room. Coffee and tea could be available in this area. The artist's rendering below shows a slight expansion into the

parking area behind the

75

library.





Library Core Treatments Summary

- ⇒ Relocation of Almadina Imports market further east (on same block) is suggested to facilitate *expansion of existing parking lot* at W. 116th St. and Lorain
- ⇒ Above lot could be reconfigured with above-grade elevation and layout to allow for *establishment of Eastman Reading Garden*
- ⇒ Eastman Branch Library could be modified to better address Lorain Avenue, with installation of *rooftop garden/café* at the back



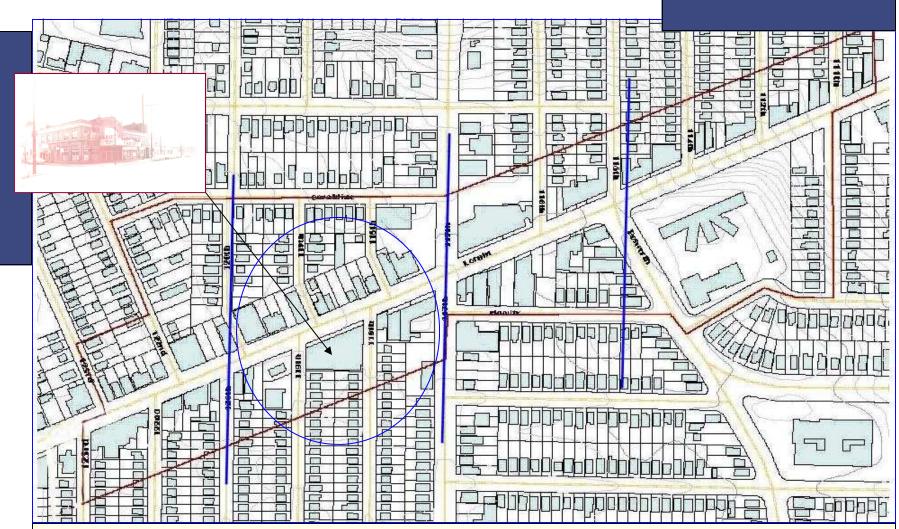


Figure FF-2: The Lorain Avenue Master Plan Sub-Areas Identified.

East End: Mid-block West 110th Street to West 114th Street.

Library Core: West 114th Street to West 117th Street. Theatre Core: West 117th Street to West 120th Street. West End: West 120th Street to West 123rd Street. Theatre Core

Theatre Core Treatments



This area is defined by the centerline of West 117th Street to the east, and by West 120th Street to the west. Although the Variety Theatre is clearly the focus of this area, the recommendations in this section deal specifically with parcels in close proximity to the theatre. The functionality and complimentary nature of the Variety is, by necessity, a function of its relationship to its surroundings, particularly the close proximity to well-defined, safe, and accessible off-street vehicular parking. It is an unavoidable conclusion that the urban texture around the theatre currently does not lend itself to sufficient off-street parking to make the Theatre a viable neighborhood and regional asset.

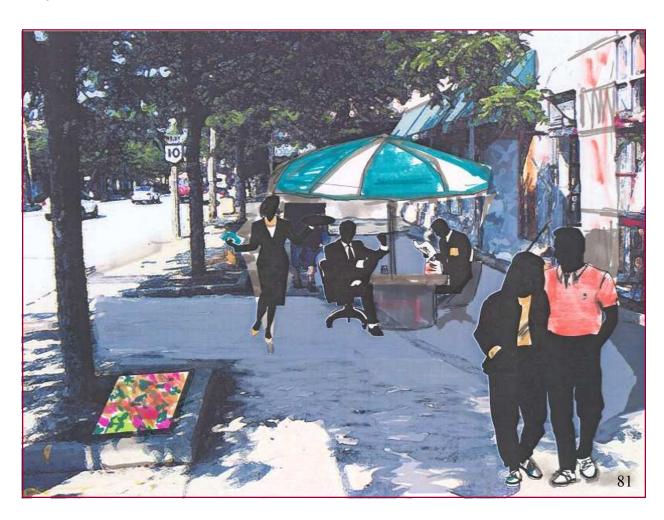
Theatre Core treatments must also incorporate the opposite side of the coin, so to speak: pedestrian-based public spaces. The enhancement of the pedestrian experience within the Plan Area should find its highest expression within this crucial node of activity. Complementary land uses are also suggested.







Wide sidewalk area in front of the former Guardian Trust building could be utilized for outdoor dining for a new signature restaurant.





One parking option in the Theatre Core District is to begin with the acquisition of properties located directly across from the Variety. A phased-in parking strategy would begin with a small lot fronting on Lorain Avenue and West 119th Street. This proposal shows three curb cuts, one of which is a one-way exit onto West 119th Street. Forty-eight spaces are obtained.





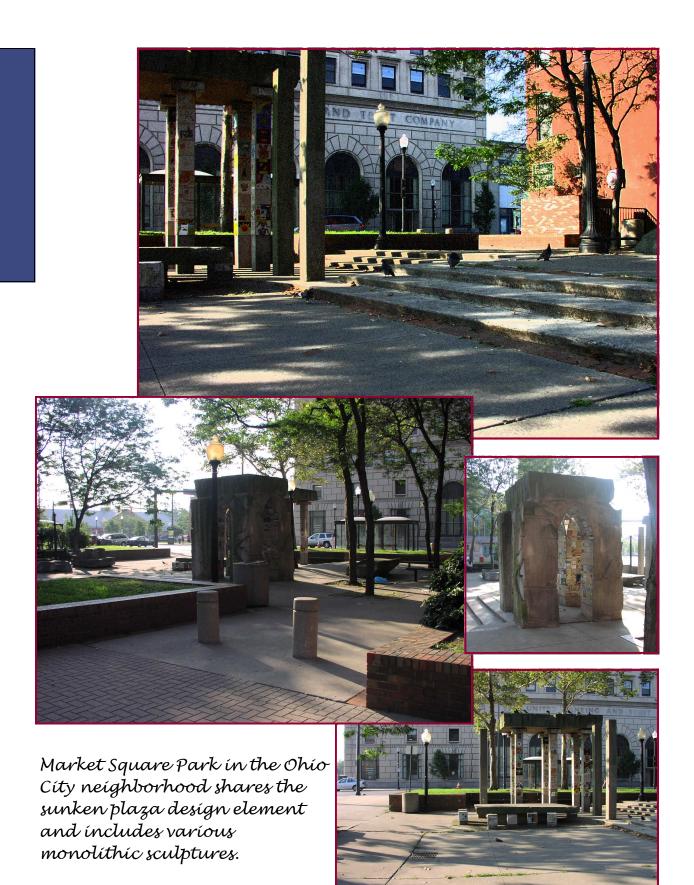


These three commercial buildings, and one residential structure on W. 119th Street (not shown), would be demolished in this scenario.



This building is located next door to the Variety Theatre. Although architecturally interesting in its original configuration, it has been subsequently altered significantly. One option would be to consider the site for a new public space that could incorporate any number of important design details.

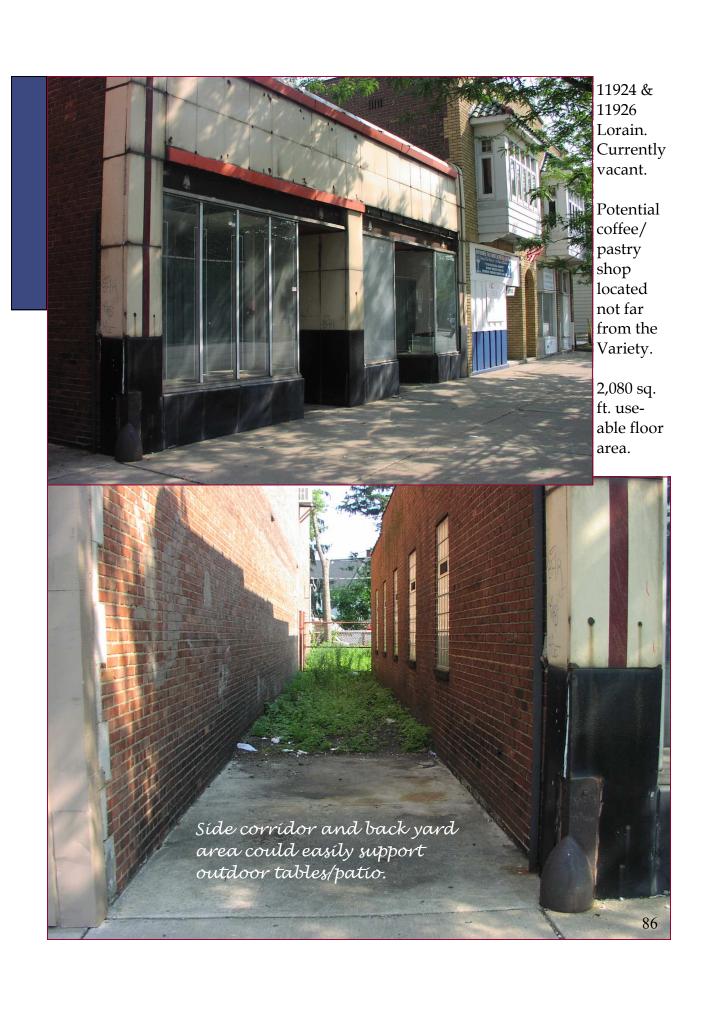






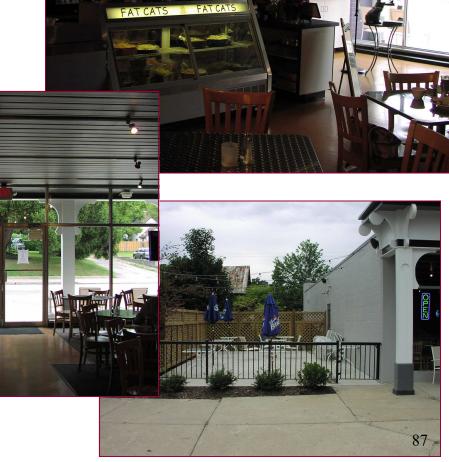
Artist's rendition of possible public space across West 119th St. from the Variety Theatre.







"Fat Cats" in Grafton,
Ohio shows what can
be done with a small,
nondescript retail
store.





Census Tracts from previous graphic that are identified as the primary market area based on 5-minute drive time:

101400, 101500, 102101, 102102, 102200, 102300, 102800, 123200, 123300, 123501, 123502, 123900, 124100, 124300.



http://sbdcnet.org/E-Newsletters/CoffeeShop.pdf is a newsletter dated 11.30.04 that gives the following information:

In 2003, there were 11,250 coffee shops throughout the US. The average annual sales figure was \$550,000.

Of those adults that had visited a coffee shop in a given week, **almost 60**% had average weekly spending of more than \$5.

77% of US adults drink coffee daily, and the "ideal ratio" of coffee shops to residents in a particular area is **1:10,000**.

According to 2000 Census Data in the above census tracts:

There are 30,755 adults over the age of 18 living within a 5-minute drive of the subject property.

Of those 25 and older, 9,800 persons had attended college.

Median household income per census tract ranged from \$22,034 to \$43,289. (These median figures averaged out to \$31,814/year.)

Furthermore, as seen from the previous page,

there are no large chain coffee shops (e.g., Ārabica, Phoenix, Starbucks) within the 5-minute drive radius.

A preliminary pro forma (in this case, the income statement) that illustrates some of the possibilities with this property follows.

These figures are based on assumptions that are meant to stimulate further discussion and refinement.



Worksheet #1

Revenue – "1st six months" 17

Projected initial average daily customer count:

30 for morning "rush hour" 18

25throughout day

30 before/after movie or play at Variety

85 per day

Projected average per-customer revenue: \$4/person

85(4) = \$340/day projected daily revenue; [340(30)](3) = \$30,600 for 1st three months

5% increase in sales projected for next three months:

357/day; [357(30)](3) = 32,130 for second three months

Total revenue from sales = $\frac{$62,730}{}$ for 1st six months Assumed gross margin (based on cost of goods sold) = 60%

Gross Margin: \$37,638 for 1st six months

¹⁷The term "1st Six Months" refers to the 1st six months of revenue-generation, i.e., the first month or two of business would most likely see less than these estimated customer counts. Also, for the sake of simplicity, revenue growth is projected to remain flat for the 1st three months, then grow 5% and remain there for the next three months.. Start-up costs, such as insurance, licensing and permitting fees, etc., are also not included.

¹⁸This would require a shared parking arrangement with near-by businesses.

These figures are based on **assumptions** that are meant to stimulate further discussion and refinement.



Worksheet #2

Operating Costs – 1st six months

Store **rent** = \$800/month (2,080 sq. ft.); \$4,800 for 1st six months

Labor: salaries (minus benefits) for 3 employees:

-Manager: \$30,000/year;

-Three hourly employees each @ 20 hrs./week and 6.00/hr. -> 3(20)(6)(4)=\$1,440/month = \$17,280/year

Total labor costs: \$47,280/year; \$23,640 for 1st six months

Utilities = \$month (average); \$417/month; \$2500 for 1st six months

Total Administrative Costs: \$30,940 for 1st six months

These figures are based on rough estimates taken from the SRP Loan Rates sheet effective March 23, 2007



Worksheet #3

Capital Improvements/Financing

Estimated cost of all exterior and interior renovations: \$60,000

Exterior renovations/signage: \$22,000 Interior renovations/equipment: \$38,000

Financing for Renovations:

Storefront Program (Exterior of Building) \$20,000 Loan¹⁹

Interest Rate: 4.5%

Monthly Payment: \$200

Interior of Building \$40,000 Loan

Interest Rate: 7.8%

Monthly Payment: \$380

Total Monthly Debt Service: \$580; \$3,480 for 1st six months

¹⁹The City of Cleveland's Storefront Renovation Program also rebates up to 40% of the total exterior costs of approved projects. In this example, \$8,800 would be refunded back to the applicant after work has been completed.

These figures are based on assumptions that are meant to stimulate further discussion and refinement.

1st Six Months

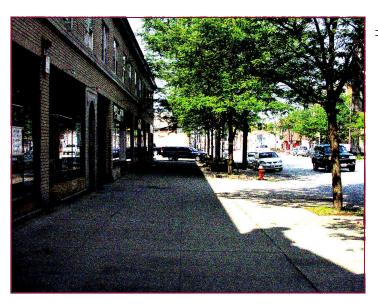
Projected Income Statement



Revenue:		
	Sales	62,730
	Cost of Goods Sold (Expense)	(25,092)
	Gross Margin	37,638
Expenses:		
Operating	Administrative	30,940
	Marketing	1,000
Depreciation	[Straight-Line]	700
	Total Expenses:	32,640
Earnings Before Income Tax		4,998
Income Tax Expense		376
Net Operating Income		4,622
Debt Service		3,480
Debt Coverage Ratio		1.3

Theatre Core Treatments Summary

- ⇒ Former Guardian Trust building at 11718 Lorain to be renovated and re-used as a *signature restaurant*. The large sidewalk area in front of the building would make outdoor dining a distinct possibility
- ⇒ Checkered Flag Beverage & Pizza (11824); Century Printers (1184/36); the currently vacant building at 11846/48 Lorain with the adjacent residential property could be removed for a new parking facility. This lot should have sufficient fencing/landscaping to maintain an urban edge
- ⇒ Alternatively, a new mixed-use development could front on Lorain Avenue, and the area behind this halfway to Geraldine Ave. could be developed as a municipal parking lot. [These two parking ideas could also be combined]
- ⇒ Current Northcoast Vacuum building could be a book/music store
- ⇒ Former Carpet Bargain Outlet building at 11721/25 Lorain could be re-used as *dance studio* or *artist's live-work space*
- ⇒ Relocate Translation Service/Offices from Variety Theatre Building to "West End" location
- ⇒ Current vacant structure at 11917 Lorain could be deconstructed



⇒ Current Staffco Temporary Staffing building could be removed for a new public park, which, if developed, should incorporate amenities such as a fountain, sunken plaza, and/or an outdoor amphitheatre as design elements

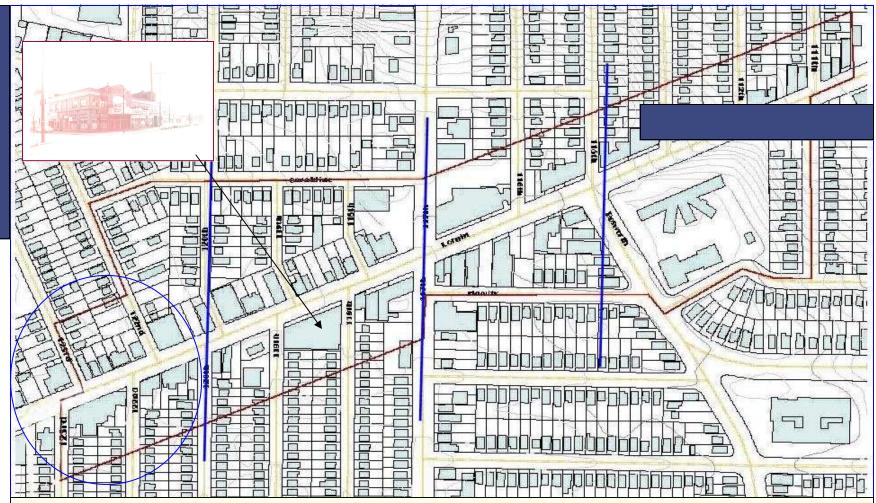


Figure FF-2: The Lorain Avenue Master Plan Sub-Areas Identified.

East End: Mid-block West 110th Street to West 114th Street.

Library Core: West 114th Street to West 117th Street.
Theatre Core: West 117th Street to West 120th Street.
West End: West 120th Street to West 123rd Street.

West End

West End Treatments

Situated to the west of the Theatre Core District, between West 120th and 123rd Streets, the West End is distinguished by its large cluster of intact 1920s storefront buildings, some of which are ripe for re-imagining.



The West End has a unique feel due in part to the architectural style and cadence of the buildings and their proximity to the street. This is a rare section of the plan area in that off-street parking appears to be adequate, if not plentiful. Virtually every building has parking for its own tenants here, although some lots are not terribly accessible due to the need to traverse narrow alleyways between adjacent buildings.

Many of the businesses in the area are well-established and attract a loyal following. Of particular interest are Mi Pueblo Restaurant and Market, Danny Vegh's

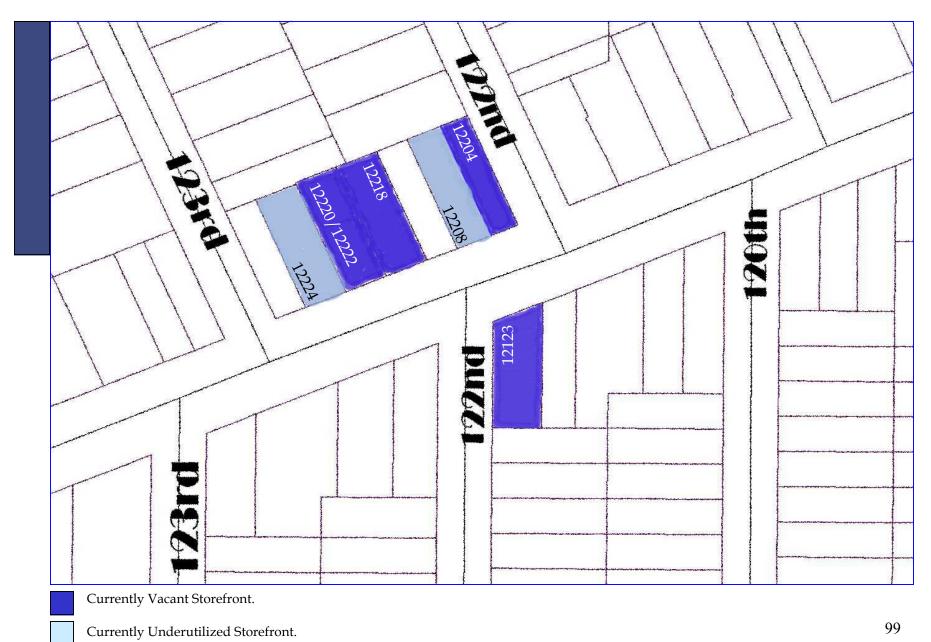
billiards/game shop, West Park Bakery, the Pride of Erin tavern, and Needful Things antique store. These are all destination shops, attracting customers from throughout the Cleveland area.







Amid these and other stable businesses lie five vacant storefronts which have been "virtual revolving doors" of unsuccessful enterprises over the past few years . Once the Variety Theatre comes back on-line, what opportunities may exist for these structures? 98





12204 and 12208 Lorain.

Suggested façade treatment for potential new restaurant (would require design review committee approval).



00

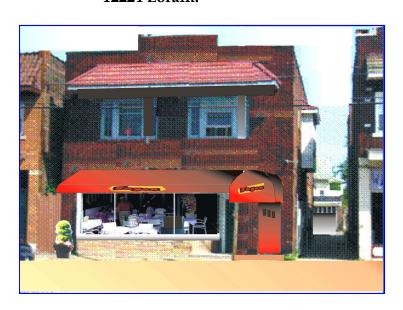


12224 Lorain.

Suggested façade treatment for potential new businesses (would require design review committee approval).



12220 and 12222 Lorain.





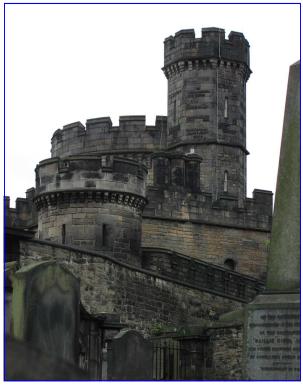
West End Treatments Summary

- ⇒ Current vacant storefront at 12123 Lorain could be location for Translator Service/Office currently housed in a storefront in the Variety Theatre building
- ⇒ Current Danny Vegh's buildings would be a good candidate for an indoor recreation facility, such as an upscale tavern and billiards hall; or perhaps, if the current business moves away, the space could be used as a satellite museum location for the Crawford Auto-Aviation Museum
- ⇒ Current underutilized storefront at 12224 Lorain could see new life as a small neighborhood restaurant
- ⇒ Current vacant storefronts at 12222/20 could be re-configured as a small clothing boutique and an arts supply/craft store
- ⇒ Current vacant storefronts at 12218 Lorain could become a pet store and/or a pet adoption center
- ⇒ The Phyllis Building at 12204/08 Lorain is a good candidate for a yoga center and perhaps a newsstand in the two storefronts
- ⇒ One of the storefronts in the Durk Building would make an attractive small-scale wine bar
- ⇒ The area behind the Durk Building could be consolidated to allow for one contiguous parking area for more off-street parking in the neighborhood
- ⇒ The current Patriot Auto Sales lot, if available, could be pressed into service as a small off-street parking lot for the area

Local Landmark District Designation

Section 161.01 of the Codified Ordinances of the City of Cleveland (Part 1: Administrative Code, Title IX) states that it is a "matter of public policy that the preservation, protection, perpetuation and use of areas, places, buildings, structures, works of art and other objects having a special historical, community, or aesthetic interest or value is a public necessity and is required in the interest of the health, prosperity, safety and welfare of the people." Furthermore, "any area designated by the [Landmarks] Commission as an area containing any physical features or improvements or both which are of historical, social, cultural, architectural or aesthetic significance to the City of Cleveland, State of Ohio, or the United States, and cause such area to constitute a distinctive section of the City of Cleveland.," (Sec. 161.02(i)).

The current buildings of the Plan Area comprise a portion of the citizens of the City of Cleveland's *cultural heritage*. It is important that they be not only preserved, but also



re-invested in so that they contribute to an overall feeling of social and economic vitality. Because of this, it is important to place restrictions on the types of alterations, additions, and demolitions that can be performed on these buildings. Neglecting to do so could severely hamper the perceived value of the area, from not only an aesthetic standpoint but from a market value perspective as well.

Parts of Edinburgh, Scotland are considered UNESCO World Heritage sites where preservation is taken seriously. 103

Local Landmark District Designation

Future generations should be afforded the opportunity to be able to experience architecture from the past. Seeing examples of such in photographs is not a sufficient method of preservation. The buildings themselves need to be experienced and explored.

Cleveland still has a large amount of meaningful historic commercial structures, and Lorain Avenue is home to many of them. From the Market Square area in Ohio City, through the late 19th-, early 20th-century commercial buildings of the Lorain Avenue Historic District (centered near West 37th Street), to the Lorain Station district at West 98th Street, all the way to the Kamm's Corners neighborhood and the Oswald Kamm House (c. 1874), Lorain Avenue still maintains this cultural heritage, although it is often obscured by buildings of lesser character. So the designation of the Plan Area as an historic district, with its cluster of 1920s and '30s commercial structures and various landmarked buildings, flows logically from these previous acknowledgements of character and value, and in fact, is long overdue.

Currently, there are four buildings that are designated as historic landmarks in the Lorain Avenue Master Plan Area. They are the Cleveland Christian Home, the former Lorain Avenue Medical Building, the Variety Theatre, and the former Guardian Trust Building.

Pedestrian Retail Zoning Overlay

Section 343.23 of the Codified Ordinances of the City of Cleveland (Section 3: Zoning) provides for a Pedestrian Retail Overlay (PRO) which was established to "maintain the economic viability of older neighborhood shopping districts by preserving the pedestrian-oriented character of those districts and to protect public safety by minimizing conflicts between vehicles and pedestrians in neighborhood shopping districts."

The Lorain Avenue Master Plan requires the appropriate regulatory environment in which to allow the City of Cleveland to help protect and enhance the character of the Plan Area. The PRO is recommended precisely because it addresses head-on such issues as street frontage, vehicular access onto and within sites, compatible land uses, outdoor cafes, and even the placement of pedestrian entrances on new buildings. This type of ordinance controls new development and construction, so most of the parcels in the Plan Area will not be affected by it at all. But it is designed to help ensure that any new construction within the Plan Area does not negatively impact the pedestrian-friendliness that currently exists. An example of this is the prohibition of drive-through lanes in Pedestrian Retail Spaces (Sec. 343.23 (1)).



This type of vehicular-oriented design attribute should be strongly <u>discouraged</u> within the Plan Area.

Source: www.answers.com/topic/drive-through

Business Improvement District (BID)

The City of Cleveland, the Cleveland Neighborhood Development Coalition, and the Downtown Cleveland Partnership partnered in 2004 to publish *Business Improvement Districts in Cleveland: Establishing a Business Improvement District – A Step-By-Step Procedures Manual 2nd Edition.* A BID is defined therein as "an economic development tool which allows property owners and merchants within a defined geographic boundary to band together to use the City's assessment powers to assess themselves.

"The assessment funds are collected by the City and turned over to the BID. The funds are typically used for supplemental services including security, maintenance, sanitation, marketing and promotion, etc, (p. 3)."

"State law (ORC §1710.02(E)) requires that property owners representing 60% of the front footage or 75% if the land area within the proposed district sign a petition supporting the creation of the BID and its boundaries, (p. 21)."

These direct quotes from the above-named publication give the pertinent facts regarding the creation of a BID. The reasons that property owners would want to tax themselves are varied, but revolve around creating a common funding source for improved maintenance of properties, streetscape improvements, litter control, or the hiring of security forces. A coordinated effort amongst property and/or business owners is highly recommended, and a BID is one way to establish such a high level of cooperation.

Business Improvement District (BID) (continued)

The BID collects its own taxes, which are assessed over-and-above the current property tax, usually anywhere from "\$0.10 to \$.025 per square foot of building space per year, with assessments generally lower for high-density downtown districts and higher for low-density neighborhood districts, (p. 28)." The assessment methodology, however, is calculated based on either assessed value of the land and building, or it can be based on front footage. See *Business Improvement Districts in Cleveland* (pp. 88-9) or ORC §1710 for further information.

Infrastructure/Streetscape Improvements

Finally, the public right-of-way should be strengthened with the following recommended improvements:

- ⇒ Lorain Avenue reconstruction (i.e., curb-to-curb resurfacing);
- ⇒ Utility lines buried underground;
- \Rightarrow Sidewalks and curbs replaced where necessary; and
- ⇒ Lighting fixtures and other amenities added as needed.

Recent examples include the Kamm's Corners Streetscape Improvements Project and the Detroit Avenue Streetscape for the Gordon Square Arts District, (City Architecture, consultants), pictured here.



http://www.gordonsquare.org/streetscape.html

Creating Synergies

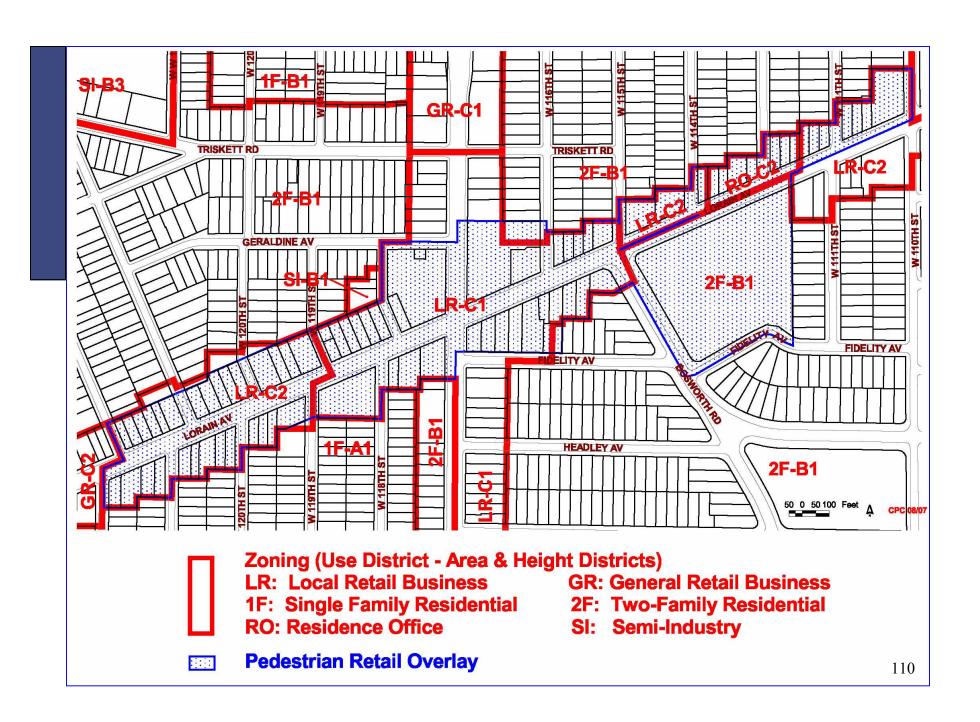
Businesses and property owners actively participating in the growth of a neighborhood can reap rewards that can go beyond the financial bottom line. Goodwill and strong customer satisfaction and interest can be strengthened with the following types of examples of cooperation and neighborhood commitment.

- Dinner theatre can utilize local restaurants; dining out/movie packages can be created for non-dinner theatre nights.
- Discount promotions can be engaged in between, for example, Target, the Variety, and stores in the Master Plan area.
- Arts organizations and/or artists that move into the area could hold outdoor performances occasionally; these can be tied into other happenings within the Plan Area.
- The Public Library could also be involved in cross-promotions with other groups within the Plan Area; an example would be children's programming at the Variety that relates to a summer book reading list.
- Mixed-use property owners with upper-story apartments could rehab these units to be more upscale as a new market begins to establish itself.
- Local financial institutions could work with the City of Cleveland and Westown to create loan packages designed to stimulate investment in the Plan Area.

Appendices

The closing pages of the Plan include a map showing where all of the proposed changes are located; a current zoning map for the area; a list of preferred uses for various existing buildings; the Variety Theatre user survey; and brief recollections of the Variety from those in the neighborhood.





Preferred Uses.

Address	Building	Recommendation
11010	DeCaro/Goodwill	Sandwich shop with outdoor dining
11100	Emir Building	Beauty shop/ Atty. Office
11112	Bar 112	Arts Learing Center
11202	W 112th Block of East End	Artist Live/Work
11304	E. Klein	Office: Chiropractor, Realtor
11500	California Tan	move optical office upstairs
11520	next to former Radio Shack	move Almadina Imports into adjacent building to the east
11550	Almadina/former Radio Shack	Parking Lot
11642	San Bay	convenience restaurant
11700	Guardian Trust Bldg.	"sgnature" ehtnic restaurant
11717	former Carpet Bargain Outlet	Dance Studio/Rehersal Space
11800	John Simko	Vintage Clothing/Music
11808	John Simko	Book Store
11824	Checkered Flag	Parking Lot for Variety Theatre
11834	Century Printer	Parking Lot for Variety Theatre
11848	Red Brick	Parking Lot for Variety Theatre
11901	Ameritemps	Public Space
11924	Deco Building	Café
12021	Durk Building	Cigar/wine bar. Bakery
12123	Botas Mexicos Building	Craft/Stationary/Gift Store
12204	Hubcap Alley building	Candy Store/Ice Cream Parlor; Beverage Store
12218 12222	Cost Cutter Printing Wicked Tattoo Building	Pet Store Travel Agent/Yoga Studio

Theatre User Survey.

The Cities of Lakewood and Cleveland are currently researching the amount of interest that exists in various communities for the revitalization and reuse of one historic theatre located in each city. These two theatres are within 15 minutes driving time of each other along I-90. Your input is extremely valuable in helping us to determine potential uses for these facilities. Please fill out the survey below and return by mail to: Westown CDC, 10313 Lorain Avenue, Cleveland, Ohio 44111. Please feel free to call Westown CDC Commercial Director Gretchen Moore at 216-941-9262 with any questions. Surveys should be returned by August 19, 2005.

None	1-3	4-6	t a movie theater? (please circle 7 or more
Where do you go mos		movies? (c	heck all that apply)
Ridge	Park Square		Cedar Lee Theatre
Memp	his Drive-In		
Westg	ate Cinema		Detroit Theatre
Westw	wood Town Center		Regal Crocker Park
Other	(please name)		
Have you attended a	children's theater p Yes If yes, wher		
Have you attended a d	dinner theater perfo Yes If yes, where		
	hallat or modern de	nce perform	nance in the past year?
			——————————————————————————————————————
No Have you attended a l	Yes If yes, where	e?y in the past	year?
Have you attended a l	Yes If yes, where live musical or play Yes If yes, where evel of interest in e	y in the past?	t year?
Have you attended a No No Please indicate your lactivities/events for a 1 = Very Interested	Yes If yes, where live musical or play Yes If yes, where evel of interest in e local historic theat	y in the past?	t year?
Have you attended a No No Please indicate your lactivities/events for a 1 = Very Interested 2 = Somewhat Interest	Yes If yes, where live musical or play Yes If yes, where evel of interest in e local historic theat	y in the past?	t year?
Have you attended a No No Please indicate your lactivities/events for a 1 = Very Interested 2 = Somewhat Interest 3 = Not Interested	Yes If yes, where live musical or play Yes If yes, where evel of interest in e local historic theat	y in the past? each of the tre:	following possible
No No Have you attended a language of the property	Yes If yes, where live musical or play Yes If yes, where evel of interest in e local historic theat sted	y in the past? each of the tre:	following possible Stand-up Comedy/Improv
Have you attended a No Please indicate your lactivities/events for a 1 = Very Interested 2 = Somewhat Interested 3 = Not Interested Children's The	Yes If yes, where live musical or play Yes If yes, where evel of interest in each local historic theat sted leater er	y in the past? each of the tre:	following possible Stand-up Comedy/Improv Dance Instruction
Have you attended a land No Please indicate your lactivities/events for a lactivities/events for	Yes If yes, where live musical or play Yes If yes, where evel of interest in each local historic theat sted leater er	y in the past? each of the tre:	Stand-up Comedy/Improv Dance Instruction
Have you attended a land No No No No Please indicate your lactivities/events for a lactivities for	Yes If yes, where live musical or play Yes If yes, where evel of interest in each local historic theat sted eater ear	y in the past? each of the tre:	s year? following possible Stand-up Comedy/Improv Dance Instruction Newly-released Hollywood
Have you attended a land No No No No Please indicate your lactivities/events for a lactivities lactivities/events for a l	Yes If yes, where live musical or play Yes If yes, where evel of interest in each local historic theat sted leater er	y in the past? each of the tre:	following possible Stand-up Comedy/Improv Dance Instruction
Have you attended a No No Please indicate your lactivities/events for a 1 = Very Interested 2 = Somewhat Interested Children's Th Dinner Theate Ballet Perforn Films Modern Danc (discount admission)	Yes If yes, where live musical or play Yes If yes, where evel of interest in election local historic theat sted leater er mances e Performances	y in the past? each of the tre:	syear? following possible Stand-up Comedy/Improv Dance Instruction Newly-released Hollywood Second-run Hollywood Films
Have you attended a No No Please indicate your I activities/events for a 1 = Very Interested 2 = Somewhat Interested Children's The Dinner Theate Ballet Perforn Films Modern Danc (discount admission) Musical Theate	Yes If yes, where live musical or play Yes If yes, where evel of interest in each local historic theat sted eater er nances e Performances ter	y in the past? each of the tre:	stand-up Comedy/Improv Dance Instruction Newly-released Hollywood Second-run Hollywood Films Independent and Art Films
Have you attended a lange of the No No	Yes If yes, where live musical or play Yes If yes, where evel of interest in each local historic theat sted eater er nances e Performances ter	y in the past? each of the tre:	Stand-up Comedy/Improv Dance Instruction Newly-released Hollywood Second-run Hollywood Films Independent and Art Films Wedding Receptions
Have you attended a No No Please indicate your I activities/events for a 1 = Very Interested 2 = Somewhat Interested Children's The Dinner Theate Ballet Perforn Films Modern Danc (discount admission) Musical Theate	Yes If yes, where live musical or play Yes If yes, where evel of interest in each local historic theat sted eater er nances e Performances ter	y in the past? each of the tre:	stand-up Comedy/Improv Dance Instruction Newly-released Hollywood Second-run Hollywood Films Independent and Art Films

Recollections

I remember staring in awe at the flashing colors on the neon marquee of the Variety Theater as my family drove past on their way to Sears and Roebuck. I was less than five years old, and could not even read, but I was sure something wonderful must be going on inside a place that looked that grand!

When I was just a bit older, and discovered movies on the big screen, I knew I was right!

As I watched 20,000 LEAQUES UNDER THE SEA, fascinated by the lavish interior of Captain Nemo's submarine, I recall looking away from the film at the sumptuous interior of the Variety around me, and pretending I was not just watching a movie – I was in it!

That's what the Variety offers that you can't experience at the cookie-cutter, bare-walled, mall-based movie chains of today - a sense of wonder at your surroundings, no matter what is happening on the stage or screen. Even the current attempts to duplicate this old movie-house-atmosphere in modern theaters fall far short of the true experience.

And sitting at home watching DVD's can never compare to the excitement of sharing a laugh or a scream with up to 1200 of your friends and neighbors at the Variety!

The Variety was OUR theater! Our own neighborhood palace of the cinema – and even now it still looks the part! To imagine a parking lot, fast-food restaurant, or yet another modern drug store in its place is worse than sad!

Gary Shatterhand.

Recollections

A trip to the movie show was always a treat while I was growing up in West Park. In the late 50"s early 60's I could go to a matinee at the Riverside for 35 cents but if you went to the Variety, a double feature was only 50 cents. A much better bargain.

I do remember saving money by buying a few candy bars next door at the drug store. I also remember the day a Cleveland policeman unjustly (in my opinion) threw me out not once but twice on the same day. The first offense was for turning around and talking to the cute girl behind me. (How dare I commit such a sin.) I was out of money and my Mom would not be back to pick me up for quite a while so I pleaded to be allowed back in. After much begging the officer agreed to give me one more chance to "behave". I returned to my seat and was immediately questioned by those around me on why I was thrown out and how was I allowed to return. No sooner did I start to explain the situation then the officer tapped me on the shoulder with his night stick and I was out for good. I protested but according to the officer I had been causing a disturbance and that was the end of it.

Looking back on this event, it was unfair but the officer was taking the position that you came to a theater to watch a movie not to socialize with friends. How things have changed; some for the better such as how we treat people of all races. But we have also lost a lot of respect for people in a position of authority. The officer was wrong but he had the final say and I was taught to respect that.

Ross E. Bassett,
VP of the West Park Historical Society

Recollections

We used to always go to the Variety Theater. I'd hate it because any time I'd want to go see a smoochie movie - Noooo, I got to go see a cowboy movie (with) my husband.

My in-laws used to go there every Friday or Saturday because they gave free dishes away. If you went, you got either a dinner plate...depending what week it was. Well, Ma got so darn many dishes, she had service for 15 when she was finished - that included (everything) from the dinner plate all the way down to the cup and saucer and everything in between.

Gerri Glebe, Ward 19 resident for 50 years. Taken from The Tracks of Time.



Credits for this publication

Cleveland City Planning Commission

Robert Brown - Director

Michael Bosak - City Planner

Mary Ann Consolo – Planning Graphics

Westown Community Development Corporation

Chad Dasher - Executive Director

Gretchen Moore - Commercial Program Director

Cleveland City Council

Dona Brady - Councilwoman, Ward 19

Consultants for Variety Theatre Feasibility Study

Don Longwell, Jr. Esq. – The Longwell Law Firm, Ltd.

Kenneth Bublinec – LB & Associates

Gary Fisher — Arkinetics inc.