RETAIL MARKET ANALYSIS

COATESVILLE, PENNSYLVANIA

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INTRODUCTION

Coatesville's historic downtown was settled in 1787 by Moses Coates, also the area's first postmaster.

Executive Summary

This study finds that Coatesville's downtown can support up to 156,000 square feet (sf) of new retail and restaurant development, generating $47.6 million in annual sales by 2015. Gibbs Planning Group, Inc. (GPG) finds that, the Coatesville Study Area can, today in 2010, support an additional 68,000 sf of restaurant and retail development, generating a potential of $17.6 million in annual sales.

The Coatesville study area has a 2010 primary trade area population of 51,000 persons, increasing to 55,000 persons by 2015. Average household incomes in the Coatesville trade area ($77,725) are higher than the State level ($66,256), while per-capita income ($28,742) is also higher than State levels ($26,585). The Coatesville primary trade area has a labor base of 22,892 employees, with 60.7% holding white collar positions, 17.5% in service jobs, and 21.8% in blue collar positions. In comparison to the State mix of employment, the Coatesville primary trade area slightly favors service employment over white collar employment, with blue collar employment being at the State level. Average commute time for workers in the Coatesville trade area is 28.0 minutes to work.

The supportable 2010 retail includes: 15,600 sf of Restaurants and Drinking Places, 11,500 sf of Building Materials & Garden Supply retail, 11,300 sf of Book, Music, Crafts, Sporting Goods and Hobby stores, 9,700 sf of Apparel retail, 4,100 sf of Health Care and Personal Service stores, 3,300 sf of Specialty Food & Beer/Wine stores, 3,200 sf of Home Furnishings, 600 sf of Jewelry, Luggage and Leather retail, and 8,800 sf of Miscellaneous Neighborhood Retailers such as Florists, Pet Supplies, Tobacco, Video and Gift Shops. See Table 6 for a detailed breakdown of the corridor's supportable retail categories and sales potentials.

National Chain stores are conspicuously underrepresented in Downtown Coatesville, and new development is scarce.

Downtown Coatesville is struggling with the impact of the national recession, dealing with the issues of job loss and unemployment, vacancy rates, falling home ownership, crime, and blight. Although Coatesville's historic downtown retailers used to be a mix of community and neighborhood scale businesses, Main Street has declined to a frail linear mix of convenience and neighborhood businesses, with little penetration of commercial businesses or services north or south of Main Street.

The additional supportable retail could be accommodated with the redevelopment and expansion of the area's existing shopping block design and new mixed use development just off of Main Street.

Recommended Implementation Actions

1) Develop a general merchandising plan for the downtown.

2) Prepare an inventory existing vacant buildings for suitability to be leased: mechanical, structural, architectural, roof and exteriors.

3) Prepare conceptual architectural plans and cost estimates to update available commercial building inventory.

4) Negotiate six month to one year options to master lease commercial spaces.

5) Retain a qualified real estate broker to lease commercial to retail and restaurants at market rates.

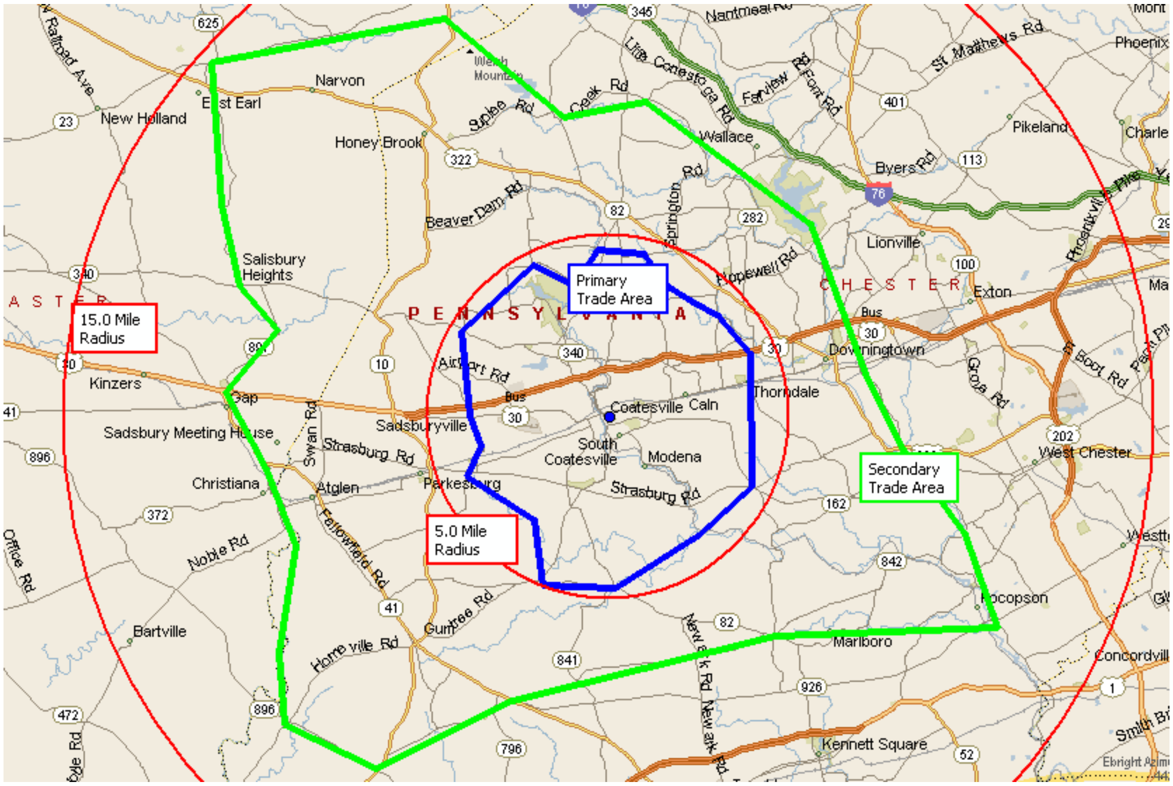
6) Continue to improve maintenance and landscaping of public realm: streetscape, walks, parks, etc.

7) Continue to enforce building codes on existing building: repair broken windows, facades, signage, etc.

8) Implement a new sign and building design ordinance to match surrounding communities' standards. Sunset the existing regulations to require compliance by all commercial buildings by 2015.

Background

Gibbs Planning Group (GPG) has been retained by AECOM to conduct a retail feasibility analysis of the Coatesville study area. The trade area serviced by the Coatesville study area is located in south east Pennsylvania, basically within a five mile radius of the Coatesville City Center. This study area has a dense population in the City property, with a quick transition to light rural populations to the north, west and south. The population transitions to medium suburban densities to the east along Lincoln Highway/Lancaster Avenue towards Downington.



The Coatesville Trade Areas are mostly constrained by topography and secondary road accessibility.

From a commercial development perspective, this study area is challenged by high unemployment, crime, lack of open space, on-street parking, and older, somewhat functionally obsolescent commercial buildings. The Main Street study area has the following factors working in favor of new or redevelopment projects: dense local population with pedestrian linkages, limited modern competition in the trade areas, affordable land/building prices, a rail transit station, and a community desire for additional goods and services.

The following issues were addressed by GPG in this study:

- What is the existing and planned retail market in the Coatesville study and trade areas?

- What is the trade area that would be served by the Coatesville study area?

- What are the population, demographic and lifestyle characteristics in the trade areas, currently and projected for 2015?

- What is the current and projected growth for retail expenditures, currently and projected for the next five years?

- How much additional retail square footage is supportable in the Coatesville study area and what retail uses should be encouraged? What sales volumes can be achieved by new development in or near the City?

Methodology
To address the above issues, GPG conducted a detailed evaluation of most major existing shopping centers and retail concentrations in and surrounding the defined study area. This evaluation was conducted during the first week of August, 2010. During this evaluation, GPG thoroughly visited and evaluated most major and planned retail concentrations in the area.

GPG visited the area during the daytime, as well as the evening, to gain a qualitative understanding of the retail gravitational patterns and traffic patterns throughout the study area. GPG then defined a trade area that would serve the retail in the study area based on the field evaluation, geographical and topographical considerations, traffic access/flow in the area, relative retail strengths and weakness of the competition, concentrations of daytime employment, and the retail gravitation in the market, as well as our experience defining trade areas for similar markets. Population, consumer expenditure and demographic characteristics of trade area residents were collected by census tracts from the US Bureau of the Census, US Bureau of Labor Statistics, InfoUSA, ESRI, CCIM, STDB, Claritas, and COSTAR, and updated based on information gathered from local planning sources.

Finally, based on the projected consumer expenditure capture in the Coatesville study area of the gross consumer expenditure by retail category (trade area) less the current existing retail sales by retail category (trade area), GPG projects the potential net consumer expenditure available to be captured by new development. The projected consumer expenditure capture is based on population and demographic characteristics of the trade area, existing and known planned retail competition, traffic and retail gravitational patterns, and GPG's qualitative assessment of the Coatesville study area. Net potential captured consumer expenditure is equated to potential retail development square footage with the help of retail sales per square foot data provided by Dollars & Cents of Shopping Centers (Urban Land Institute and International Council of Shopping Centers), qualitatively adjusted to fit the urbanism of the Coatesville study area.

For the purposes of this study GPG has assumed the following:

- Other major community retail centers may be planned or proposed, but only the existing retail is considered at this time. The quality of the existing retail trade in the study area is projected to remain constant. Gains in future average retail sales per square foot reflect higher sales per square foot in the newly developed retail and selected projected increases in sales per square foot by individual retail categories.

- No other major regional retail centers will be developed within the trade area of this study until 2015.

- The Coatesville study area is properly zoned to support infill and redevelopment projects with current and innovative standards, and the existing infrastructure (water, sewer, arterial roadways, etc.) can support additional commercial development.

- Annual population growth for the City of Coatesville is estimated to be 1.58% throughout the five year period of this study.

- Employment distribution is considered to remain constant, without a spike or decline in employment by NAICS category.

- Projected lease and vacancy rates model based on our proprietary econometric model of the relationship between changes in employment and changes in vacancy and lease rates. Data was gathered from the US Census Bureau, Experian, ESRI, COSTAR Group, Inc., LOOPNET, and local brokerage services.

- The region's economy will continue at normal or above normal ranges of employment, inflation, retail demand and growth.

- Any new construction in the Coatesville study area will be planned, designed, built and managed to the best practices of The American Planning Association, The Congress for the New Urbanism, The International Council of Shopping Centers and The Urban Land Institute.

- Parking for new projects will be per the recommendations of this study, with easy access to the retailers in the development via on street, surface lots, or deck parking. An overall parking ratio of 4.5 cars per 1000 square feet gross, or higher, is anticipated for new commercial development.

- Visibility of any new retail is also assumed to be very good, with signage as required to assure easy visibility of the retailers.

- Infill or redevelopment projects in the study area will open with sustainable amounts of retail and anchor tenants, at planned intervals and per industry standards.

Limits of Study

The findings of this study represent GPG's best estimates for the amounts and types of retail projects that should be supportable in the study area. Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by GPG independent research effort, general knowledge of the industry, and consultations with the client and its representatives.

No responsibility is assumed for inaccuracies in reporting by the client, its agent and representatives or in any other data source used in preparing or presenting this study. This report is based on information that was current as of August 5th, 2010, and GPG has not undertaken any update of its research effort since such date.

This report may contain prospective financial information, estimates, or opinions that represent GPG's view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted.

Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by GPG that any of the projected values or results contained in this study will be achieved.

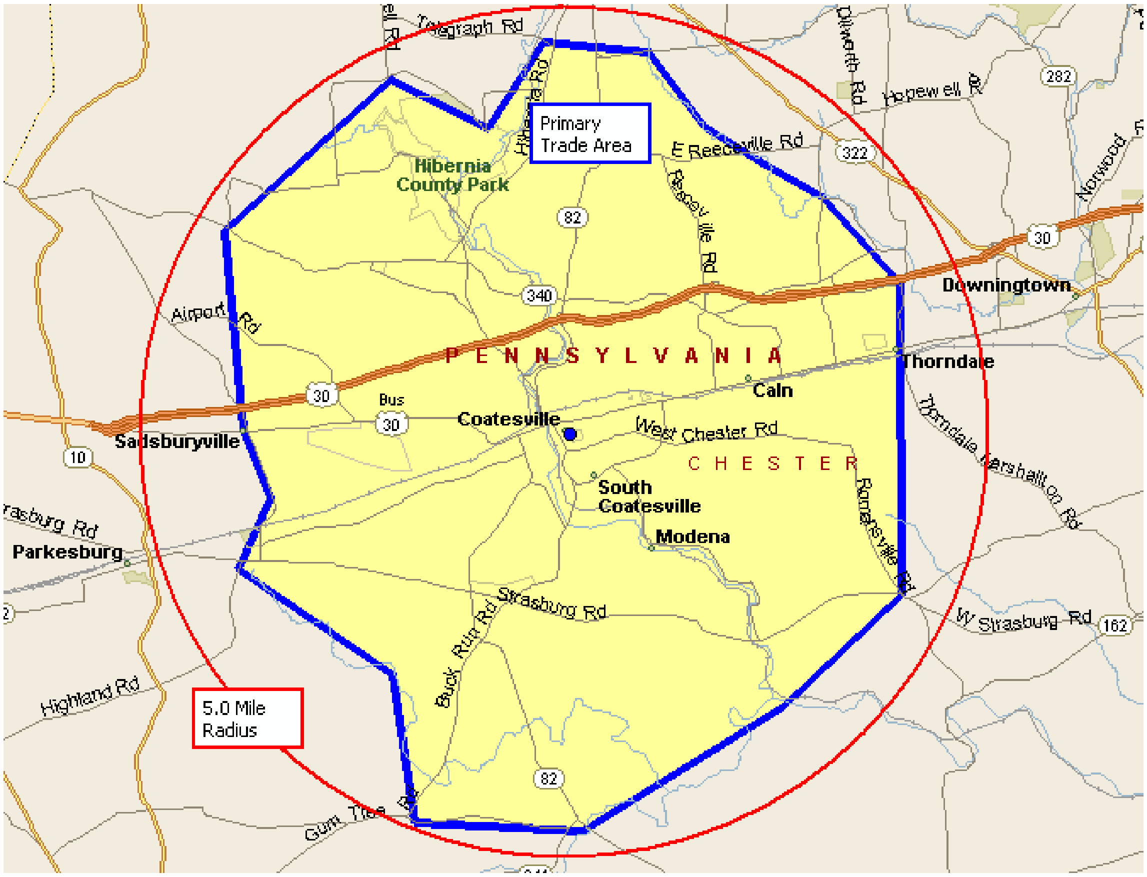
This study ***should not*** be the sole basis for programming, planning, designing, financing or development of any commercial center. This study is intended for the use of AECOM for general planning purposes only and is void for other site locations or developers.

Trade Area

Based on GPG's field evaluation, the existing retail hubs, population clusters, highway access, and the retail gravitation in the market, as well as our experience defining trade areas for similar rural communities throughout the United States, it was determined that retail in the Coatesville study area is currently evolving from a limited neighborhood appeal. In five to ten years, the study area will grow to have a mixed community appeal, as well as meeting its neighborhood retail requirements.

The Primary Trade Area is the consumer market where Downtown Coatesville has a significant competitive advantage because of access, design, lack of competition, traffic & commute patterns, and tenant mix. This competitive advantage equates to a potential domination of the capture of consumer expenditure by the retailers in the study area. The Secondary Trade Area is the consumer market which provides some capture of consumer expenditure, but the study area does not hold the position of supremacy in this market as it does in the Primary Trade Area.

GPG defined a Primary Trade Area by topography, vehicular access and residential growth patterns which will account for 70% to 80% of the total sales of the retailers in the Coatesville study area.



The western, southern, and northern portions of the trade area are significantly constrained by topography.

The primary trade area is approximately delimited by the following boundaries:

- North along Cedar Knoll & Culbertson Run Roads.
- East along Thorndale Marshallton Road.
- South along Doe Run Station and Chapel Roads.
- West along Old Wilmington Road.

Demographic Characteristics

Using data from ESRI (Environmental Systems Research Institute), Experian, and Claritas, GPG obtained the population and demographic characteristics, present (2010) and projected for 2015, for the defined trade areas, as well as national and statewide statistics.

The Coatesville trade area has an estimated 2010 population of 51,216 persons, which is projected to grow to 55,380 by 2015, an 8.13% projected increase over the total five-year period (2010-2015). The strongest growth (13.64%) is projected in the Hispanic Origin segment of the population. This growth rate is less than the Pennsylvanian and National Hispanic Origin growth rates.

The number of households in the primary trade area is currently estimated at 18,855, holding 2.83 persons per household, and is projected to increase to 20,490 by 2015, an 8.67% total increase over the five year period of 2010-2015. Approximately 67.8% of households are owner occupied - a number which is projected to decrease by 1.0% in 2015.

Table 1: Demographic Comparisons

Characteristics	Study Area	Pennsylvania	U.S.
2010 Population	**51,216**	12,574,407	311,212,863
2015 Population	**55,380**	12,637,100	323,209,391
2010-2015 Projected Annual Growth Rate	**1.58%**	0.10%	0.76%
Persons Per Household 2010	**2.65**	2.48	2.59
2010 Median Household Income	**$57,915**	$52,723	$54,442
2010 Per Capita Income	**$28,742**	$26,858	$26,739
% Households w. incomes $75,000 or higher	**45.2%**	31.4%	32.9%
% White	**69.2%**	82.6%	71.9%
% Hispanic Ethnicity	**6.6%**	5.2%	16.2%
Median Age	**37.9**	40.7	37.0
% White-Collar Employed	**60.7%**	62.1%	61.6%

As shown in Table 1, the median household and per capita incomes ($57,915 and $28,742) in the trade area are greater than the Pennsylvanian averages. The strongest household incomes are found along the northeastern and eastern edges of the primary trade area.

The median age within the trade area (37.9 years) is younger than the State (40.7) average and slightly older than the National average. This median age statistic has increased by 1.9 years since the 2000 Census, at which time it was 36.0 years. This almost two year median age increase has significant implications on Employment and Health Care expenditure. The median age is projected to be stable, decreasing by only one tenth of a year by 2015.

The area's workforce, estimated to be just fewer than 23,000 employees, consists of 60.7% white-collar, with a concentration of employees in Professional Services (22.9%), Administrative Support (14.7%), Management/Business/Financial (13.7%), and Sales (9.4%). The Coatesville study area lags the State and National averages in white collar employment.

Racially, the trade area is mostly of White origin (69.2%), which is considerably lower than the Pennsylvanian State levels, but more in line with the National level of 71.9%. By 2015, there will be some gains in Asian/Pacific Islander and Hispanic populations.

Persons-per-household in the Coatesville trade area (2.65) is greater than the National (2.59) and State averages (2.48). The majority of this difference comes from more households which have children under 18, and fewer non-traditional households made up of non-family members.

Tapestry Lifestyles

ESRI has developed Tapestry Lifestyles, which is an attempt to create 65 classifications, or lifestyle segments, that help determine purchasing patterns. These segments are broken down to the U.S. Census Block Group level throughout the United States and are used by many national retailers to help determine future potential locations.

The following Table 2 details the top Tapestry Lifestyles found in the primary trade areas.

Table 2: Tapestry Lifestyles

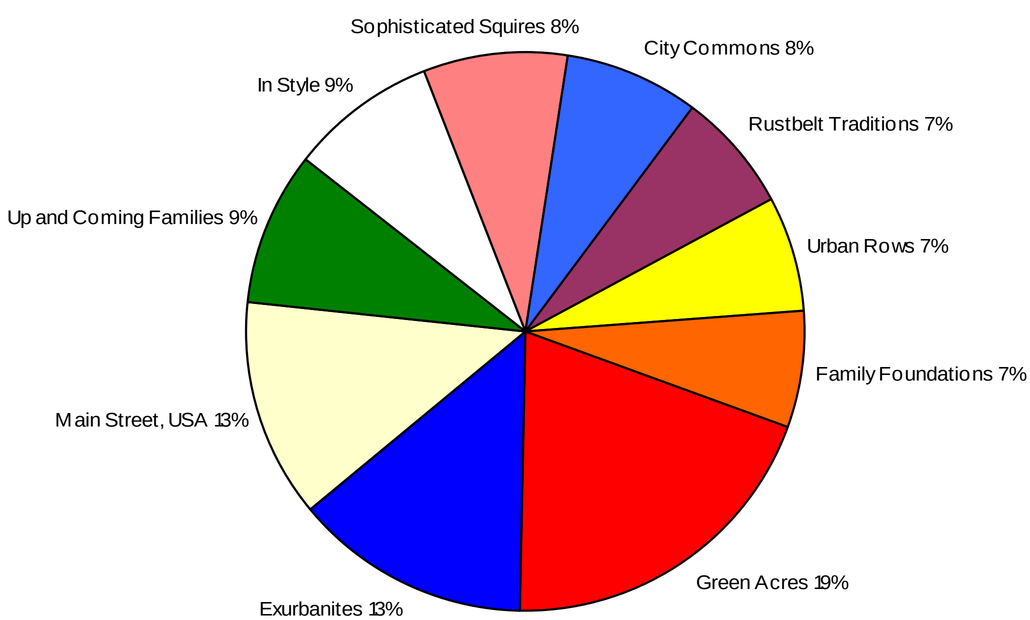
Lifestyle	Defined Trade Area	Short Description
 Green Acres	Population 9,116 Median HH Income $63,922 17.8% Coatesville Study Area Market Share 3.2% National Market Share	*Green Acres* residents are educated and hardworking; more than half who are aged 25 years and older hold a degree or attended college. Labor force participation is approximately 69 percent, with higher employment concentrations in the manufacturing, construction, health care, and retail trade industry sectors. Seventeen percent of households derive income from self-employment ventures. Occupation distributions are similar to the United States. The median household income is $63,922, and the median net worth is $163,372.
	Population 6,300 Median HH Income $88,195	At 66 percent, labor force participation for the *Exurbanites* market is above average. Residents are educated: more than 40 percent of the population aged 25 years and older hold a bachelor's or graduate degree, and more than 30 percent have attended college. They are also well

Lifestyle	Defined Trade Area	Short Description
 Exurbanites	12.3% Coatesville Study Area Market Share 2.5% National Market Share	employed. Approximately half of employed persons hold professional or management positions. The median net worth is $277,391, more than twice that of the national median. The median household income is $88,195. More than 20 percent of households draw retirement income, and 57 percent of households receive additional income from investments.
 Main Street, USA	Population 5,890 Median HH Income $55,144 11.5% Coatesville Study Area Market Share 2.6 National Market Share	The median household income for this market is $55,144. Income is mainly derived from wages. The proportion of households with income from other sources is similar to the U.S. distribution. Named appropriately, it is not surprising that the *Main Street, USA* market also exhibits occupation and industry distributions similar to the United States. The median net worth is $114,319. Approximately one-fifth of residents aged 25 years and older have earned a bachelor's or graduate degree; 30 percent have attended college.
 Up and Coming Families	Population 4,046 Median HH Income $77,444 7.9% Coatesville Study Area Market Share 3.5% National Market Share	At the beginning of their careers, *Up and Coming Families* residents are earning above-average income but have not had time to accumulate much wealth. The median household income is $77,444, well above the national median. The median net worth is $162,486.Nearly two-thirds of residents aged 25 years and older have a degree or some college credits. Labor force participation is well above average at 73 percent, and unemployment is low. Understandably, 91 percent of households derive income from wage and salary compensation. Although half of the households have children, they also have working parents.
	Population 3,944 Median HH Income $72,112	*In Style* residents are prosperous, with a median household income of $72,112 and a median net worth of $187,956 (more than one and one-half times that of the national median). Wages and salaries provide income for 84 percent of the households; 47 percent also receive some form of investment income. *In Style* residents are more

Lifestyle	Defined Trade Area	Short Description
 In Style	7.7% Coatesville Study Area Market Share 2.5% National Market Share	educated compared to the U.S. level: nearly 40 percent of the population aged 25 years and older hold a bachelor's or graduate degree, and 31 percent have attended college. At 70 percent, labor force participation is above average, and the unemployment figure of 4 percent is low. Forty-five percent of employed residents have professional or management positions, with above average concentrations in the finance, insurance, technical services, and education industry sectors.

The most common trade area tapestry lifestyle group is the "*Green Acres*" group, representing 17.8% of all households in the primary trade area. The *Green Acres* household lives in a pastoral setting of developing suburban fringe areas. Homeownership is 88%, with close to 90% of these homeowners living in a single family detached residence. These do-it-yourselfers maintain and remodel their homes themselves. They pride themselves on practicality of their possessions, including extensive tool collections for the home and garden, as well as household items like sewing machines, ice cream makers, and canning equipment. Their lifestyle activities include mountain biking, waterskiing, hunting, and NASCAR events.

Graph 1: Tapestry Lifestyles Segmentation



Employment Base

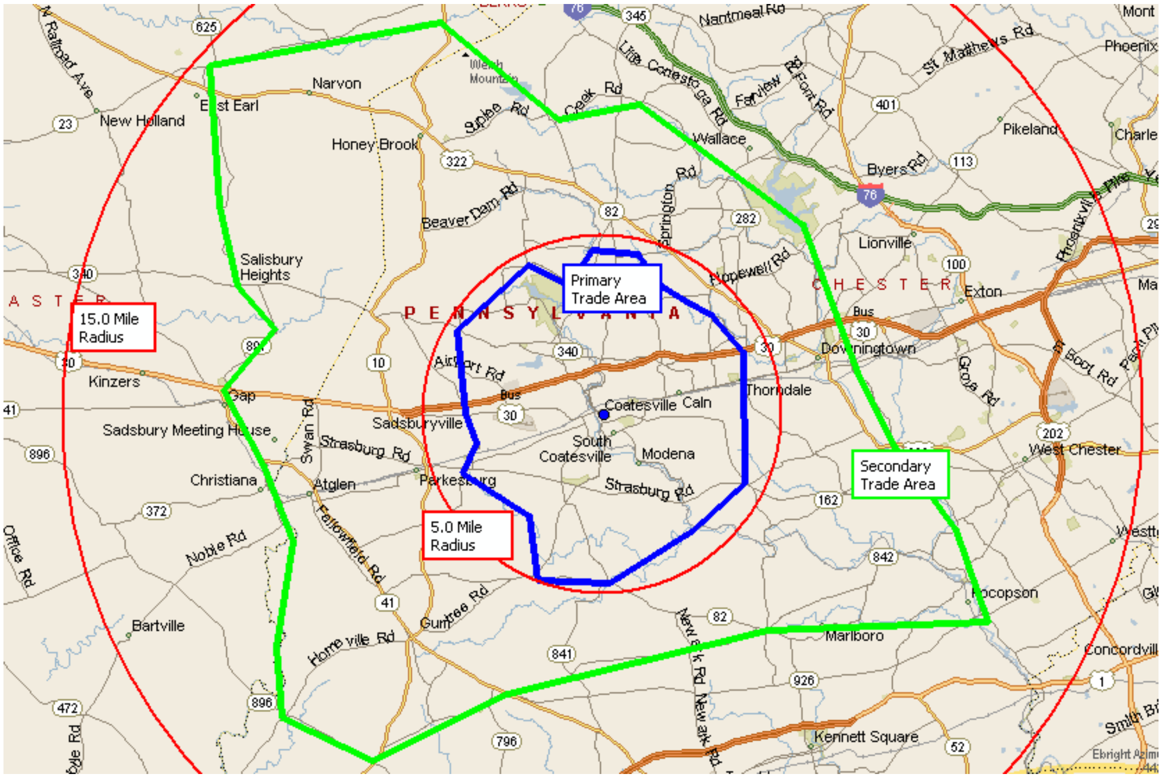
The employment base in the Coatesville study area reflects a manufacturing intensive base, almost twice the share of employment compared to the national level. As is true at the national level, this study area has suffered as manufacturing employment has declined even though employment in the service sector has climbed. Over 44% of employment found in the Coatesville study area is based in the service sector, while only 17.7% is in manufacturing. Other significant employment sectors include retail trade (17.1%), government (4.9%), wholesale trade (4.6%), construction (4.0%), and transportation (3.5%). White collar employment is projected at 58.2%, blue collar employment at 25.2%, and services at 16.6%.

As shown in Table 3, the heavy saturation of employment in the manufacturing sector is at the expense of jobs in the communication, utility (energy), wholesale trade, retail trade, and especially finance, insurance and real estate sectors. Under-representation in these sectors of the economy also explains the lower levels of white collar employment found in the Coatesville trade area verses the state and national averages.

Table 3: Employment by Sector

Sector	Study Area	Pennsylvania	U.S.
Agriculture & Mining	**1.5%**	1.2%	1.5%
Construction	**4.0%**	3.8%	4.5%
Manufacturing	**17.7%**	11.7%	9.7%
Transportation	**3.5%**	3.6%	3.0%
Communication	**0.1%**	0.9%	0.9%
Utility	**0.0%**	0.5%	0.6%
Wholesale Trade	**4.6%**	5.3%	5.4%
Retail Trade	**17.1%**	19.3%	19.8%
Finance, Insurance & Real Estate	**2.2%**	6.7%	7.0%
Services	**44.3%**	40.8%	40.4%
Government	**4.9%**	5.8%	6.7%
Other	**0.1%**	0.4%	0.4%

TRADE AREA CHARACTERISTICS



The Coatesville Primary Trade Area is outlined in blue. The Secondary Trade Area is outlined in green.

Location

The trade area is anchored by the City of Coatesville, which lies approximately 35 miles west of Philadelphia, Pennsylvania, along the Brandywine River in the midst of the Chester Valley. The Primary Trade Area is roughly bound by Cedar Knoll & Culbertson Run Roads, runs to the east along Bondsville Road to an eastern boundary of Thorndale Marshallton Road, a southern boundary of Doe Run Station and Chapel Roads, and a western boundary of Old Wilmington Road. Residential development to the north and south is constrained by topography, utility access, and ease of vehicular access.

Access

Regional access to the Coatesville Trade Area is good. External linkages are made by US 30 to the east (Philadelphia) and west (Lancaster). US 30, originally known as the Philadelphia to Lancaster Turnpike was the original catalyst for the growth of Coatesville, being completed in 1794. Internal trade area vehicular access is accommodated by the Lincoln Highway (Business Route US 30), which is the main east-west commerce road through Coatesville, as well as Valley Road running to the west, and Doe Run Road running to the south.

The traffic counts in the area, are provided by DataMetrix/MPSI Systems Inc., and are measured in terms of Average Daily Traffic Volume (two-way), are shown in the following table.

Table 4: Traffic Counts, 2007

Location	Traffic Count, AADT	Year
Lincoln Hwy & 1st Ave	14,500	2007
1st Avenue & Walnut St	8,872	2007
Lincoln Hwy & North Church St	17,359	2007
North 1st Avenue & Manor Road	14,837	2007
Lincoln Hwy & North 11th Avenue	15,386	2007
Doe Run Road & Shade's Lane	4,142	2007
US 30 Hwy @ King's Hwy Exit	48,343	2007

Other Shopping Areas

As part of GPG's field evaluation, neighborhood, community centers and regional malls near the Coatesville study area were visited to assess their retail appeal, strength of tenant mix, general maintenance, and accessibility. In addition to the onsite inspection of the most significant competing shopping concentrations to the study area, GPG used information, including opening dates and square footage, from the Directory of Major Malls, Inc.

Table 5: Existing Regional and Community Centers

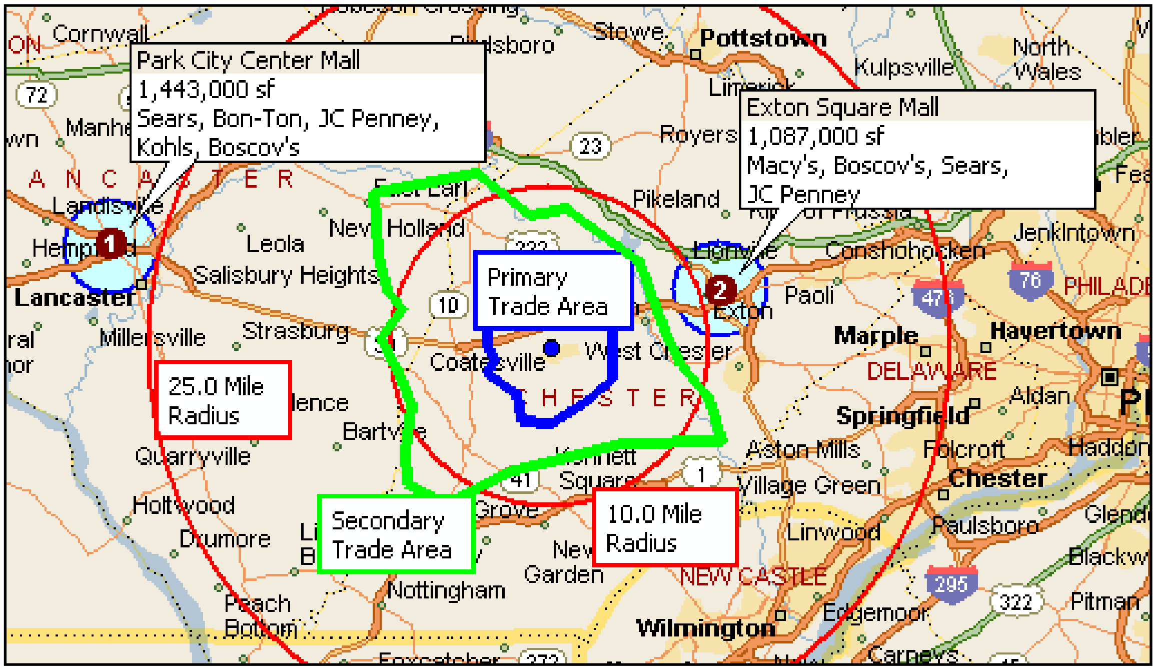
Map Designation	Retail Center Name	Map Designation	Retail Center Name
1	**Park City Center**	**2**	**Exton Square Mall**
3	**West Sadsury Commons**	**4**	**Ashbridge Square Mall**
5	**Brandywine Square**	**6**	**Whiteland Towne Center**
7	**Fairfield Place**	**8**	**Thorndale Shopping Plaza**

The Park City Center, located 28 miles west of the Coatesville study area at the junction of the Harrisburg Pike and U.S. Route 30 in Lancaster, Pennsylvania, is a 1,443,000 sf regional mall owned by General Growth Properties. This center, which includes a lifestyle center component which opened in 2007, contains over 170 stores, including five anchors (Bon-Ton, Boscov's, JC Penney, Kohl's and Sears). Its upscale tenant mix, including Williams Sonoma, Ann Taylor, White House/Black Market, Abercrombie & Fitch, Apple, Hollister, Sephora and six restaurants, draws over 15 million customer visits per year.

The Park City Center, located in Lancaster, Pennsylvania, is a 1,443,000 sf enclosed mall with an outdoor lifestyle component.

The Exton Square Mall, located 12 miles east of the study area, is a 1,087,000 sf regional mall, opened in 1973, owned by the Pennsylvania Real Estate Investment Trust. This enclosed mall has over 110 stores including Gap, Foot Locker, Forever 21, Borders Express, Bath & Body Works, Abercrombie & Fitch, and Stride Rite, and is anchored by Sears, Macy's, Boscov's, and JC Penney.

The Exton Square Mall is located 12 miles east of the Coatesville Study Area, along Route 30 in Exton.



Regional Mall Location Map.

The West Sadsbury Commons is located approximately seven miles west of the Coatesville study area. The West Sadsbury Commons center is a 250,000 sf community center located at the intersection of West Lincoln Highway (Route 30) and Octorara Trail. This community center is anchored by Wal-Mart, Home Depot, and a Peebles Grocery Store. The strong tenant mix includes national tenants such as Dollar Tree, Radio Shack, Blockbuster, AT&T, Fashion Bug, UPS and General Nutrition Center (GNC). The center also has a number of pad sites including McDonalds, Arby's, Applebee's, and a bank. This strong Community Center has a significant draw on the Coatesville study area because of the tenant mix and ease of access.

The Ashbridge Square Mall, a 360,000 sf community center is located in Downington Pennsylvania at the intersection of Route 30 & East Lancaster Avenue. This community/power center is anchored by Home Depot, Staples, Best Buy, and Jo Ann's. This center is part of a strong retail cluster including two community center, two neighborhood centers, and a number of free standing retailers along Lancaster Avenue in Downington.

The West SadsburyCommons and Ashridge Square retail centers are located to the west and east.

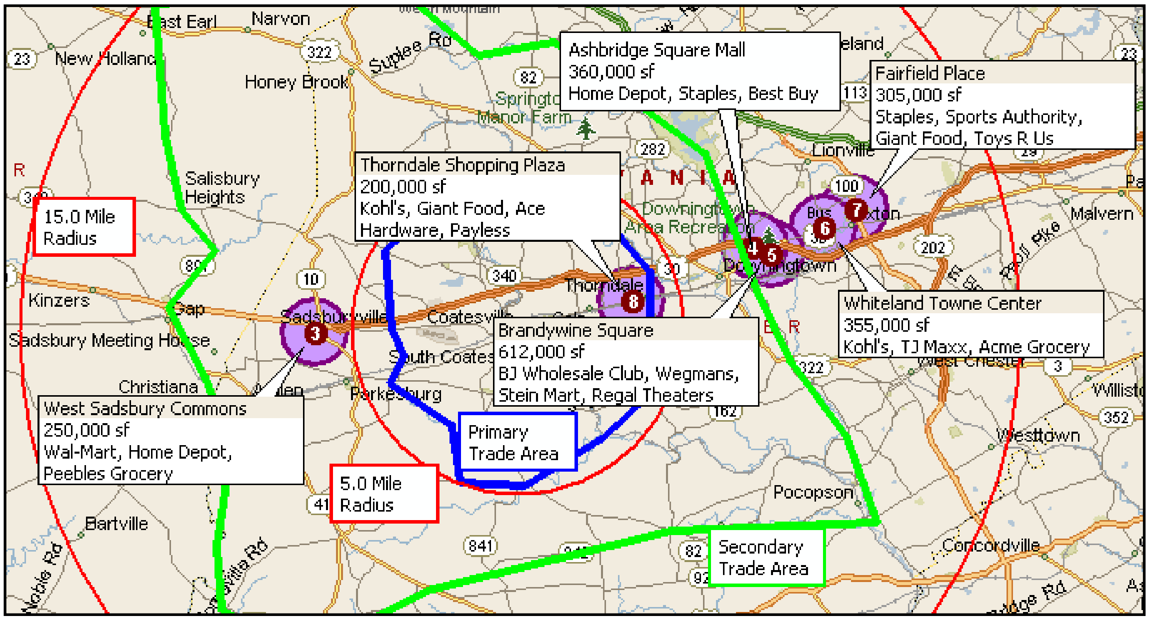
The Brandywine Square Center is a 610,000 sf community center, part of the Downingtown retail cluster of more than 1,000,000 sf, located at the junction of Route 30 and Business Route 30 (Lancaster Avenue).

The other community scale retail center in the Downingtown retail cluster is the Brandywine Square center. The Brandywine Square center is located along Lancaster Ave (Business Route 30) and Quarry Road approximately nine miles west of downtown Coatesville. This inline center is 610,000 sf, and anchored by BJ's Wholesale Club, Wegmans Food, Dick's Sporting Goods, Stein Mart, and Regal Cinema. This center has also attracted strong smaller national tenants such as DSW Shoes, GNC, PetSmart, Orvis, and Talbots. As the major component of the Downingtown community retail cluster, this property draws a significant amount of community and regional sales away from the Coatesville study area.

The Whiteland Towne Center is a 355,000 sf community center in Exton Pennsylvania, located along Business Route 30 and North Pottstown Pike. This center is anchored by a 83,000 sf Kohl’s, 60,000 sf Acme Food, 27,000 sf Marshalls, and a 25,000 sf TJ Maxx. In addition to the anchors, this center has strong national tenant representation including; Famous Footwear, Party City, Dress Barn, Payless Shoe, Gamestop, Petco, and Plato’s Closet. This community center, along with the other Exton retail surrounding the Exton Square Regional Mall draws many consumers from the Coatesville study area because of the strong mix of desirable tenants, ease of access via the highway, and the convenience offered to the shopper of just having to make one trip for a full spectrum of neighborhood, community and regional goods available at the Exton retail cluster.

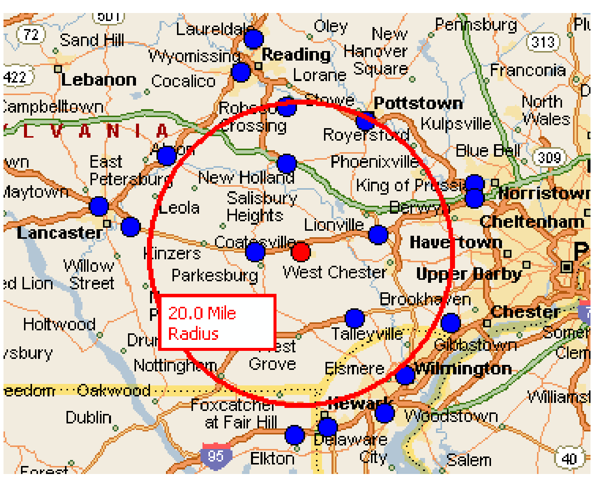
Exton’s retail cluster includes the above two community centers, the Whiteland Towne Center and Fairfield Place.

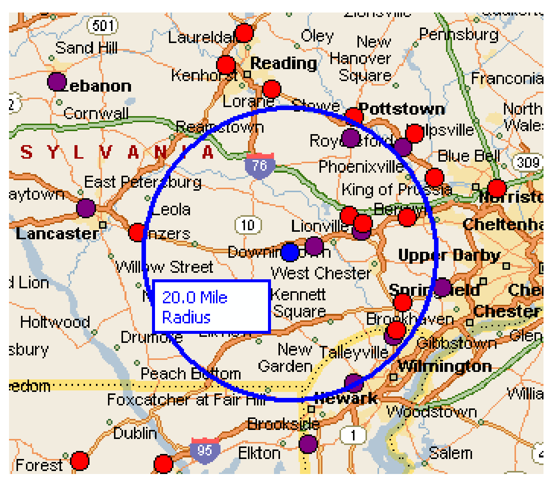
The Fairfield Place community center is the second community retail component in the Exton Pennsylvania retail cluster. The 305,000 sf Fairfield Place is located at the corner of North Pottstown Pike and Swedeford Road in Exton. It is anchored by a 60,000 sf Giant Food, 44,000 sf Toys R’ Us, 40,000 sf Sports Authority, 25,000 sf Ross Dress for Less, and a 16,000 sf Staples. The smaller stores at this center have more a local flavor; however, it does include the following national tenants: Oreck Floor Care, Footlocker, and Men’s Warehouse. In addition to the retail of this community center, it has a strong restaurant component including Panera Bread, Friday’s, Wendy’s, Bob Evans, and three local restaurants.



Community Center Location Map.

The Thorndale Shopping Plaza is a 200,000 sf community center located on Lincoln Highway, in Caln Township, just inside the eastern boundary of the Coatesville primary trade area. This recently renovated center is anchored by Kohl's, Giant Food, and Ace Hardware. Other national tenants include Payless Shoes, Radio Shack, and Goodwill. This center is approximately 2.5 miles from downtown Coatesville and is currently the main shopping destination of consumers in the primary trade area. As is true of downtown Coatesville and the Lincoln Highway shopping corridor, national tenants are underrepresented in this center.





The Wal-Mart (Blue Circles) map on the left and Kohl's/Target (Purple/Red Circles) map on the right show the distribution of national community retailers in the Coatesville region.

SUMMARY OF FINDINGS

This study finds that up to 68,000 square feet of additional retail and restaurant space is presently supportable in the Coatesville Study Area, given the proper combination of private and public sector resources. This new retail can potentially capture an additional $17.6 million of expenditure in 2010, growing to $47.6 million by 2015.

The demographics of the primary trade area show a population base of 51,216, which is projected to grow to 55,380 by 2015, and annual growth rate of 1.58%. Many (60.7%) are white-collar employed in Professional (22.9%) and Administrative Support (14.7%). Only 32.6% hold some level of a college degree. The persons-per-household is reported as 2.65, and median age is 37.9.

Tapestry lifestyles in the market reflect a solid (17.8%) base of “Green Acres” households. This group has a high household income of $63,922, with over 69% participation in the workforce. This blue collar baby boomer demographic is comprised of over 71% of married couples, and is not very ethnically diverse, with over 93% of the group being white. These do-it-yourselfers also have a high rate of home ownership, at 88%.

Household incomes in the Coatesville trade area are higher than the State average, being reported as $57,915. The per-capita income ($28,472) is also higher than the state and national averages. Employment in the Coatesville primary trade area is heavy in the manufacturing sector, and soft in the emerging employment sectors of Utility (Energy), Communications, and Finance, Insurance and Real Estate.

Supportable 2010 Retail & Potential Tenants

- **15,600 sf Food and Restaurants**: Full (w/Alcohol) Service restaurants have the greatest potential at 13,000 sf. Drinking places can support the balance of the retail. Potential tenants; Big Burrito Restaurants, Wingstop, Pizza Factory Inc., Claim Jumpers, or local tavern/bar operators.

- **11,500 sf of Hardware, Lawn & Garden**: Additional supportable retail in the category falls mostly in the Hardware, Building Materials and Supplies category. Do It Best Corp., Cole’s Hardware, Farm Supply Company, Stauffer’s, or a local lumber company.

- **11,300 sf Sporting Goods, Hobby, Books, and Music**: The greatest potential for supportable retail growth in this category is in the area of Sporting Goods and Books/Music stores. Jo Ann’s, AC Moore Arts & Crafts, Hancock, Music & Arts Center, Guitar Center Inc., Books-a-Million, Logos Books, Eastern Mt. Sports, Omega Sports, Play It Again Sports, Gamestop Inc., or Games Workshop.

- **9,700 sf Apparel, Shoes & Accessories**: Additional retail in the clothing and accessories categories is supportable. Potential tenants include, Deb Shops Inc., Dress Barn, Syms, Casual Male, Haggar Clothing Company, Jockey International, Sun Apparel Warehouse, Winmark Corp., Old Navy, Alko Distributors, Kip Craft Inc., Famous Footware, and Aerosoles.

- **4,100 sf Health Care & Personal Services**: This category includes the following retail groups: Pharmacies, Cosmetics and Beauty supplies, Nutrition store, Medical Equipment and Supplies, and Optical retailers. Potential Tenants include Walgreen's, CVS, Beauty Management Inc., National Optical Inc., SVS Vision, Mail Boxes Etc., Sir Speedy, and FedEx Office.

- **3,300 sf Food & Beverage Stores**: Recommended Specialty Food stores would include a delicatessen, butcher, seafood market, baked goods store, confectionery store, or other niche specialty food stores retailing products for off-site consumption. Possible tenants include Crumbs Corp LLC, Edible Arrangements, Honeybaked Hams, Winestyles, or a local liquor store owner.

- **3,200 sf Home Furnishings**: All current focus should be on a Home Furnishings store or a significant Home Furnishings department in a larger multiproduct superstore. Suggested tenants Savers Inc., Sleepy's, Inc., Mattress Discounters, Ashley Furniture, or Aaron's Inc.

- **1,400 sf Jewelry/Luxury Goods**: The projected need focuses on a small amount of Jewelry, Luggage and Leather Good retail, which could be located in a multiproduct superstore. Possible tenants include Zale Corp., King's in New Castle Inc., Tandy Leather Factory, or local craftsman.

- **8,800 sf of Miscellaneous Retailers**: Card/Gift Stores, Florists, Office Supplies, Pet Supplies, Tobacco, and Video/Entertainment Stores. Potential tenants include, Irresistibles, Hallmark, Factory Card & Party, Xpedx Paper & Graphic, Signatures, Pet Valu, PetSmart, Pet Supermarket, Tinder Box International, Smoker Friendly International, Hollywood Entertainment, Movie Starz Video, and local florists, bridal salons, or wedding planners.

A detailed examination of the supportable square footage of retail uses can be found in Table 6.

Table 6: Supportable Retail

Coatesville, PA Study Area

Retail Category	2010			2015		
	Supportable Retail (SF)	**Annual Sales**	**Sales Per S/F**	**Supportable Retail (SF)**	**Annual Sales**	**Sales Per S/F**
Women's Apparel	2,600	$631,000	$243	4,000	$1,112,000	$278
Men's Apparel	2,300	$508,000	$221	3,600	$914,000	$254
Children's Apparel	2,800	$618,000	$221	4,500	$1,125,000	$250
Unisex Apparel	1,800	$333,000	$185	2,800	$579,000	$207
Shoe Store	200	$35,000	$177	300	$59,000	$199
Total Apparel, Shoes & Accessories	**9,700 sf**	**$2,125,000**	**$209**	**15,200 sf**	**$3,789,000**	**$238**
Computers & Software	0	$0	$560	0	$0	$596
General Electronics	0	$0	$308	0	$0	$344
Appliances	0	$0	$143	0	$0	$162
Electronics, Appliances, & Computers	**0 sf**	**$0**	**$337**	**0 sf**	**$0**	**$367**
Full Service Restaurant	13,000	$4,576,000	$352	18,000	$7,254,000	$403
Limited Service Restaurant	0	$0	$283	2,000	$636,000	$318
Drinking Places	2,600	$941,000	$362	3,700	$1,554,000	$420
Total Food & Restaurant	**15,600 sf**	**$5,517,000**	**$332**	**23,700 sf**	**$9,444,000**	**$380**
Grocery Store	0	$0	$310	14,200	$4,799,000	$338
Specialty Food Store	1,200	$432,000	$360	1,900	$773,000	$407
Beer, Wine and Liquor Store	2,100	$722,000	$344	3,300	$1,306,000	$396

Total Food & Beverage Stores	**3,300 sf**	**$1,154,000**	**$338**	**19,400 sf**	**$6,878,000**	**$380**
Department Store	0	$0	$228	4,600	$1,145,000	$249
Discount Store	0	$0	$207	5,700	$1,288,000	$226
Warehouse Club	0	$0	$279	3,800	$1,155,000	$304
Used Merchandise Store	0	$0	$144	0	$0	$153
Total General Merchandise Stores	**0 sf**	**$0**	**$215**	**14,100 sf**	**$3,588,000**	**$260**
Building Materials & Supplies	10,700	$2,493,000	$233	18,800	$5,000,000	$266
Lawn, Garden Equipment & Supplies	800	$176,000	$221	2,300	$579,000	$252
Total Hardware, Lawn & Garden Store	**11,500 sf**	**$2,669,000**	**$227**	**21,100 sf**	**$5,579,000**	**$259**
Drug Store/ Pharmaceutical	2,100	$1,024,000	$488	10,300	$5,757,000	$559
Health & Beauty Store	300	$74,000	$247	1,500	$403,000	$269
Optical/Vision Care	600	$165,000	$276	3,000	$984,000	$328
Personal Services	1,100	$309,000	$281	5,700	$1,789,000	$314
Total Health Care & Personal Services	**4,100 sf**	**$1,572,000**	**$323**	**20,500 sf**	**$8,933,000**	**$368**
Furniture Store	0	$0	$286	2,400	$748,000	$312
Home Furnishings	3,200	$608,000	$190	8,100	$1,717,000	$212
Total Home Furnishings Store	**3,200 sf**	**$608,000**	**$238**	**10,500 sf**	**$2,465,000**	**$262**
Jewelry Store	400	$142,000	$355	500	$198,000	$397
Luggage & Leather Store	200	$48,000	$244	200	$54,000	$273

Total Jewelry, Luggage, Leather Goods Stores	**600 sf**	**$190,000**	**$300**	**700 sf**	**$252,000**	**$335**
Art, Craft and Sewing Stores	1,500	$300,000	$200	2,600	$566,000	$218
Musical Instrument Store	1,000	$221,000	$221	1,400	$345,000	$247
Book & Music Stores	4,900	$710,000	$145	6,700	$1,085,000	$162
Sporting Good Store	3,000	$663,000	$221	4,600	$1,136,000	$247
Toy and Hobby Store	900	$151,000	$168	1,300	$245,000	$189
Sporting Goods, Hobby, Books, Music Stores	**11,300 sf**	**$2,045,000**	**$191**	**16,600 sf**	**$3,377,000**	**$213**
Card/Gift Shop	2,200	$303,000	$138	3,100	$483,000	$156
Florists	500	$103,000	$206	1,300	$302,000	$233
Office Supplies, Stationary	2,200	$486,000	$221	3,100	$775,000	$250
Pet Supply Store	1,900	$361,000	$190	3,300	$709,000	$215
Tobacco Shop	1,200	$390,000	$325	2,200	$829,000	$377
Video/Entertainment	800	$112,000	$141	1,500	$225,000	$150
Total Miscellaneous Retailers	**8,800 sf**	**$1,755,000**	**$204**	**14,500 sf**	**$3,323,000**	**$230**
Total Identified Retail Expenditure	**68,100 sf**	**$17,635,000**	**$265**	**156,300 sf**	**$47,628,000**	**$299**

Sales stated in constant 2010 dollars - No adjustment has been made for potential inflation.

Rationale

The rationale for the findings in this study follows:

- **Lack of Retail Competition:** The retail competition is extremely limited in the study area. There are two retail clusters in Downington and Exton to the east and a community center in Sadsbury to the west, however, Downtown Coatesville in the center of the Chester Valley has few goods and services for the local consumer.

- **Trade Area Household Incomes:** Incomes within the defined trade area are above State and National averages, with a reported *median* household income of only $67,915. In addition to the high median incomes today, it is projected to rise to $78,380 by 2015, which represents a 15.4% increase over five years.

- **Site Characteristics** Downtown Coatesville currently has good regional access via Route 30 and Business Route 30 from the east and west. Local access approaching from the north and south has some impact on the ability of Coatesville retail to attract sales from a distance, penetrating the rural communities to the north and south, but these distant consumers have few other alternatives.

-- END OF REPORT --