



Coatesville Area Economic Development Study

Coatesville City, South Coatesville Borough, and Valley Township, PA



ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

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Executive Summary

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Background: Project Process

In collaboration with Stromberg/Garrigan & Associates (SGA), 4ward Planning is providing market, financial analysis and strategic planning services in support of the City of Coatesville, the Borough of South Coatesville, and Valley Township's Multi-Municipal Economic Development Study. The purpose of the study is to assess land areas within the City of Coatesville, South Coatesville, and Valley Township that provide opportunity for substantive business attraction, identify suitable business sectors, and develop a multi-municipal strategy with priorities and action steps to recruit said business types to the local area. The market study provides a foundation for evaluating opportunities for economic development in the tri-municipal area and providing an action-oriented business attraction strategy and implementation plan for all three municipalities. A summary of recent relevant reports reviewed as part of this study are presented in the Appendix.

Kick-Off Activities

- Kick-Off Meeting and Study Area Tour
- Existing Conditions Survey
- Improvement-to-Land Value Analysis



Comprehensive Market Analysis & Public Outreach

- Socio-Economic Trends Analysis
- Labor and Industry Trends Analysis
- Real Estate Analysis
- Stakeholder Interviews
- Public Workshops



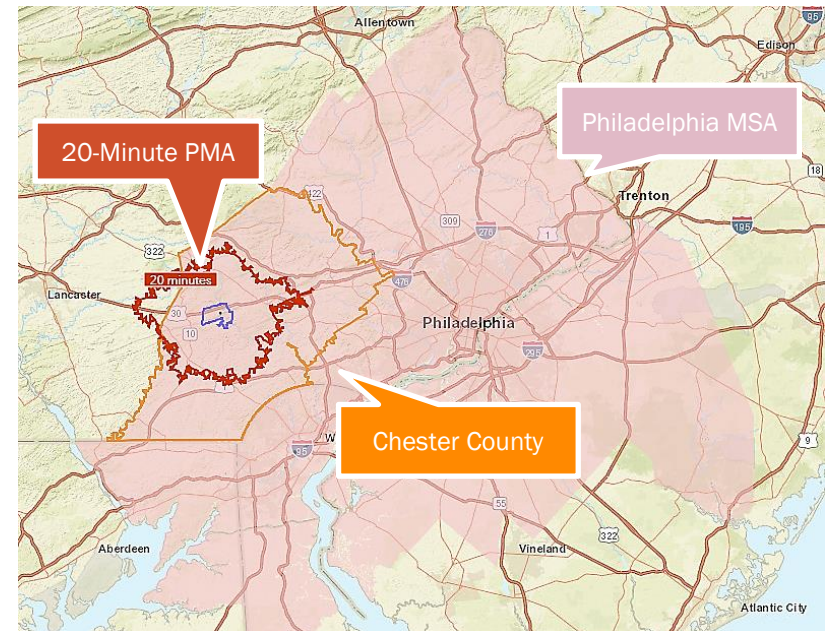
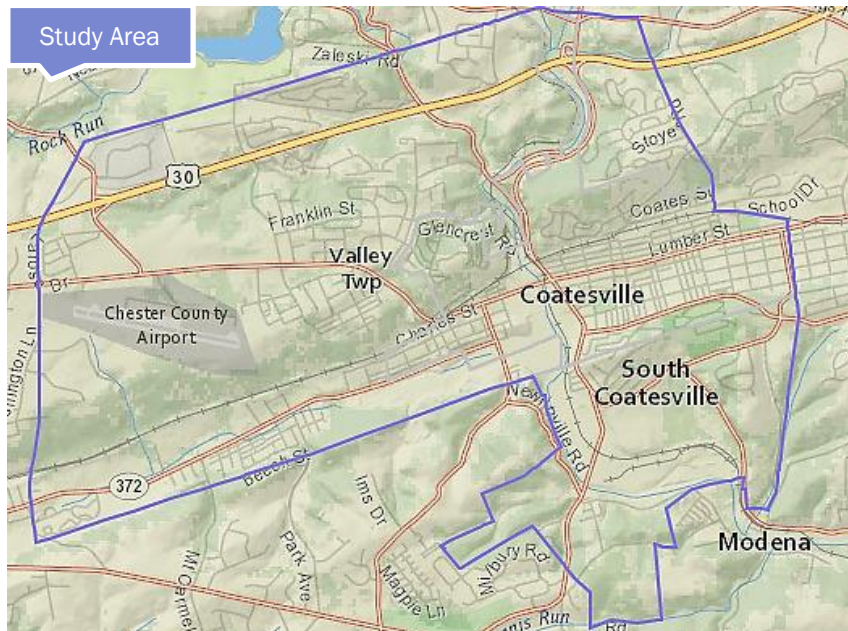
Developing an Economic Development Plan of Action

- Strategic Development Sites & Business Opportunities
- Draft Economic Development Site Plans
- Financial Feasibility Analysis
- Final Economic Development Site Plans



Background: Studied Geographies

- **Study Area:** Here defined by the City of Coatesville, South Coatesville Borough, and Valley Township boundaries
- **20-Minute PMA:** The Primary Market Area (PMA) typically represents the catchment area from which 70 percent or more of consumer patronage originates or from where labor supply is drawn. Here, the PMA is represented by a 20-minute drive-time contour from the center of the study area (West Lincoln Highway and Strode Avenue).
- **Chester County:** The Secondary Market Area (SMA) is Chester County, as defined by its boundaries.
- **Philadelphia MSA:** Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area (MSA), composed of Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties
- **Pennsylvania:** The industry trends analysis will also analyze metrics for Pennsylvania.



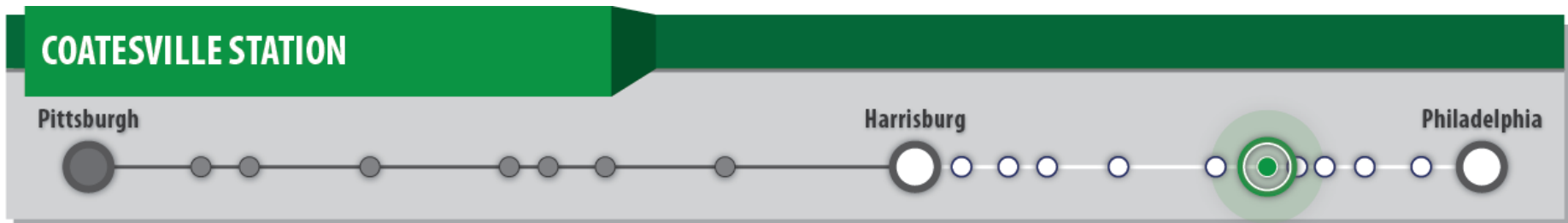
Source: Esri; 4ward Planning Inc., 2019

Background: Study Area Investment

As part of a significant investment in the entire Amtrak Keystone Corridor, Pennsylvania Department of Transportation (PennDOT) has committed to the development of a new train station in Coatesville, to replace the existing station, which will significantly improve access to and from Coatesville for residents and workers. Amtrak's Keystone service runs between Harrisburg and 30th Street Station in Philadelphia, with most trains continuing to New York Penn Station. Chester County estimated in a 2017 memo to the Delaware Valley Regional Planning Commission that the Coatesville station, once regular SEPTA service is restored, would serve between 350 to 430 people a day.



COATESVILLE STATION



Source: Coatesville Growing Greater - Neighborhood Revitalization Strategy, 2017

Study Takeaways: Market Study

The graphic below summarizes key market study findings, identifying which represent strengths/opportunities (blue) or weaknesses/threats (red). These findings are presented in more detail on the following slides.

Strengths/Opportunities

- **Housing Demand**
 - Strongest regional housing demand will be from older empty nesters looking to downsize.
 - Increasing homeownership opportunities for Coatesville and South Coatesville residents can help stimulate further private investment locally.
 - Increasing rental housing opportunities in Valley Township can help better serve vulnerable households and retain younger households.
- **Job & Household Growth**
 - Near-term employment opportunities will be for health care sector occupations.
 - There is insufficient demand for a new supermarket, but demand should increase as new multi-family development brings new households.
- **Business Opportunities**
 - Small boutique retail should be emphasized within the city of Coatesville CBD
 - There are opportunities to revitalize existing office/corporate centers in response to changing office demands.

Weaknesses/Threats

- **COVID-19 Pandemic**
 - Development and redevelopment will become particularly challenging in the months and years ahead, due to what will be a significantly changed economic landscape.
- **Area Perceptions**
 - Existing negative area perceptions serve as barrier to attracting new business requiring office space.
 - Attracting new restaurants will require better area perceptions and marketing.
 - Reversing negative area perceptions of crime is an important first step in attracting investment.
- **Regional Market**
 - Declining number of living-wage jobs in local area.
 - Industrial trends in the County suggest there is weak demand for new industrial space in the study area.
- **Development Process**
 - There is need for a more flexible and transparent development process and zoning code.

Study Takeaways: Market Study

Development and redevelopment will become particularly challenging in the months and years ahead, due to what will be a significantly changed economic landscape.

The personal and financial toll caused by the ongoing coronavirus disease 2020 (Covid-19) global pandemic is expected to be unprecedented, extraordinary, and unparalleled. In both the near- and long-term, this pandemic will undoubtedly impact land use demand and economic development opportunities as social distancing measures influence office demand (rise in telecommuting) and household spending patterns (rise in on-line shopping and declining household incomes).

Prior to the pandemic, the national economy entered its 11th year of expansion, operating near full capacity with unemployment hovering at historic lows. The pre-Covid-19 expansion began in July 2009, and by 2020, many were expecting a downturn as part of the historical ebb and flow of the economy. As Covid-19 captured the world's attention, it became clear that this year would indeed be the start of a period of economic uncertainty.

By mid-March 2020, it was clear that the U.S. would be dealing with a major health and economic crisis. Federal, state, and local governments scrambled to implement the nation's largest ever quarantine effort. Businesses were shuttered, travel restricted, and shelter-in-place rules were issued. The response was like flipping off an economic light switch across many industries. U.S. jobless claims skyrocketed quickly, overwhelming unemployment insurance programs. As of late May 2020, there are concerns that unemployment may reach Depression-era levels of 20 to 25 percent. Wealth evaporated as financial markets reacted. In a matter of days, markets fell into a historic economic tailspin. It may take years to fully recover.

As development and redevelopment will become particularly challenging in the months and years ahead, due to what will be a significantly changed economic landscape, regionally and nationally, many business investors and developers will put great emphasis on findings sites which meet their site location criteria and require a minimal amount of time and resources to get through the zoning and construction approval processes.

Study Takeaways: Market Study

Reversing negative area perceptions of crime is an important first step in attracting investment.

Based on feedback from local real estate professionals, while new Coatesville train station investment is a positive step towards promoting economic development in the study area, new transit-oriented investment in the station area, alone, would likely be insufficient in attracting new office and retail businesses. Existing negative study area perceptions (crime and safety) are current barriers to drawing new residents and business investment, especially in Coatesville City. Study area municipalities should prioritize creating a plan aimed at addressing existing negative study area perceptions (both real and perceived), such as improving the overall appearance of buildings and study area gateways (e.g., better enforcement of code violations and sign ordinances, street improvements). Study area municipalities should also create a public perception campaign founded on improved communication, organization, and a shared vision. Coatesville has an opportunity to shed the stigma that has plagued its name for many years.

Strongest regional housing demand will be from older empty nesters looking to downsize.

Despite relatively flat general population growth projected through 2024, the shifting and aging of the region's population will present opportunities for new housing types, particularly for older empty nesters downsizing from single-family housing to multi-family units. According to feedback from local real estate professionals, the housing typology that is most in demand in the study area is "active adult community" units for those ages 55 and older. Many such buyers would be relocating from places such as Philadelphia or Delaware and are not concerned about finding the right school system. By 2029, there will be a projected net demand for 2,070 residential units within the PMA. Assuming that between five and 10 percent of these units could be captured locally, the multi-municipal study area could accommodate between 100 and 210 net new units by 2029. Accommodating new multi-family housing, including active adult units, surrounding the Coatesville station, could capture new regional housing demand, as well as help activate the station area.

Study Takeaways: Market Study (continued)

[Increasing homeownership opportunities for Coatesville and South Coatesville residents can help stimulate further private investment locally.](#)

Despite the study area's relatively affordable housing stock, in 2019, just 36 and 53 percent of occupied housing units in Coatesville City and South Coatesville, respectively, are owner-occupied (compared to 83 percent in Valley Township). Because homeownership creates opportunity for building equity, the low share of owner-occupied housing in Coatesville City and South Coatesville has led to less private investment than there might otherwise be in the local housing stock.

According to feedback from local real estate professionals, there is a "cycle of lower-rent housing," particularly in the City of Coatesville, in which renters are not able to participate in or are not aware of homeownership opportunities. There is a need to educate low-moderate-income renters in Coatesville about financial literacy and programs such as Chester County's First Time Home Buyer Program, which is intended to assist such individuals in purchasing their first homes in Chester County.

[Increasing rental housing opportunities in Valley Township can help better serve vulnerable households and retain younger households.](#)

Despite the abundance of rental housing in neighboring Coatesville City, just 17 percent of occupied housing units in Valley Township are renter-occupied. In 2017, the vacancy rate for rental units within Valley Township was zero percent, suggesting there is, likely, strong demand for more rental housing.

Offering greater flexibility and requiring less financial obligation than homeownership, renting is most common during the young adult years when transitions in work and relationships are frequent. Furthermore, many lowest-income renters are among the study area's most vulnerable households.

Thus, the lack of rental housing opportunities in Valley Township could undermine the Township's long-term ability to serve its most vulnerable households or retain younger adults starting to form households.

Study Takeaways: Market Study (continued)

[Near-term employment opportunities will be for health care sector occupations.](#)

According to the U.S. Census, from 2002 to 2017, the study area lost approximately 630 net primary jobs. Much of this job reduction was due to the loss of 1,273 positions in Coatesville City's manufacturing sector. While the number of primary jobs in both South Coatesville and Valley Township grew from 2002 to 2017 (increasing by 915 and 161 jobs, respectively), the number of primary jobs in Coatesville City declined significantly over the same period (decreasing by 1,707 primary jobs).

Based on long-term employment projections by industry data provided by the Pennsylvania Department of Labor and Industry for Chester County, the health care and social assistance sector is expected to continue remaining Chester County's top industry by new job creation, adding 10,410 new, relatively mid-wage jobs by 2029 (average annual earnings of \$45,660). Efforts will need to be made to ensure that the study area's workforce is properly trained for near-term health care sector job growth opportunities.

[Declining number of living-wage jobs in local area.](#)

In 2017, just 2.4 percent of study area residents also worked in the study area, while approximately 8,037 study area residents commuted beyond the study area for work (nearly five percent worked in Philadelphia, suggesting the restoration of SEPTA service would benefit a number of these workers).

Approximately 2,670 study area workers commuted into the study area for work. From 2002 to 2017, the share of residents both living and working in the study area declined by 3.9 percentage points.

The low and declining share of residents both living and working in the study area is likely due to a deficiency in the local economy (e.g., limited living-wage local job opportunities).

While the healthcare sector's continued expansion will help replace some of the higher paying manufacturing jobs in the local area, many of the jobs being created pay far less than manufacturing occupations.

Study Takeaways: Market Study (continued)

Attracting new restaurants will require better area perceptions and marketing.

Based on retail supply/demand analysis, there is existing unmet retail demand within the study area sufficient to support between 22,500 to 27,000 square feet of restaurant space (equivalent to between five and six restaurants based on the median-size restaurant space formats). Potential new station area restaurants and eating establishments (e.g., casual deli or café, to a sit-down brew-pub or mid-scale family-oriented restaurant) could serve Coatesville station area commuters and study area residents, alike.

However, real estate professionals warn that Coatesville is a tough sell for potential restauranteurs, due to existing negative area perceptions and relatively weak household purchasing power (approximately 80 percent of the national average). While business incentives might be effective in encouraging some new investment, restaurants tend to follow people. If the study area is to attract new restaurants, it must first be able to attract new households (and greater purchasing power) from the larger region.

There is insufficient demand for a new supermarket, but demand should increase as new multi-family development brings new households.

Given the study area's proximity to two existing supermarkets (Aldi and Wegmans), as well as a Walmart Supercenter in West Sadsbury Commons (features a large full-service grocery department), there is likely insufficient demand for a new supermarket in the study area. Nevertheless, as new multi-family housing is developed and area purchasing power increases, grocery store demand should also increase.

Small boutique retail should be emphasized within the city of Coatesville CBD

The significant change in today's retail landscape (e.g., increasingly more online retail purchases for generic goods; fewer shoppers venturing to malls, and more consumers seeking authentic shopping experience (read: not a shopping center experience), there is tremendous opportunity for the city of Coatesville to leverage its existing business storefronts to attract local area entrepreneurs to establish one-of-a-kind boutique retail and service businesses that would attract local and regional patrons.

Study Takeaways: Market Study (continued)

Existing negative area perceptions serve as barrier to attracting new business requiring office space.

According to first-quarter 2019 data provided by Avison Young, a commercial real estate services company, there is 1.05 million square feet of office space located in the Outer Chester County submarket (generally representing the 20-minute PMA), including 58,370 square feet of vacant office space (equivalent to a vacancy rate of 5.5 percent) and 80,000 square feet of office space under construction. Little office inventory growth and relatively low office vacancy rates suggest a tight local office submarket. Based on projected net new office space demand, by 2029, there will be an estimated net new demand for 566,240 square feet of office space in the PMA (largely for medical and professional).

There is need for a more flexible and transparent development process and zoning code.

According to a 2017 report entitled *Reinventing Office Parks for the 21st Century*, as baby boomers retire, the office market is becoming more geared toward the needs and desires of younger workers who tend to prefer living and working in dynamic places with walkable environments and a mix of uses and amenities. Once existing negative area perceptions are addressed, the study area should ensure that local zoning can accommodate new mixed-use office space demand (e.g., zoning flexibility and limited parking requirements). Furthermore, based on feedback from local real estate professionals, the current lack of zoning code consistency has made the development process frustrating, confusing, and expensive for potential investors and developers. A standard of code and zoning rulebook should be created, making the study area much more business-friendly. Additionally, creating business incentives would be effective in encouraging economic activity.

Study Takeaways: Market Study (continued)

There are opportunities to revitalize existing office/corporate centers in response to changing office demands.

According to the improvement-to-land value (ILV) analysis performed, 107 commercial parcels in the study area (270 acres) exhibit low ILV ratios. These low-ILV parcels are scattered throughout the study area. Since developers are likely to target large parcels (e.g., 10+ acres) of underutilized land, several sites in Valley Township (e.g., Highlands Corporate Center) and Coatesville with low ILVs could be attractive for redevelopment. According to a 2017 report entitled *Reinventing Office Parks for the 21st Century*, recent national employment trends point toward office users downsizing, seeking non-traditional types of space, and frequently locating in more walkable areas. As a result of these trends, existing suburban corporate/office parks like the Highlands Corporate Center may have difficulty maintaining tenants and expected rents in the near future. Revitalizing the appearances and configurations of the study area's existing office parks and accommodating additional transportation modes may help attract future medical and professional office tenants and employees.

Industrial trends in the County suggest there is weak demand for new industrial space in the study area.

According to the findings from the ILV analysis, 10 industrial parcels in the study area (208 acres) exhibit low ILV ratios. There are several large parcels of underutilized industrial land along South 1st Avenue in South Coatesville and Route 372 in Valley Township, and in the western portion of Valley Township. However, according to first-quarter 2019 data provided by Cushman & Wakefield, a commercial real estate services company, average industrial rents in Chester County are relatively low, compared to those of other suburban Philadelphia submarkets. As of first-quarter 2019, Chester County had the highest industrial vacancy rate (8.2 percent) among the suburban Philadelphia submarkets, equivalent to 759,865 square feet of vacant industrial space. Relatively little industrial inventory growth, high industrial space vacancy rates, and low average industrial asking rents in Chester County suggest there is weak demand for new industrial space in the study area.

Study Takeaways: Economic Development Target Areas & Concepts

As development and redevelopment will become particularly challenging in the months and years ahead, due to what will be a significantly changed economic landscape, regionally and nationally, many business investors and developers will put great emphasis on findings sites which meet their site location criteria and require a minimal amount of time and resources to get through the zoning and construction approval processes. All of the target areas below meet the minimal development criteria which will need to be satisfied, in order to attract various types of new development and business investment to the three study area communities (parcels meet desired land area requirements & location; sufficient infrastructure capacity is present; site accessibility through one or more transportation modes; preferred zoning is in place or can be quickly legislated; and few developer penalties).

Target areas are summarized below with detailed recommended actions presented on the following pages.

Target Area #	Name	Study Area Community	Recommended Economic Development Concept
1	Chestnut And Lumber Streets TOD Area	City of Coatesville	TOD Infill Housing with Complete Street and Trail Improvements
2	Special Market/Food Accelerator		Specialty Market/Food Accelerator & Multi-Family Housing
3	Gateway Park		Seasonal Events and Public Space (Food Truck, Beer Garden)
4	The Flats		Life Planning and Future Community
5	Lincoln Highway And Earhart Drive	Valley Township	Planned Suburban Center/Corporate Business Campus Master Plan
6	South 1st Ave.	South Coatesville Borough	Destination-Oriented Recreational Uses (BMX, Hydroponic Farming, Drive-In)

Study Takeaways: Economic Development Opportunities & Actions

After assessing critical economic development factors like property tax rates, infrastructure, development process, and targeted businesses, 4ward Planning identified six different prospective economic development target areas. The following provides a summary of economic development study takeaways and actions by community.

City of Coatesville

- Transit Oriented Development (TOD) will be critical to the revitalization of the central business district (CBD) and multi-family housing development, in particular, will support investment in new restaurants and retail. Personal service businesses (e.g., barber shops and salons, in particular), and affordable casual dining which can easily facilitate take-out service (e.g., pizza/Italian restaurants; Chinese restaurants; and diners), will be the types of enterprises that will find the greatest success early in the post pandemic recovery.
- **Target Area 1: Chestnut And Lumber Streets TOD Area**
 - Promote TOD Oriented Housing in an Urban Format
 - Continue Complete Street Upgrades within the TOD Area
 - Explore the Feasibility of a Trail Connection Flyover from the Brandywine Creek Greenway to the Train Station/TOD Area
- **Target Area 2: Special Market/Food Accelerator**
 - Promote Mixed-Use Development with a Food-based Anchor at a Key Lincoln Highway Corner
- **Target Area 3: Gateway Park**
 - Address Potential Environmental Conditions
 - Utilize this High-visibility Public Space to Foster Greater Activity Through Pop-up and Interim Use Events
- **Target Area 4: The Flats**
 - Promote 55+ Housing in a Clustered Format



Study Takeaways: Economic Development Opportunities & Actions

Valley Township

- Light manufacturing and small-scale warehousing demand is likely to increase over the next several years, as a consequence of strategic business decisions (e.g., bringing critical supply manufacturing back to the U.S.) and altered consumer spending behavior (an increasing share of on-line shopping due to social distancing measures will, likely, influence a greater share of consumers to maintain on-line purchasing for everyday needs, long after lockdown measures have ceased).
- **Target Area 5: Valley Township – Lincoln Highway And Earhart Drive**
 - Create a Planned Suburban Center/Corporate Business Campus Master Plan that Supports the Township’s Suburban Center Strategy



South Coatesville Borough

- Destination recreation and entertainment can be a market viable economic development opportunity and co-exist with the heavy industrial facilities (ArcelorMittal) likely to remain in the Borough, for some time.
- **Target Area 6: South Coatesville Borough – South 1st Ave.**
 - Market Key Vacant Sites for Destination-Oriented Recreational Uses
 - Address Potential Environmental Conditions
 - Upgrade South 1st Avenue as a Multi-Modal Borough Gateway



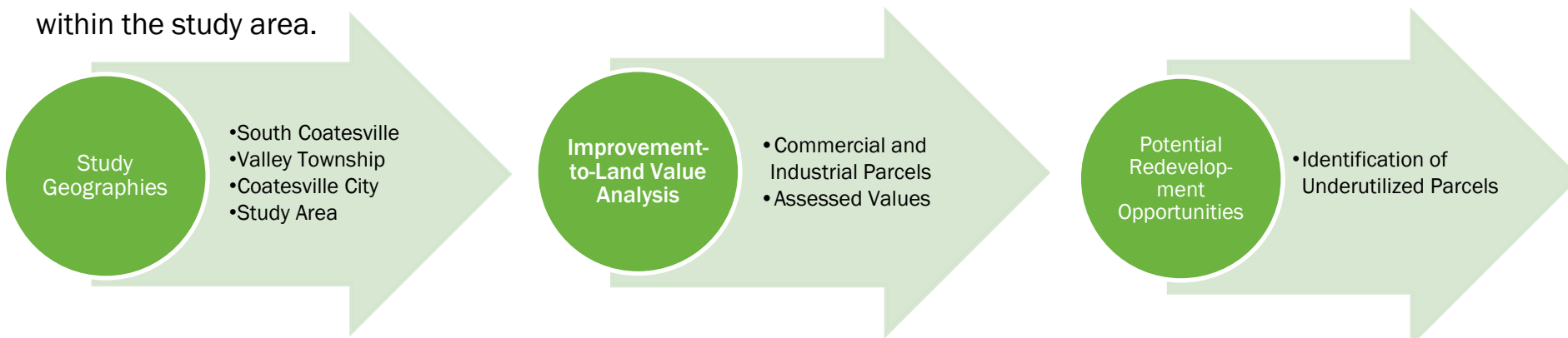
Improvement-to-Land Value Analysis

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Methodology: Improvement-to-Land Value Analysis

The improvement-to-land value (ILV) ratio analysis is a technique used to identify prospective redevelopment opportunities within a given locality. The technique's underlying assumption is that the value of an improvement (e.g., a house or commercial building), when compared to the value of the underlying land parcel, should yield a ratio greater than one-to-one and, typically, a ratio greater than two-to-one (for example, a property assessed at \$200,000 and the land on which it sits assessed at \$100,000). ILV ratios can and do vary, based on factors such as area real estate market values, degrees of urbanization, and property assessment techniques. However, as a general rule, properties that exhibit low ILV ratios typically reflect economic and/or physical obsolescence (e.g., candidate redevelopment properties). In order to conduct a land valuation analysis for the study area, 4ward Planning used geographic information system (GIS) mapping technology and parcel data to analyze the study area (encompassing the City of Coatesville, the Borough of South Coatesville, and Valley Township). To better understand ILV ratios particular to the area, 4ward Planning grouped parcels according to land-use category and calculated the ILV ratio statistical median for each of these uses. This was done for commercial and industrial properties only, due to their being better suited for redevelopment. Properties with particularly low ILV ratios - in this case, properties whose ILV values are less than half of the median ILV value - were identified as potential redevelopment sites. LoopNet, a commercial real estate search engine, was utilized to identify current vacancies within the study area.



Key Findings: Improvement-to-Land Value Analysis

Industrial uses are concentrated while commercial uses are scattered

Commercial uses are scattered throughout the study area, while industrial uses are concentrated in the southern portion of the multi-municipal area (generally, along Route 372 and South 1st Avenue). There are also large concentrations of vacant land in the study area.

168 acres of industrial land with low ILV ratios

There are 32 industrial parcels in the study area, totaling 581 acres. The median improvement-to-land value (ILV) ratio of the industrial parcels in the study area is 1.96, making the target ILV ratio 0.98. Based on this measure, nine industrial parcels in the study area exhibit a low ILV ratios, for a total of 208 acres (meaning prospective redevelopment opportunities). There are several large parcels of underutilized industrial land along South 1st Avenue in South Coatesville and Route 372 in Valley Township, and in the western portion of Valley Township.

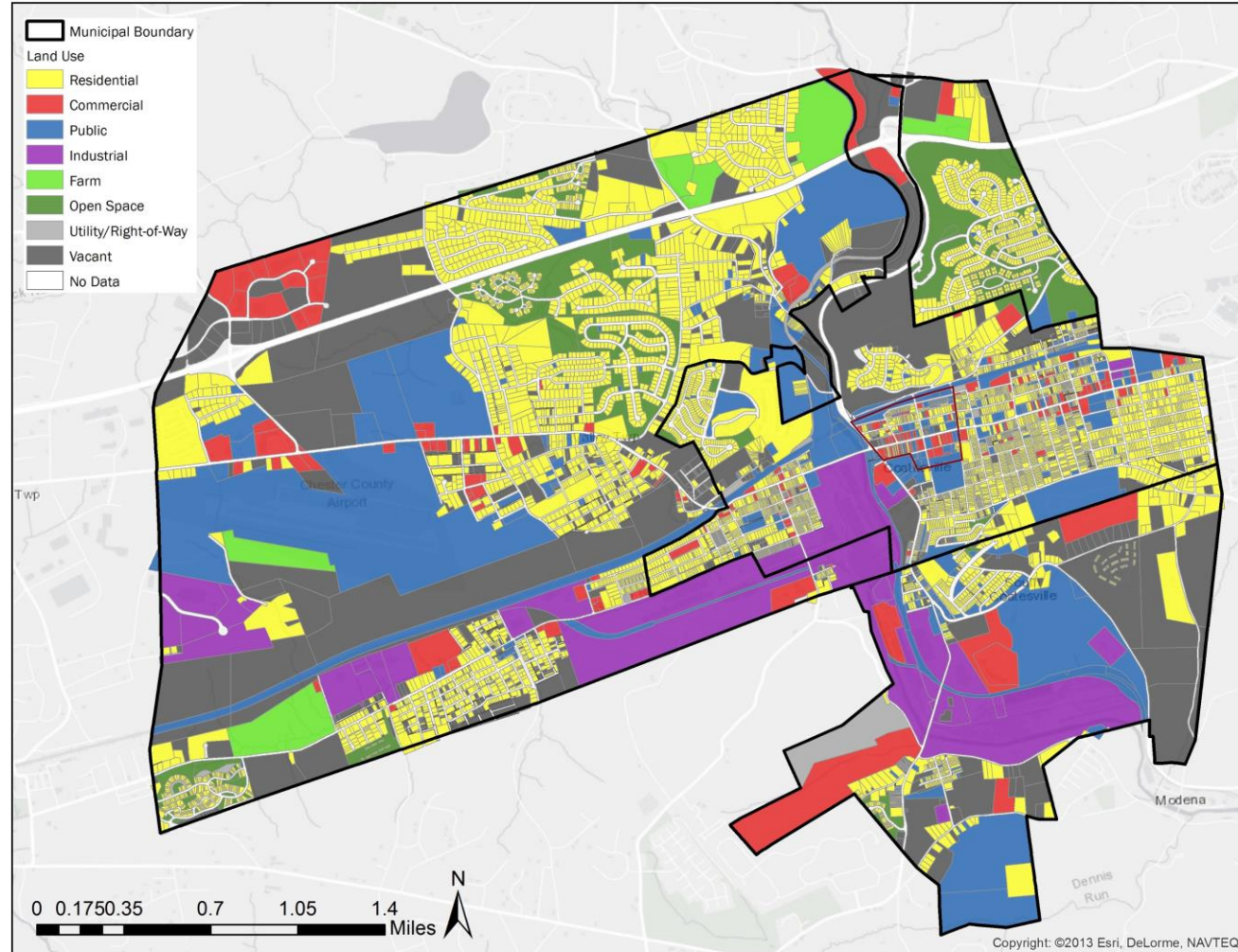
291 acres of commercial land with low ILV ratios

There are 291 commercial parcels in the study area (office and retail), totaling 539 acres. The median ILV ratio of the commercial parcels in the study area is 2.67, making the target ILV ratio 1.33. Based on this measure, 107 commercial parcels in the study area exhibit low ILV ratios. These low-ILV parcels cover 270 acres and are scattered throughout the study area. Since developers are likely to target large parcels (e.g., over 10 acres) of underutilized land, several sites in Valley Township and Coatesville with low ILVs could be priority sites for development. There is one large 71-acre low-ILV commercial property in South Coatesville that could accommodate a large development.

Land Use: Study Area

The study area is composed of three municipalities in Chester County, Pennsylvania: the City of Coatesville, the Borough of South Coatesville, and Valley Township, shown in the land-use map at right.

Primary land uses in the area include residential, commercial, public, and industrial. There are also large concentrations of vacant land in the study area. Commercial uses are scattered throughout the study area, while industrial uses are concentrated in its southern portion, generally along Route 372 and South 1st Avenue.



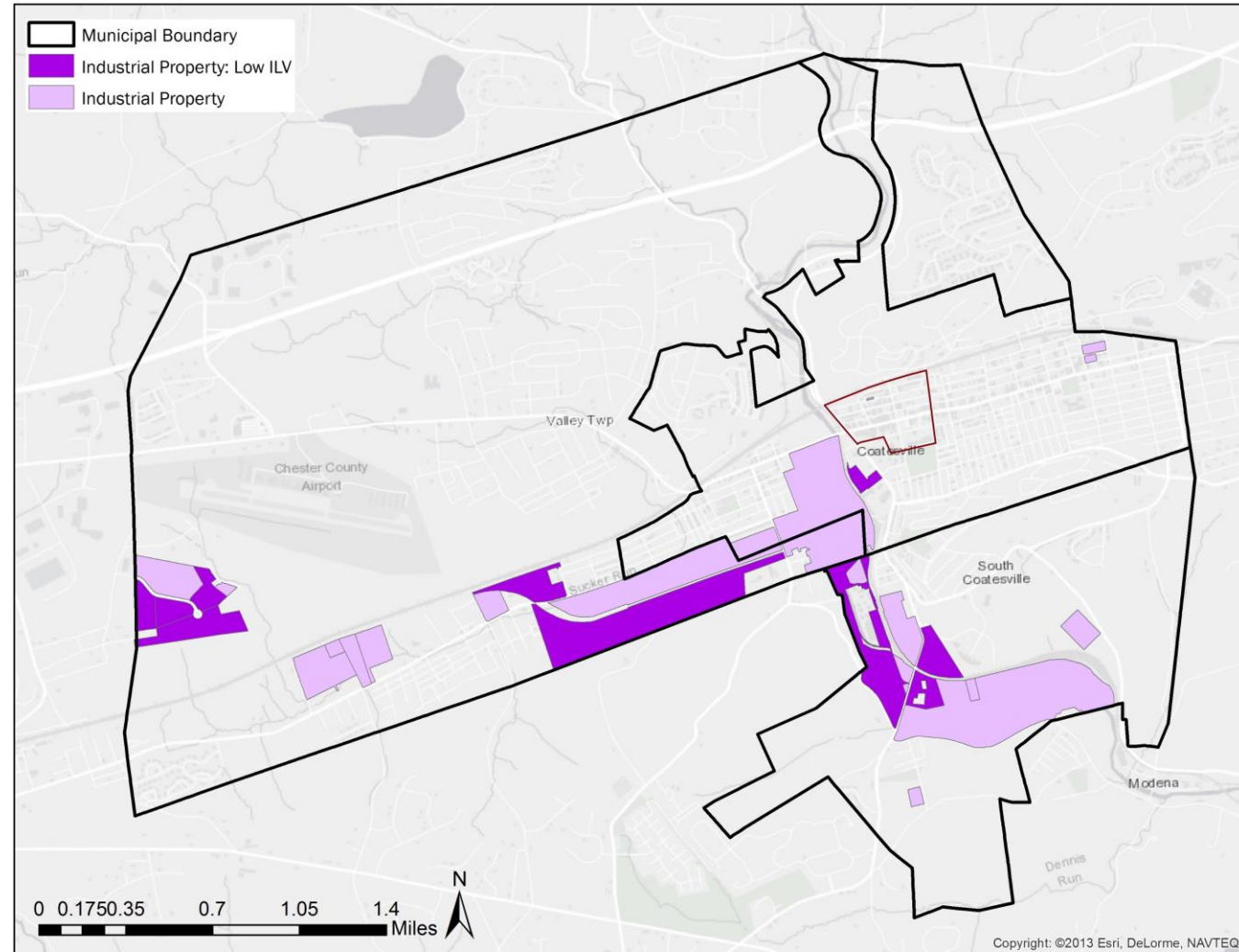
Source: Chester County; 4ward Planning Inc. 2019

Investment-to-Land Value Analysis: Industrial

There are 32 industrial parcels in the study area, totaling 581 acres. While there are fewer industrial parcels than commercial, the industrial parcels tend to be much larger.

The median ILV ratio of the industrial parcels in the study area is 1.96, making the target ILV ratio 0.98.

Based on this measure, 10 industrial parcels in the study area exhibit a low ILV ratio, for a total of 208 acres.



Source: Chester County; 4ward Planning Inc. 2019

Investment-to-Land Value Analysis: Large Industrial Sites



There are several large parcels of underutilized industrial land along South 1st Avenue in South Coatesville and Route 372 in Valley Township. While the configuration of a couple of the lots is irregular, they are likely large enough to accommodate additional development or redevelopment. Properties larger than 10 acres are highlighted.

Site	Address	Owner	Use	Improvement Value	Land Value	Land Area (Acres)	ILV Ratio
1	250 Strode Ave.	ISG Plate Inc.	Heavy Industrial	\$147,310	\$589,260	79	0.25
2	47 Rolling Mills Dr.	ISG Plate Inc.	Heavy Industrial	\$76,120	\$353,230	39	0.21
3	901 W. Eleventh Ave.	Lampart Ltd. Partnership	Light Industrial	\$540,620	\$557,850	16	0.97
4	1001 S. First Ave.	ISG Plate Inc.	Heavy Industrial	\$168,830	\$198,200	13	0.85

Investment-to-Land Value Analysis: Large Industrial Sites



There is also a cluster of low-ILV industrial land in the western portion of Valley Township. The three parcels outlined in orange are owned by the same entity, thus making the potential development site larger. The three parcels taken together cover 38 acres, and are currently vacant.

Address	Owner	Use	Improvement Value	Land Value	Land Area (Acres)	ILV Ratio
Waverly Blvd. at Washington Lane	All County Partnership	Vacant	\$0	\$150,160	38	0

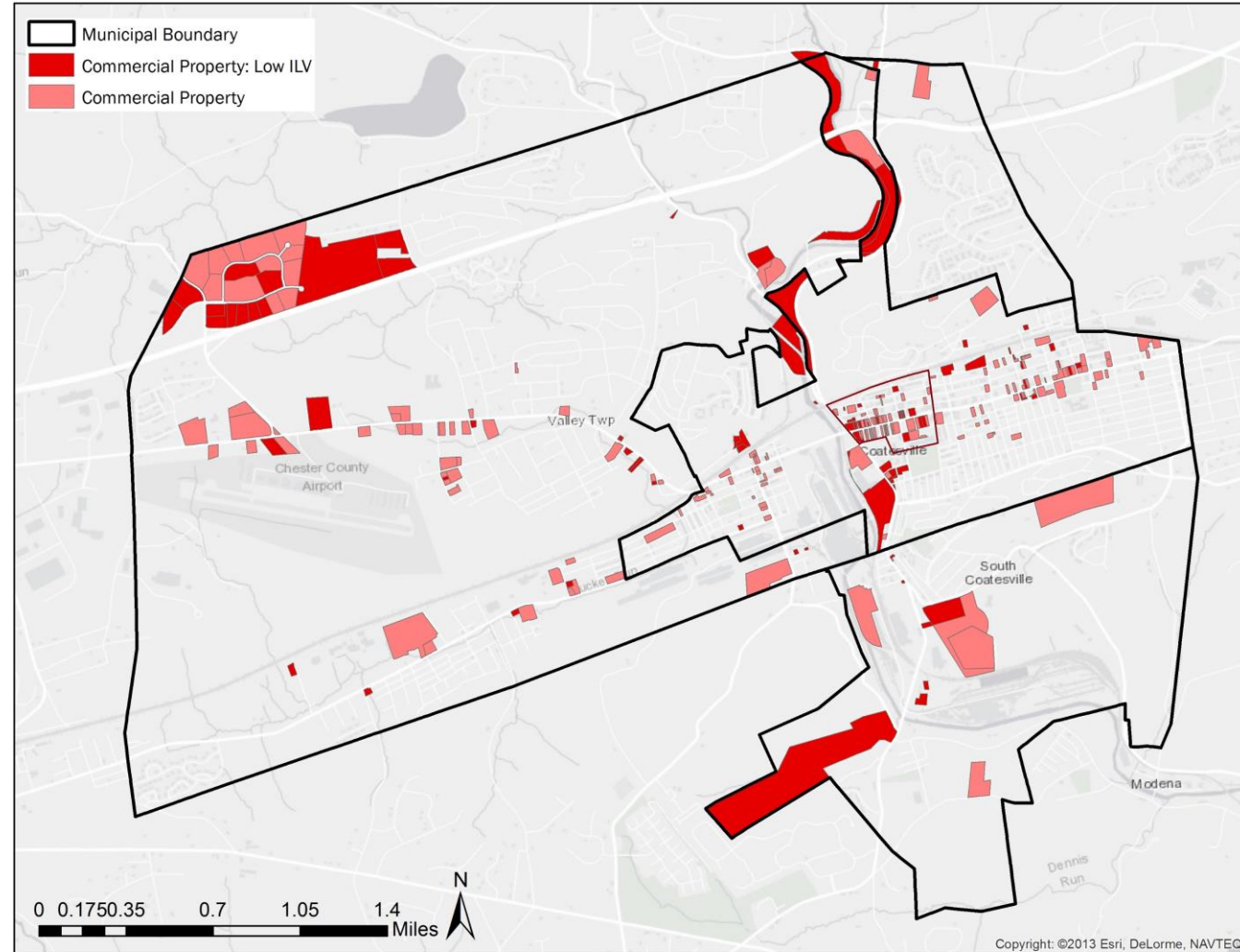
Investment-to-Land Value Analysis: Commercial

There are 291 commercial parcels in the study area, totaling 539 acres.

The median ILV ratio of the commercial parcels in the study area is 2.67, making the target ILV ratio 1.33.

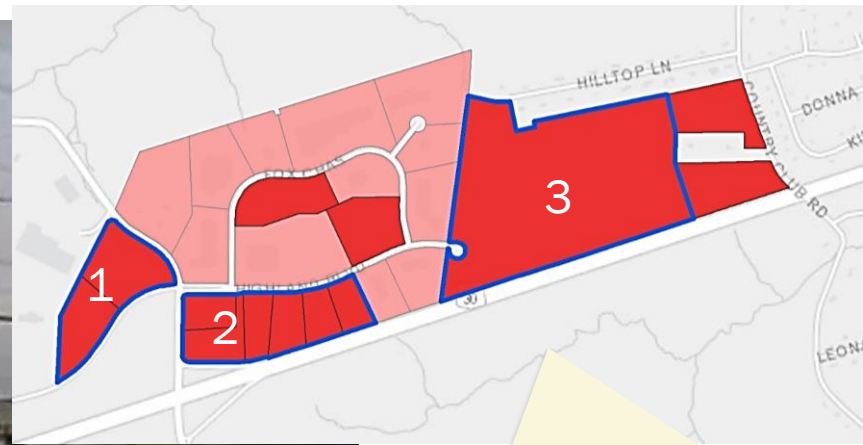
Based on this measure, 107 commercial parcels in the study area exhibit low ILV ratios, highlighted in dark red in the map at right. These low-ILV parcels cover 270 acres and are scattered throughout the study area.

Long-term redevelopment of such a large area is the likely course of action.



Source: Chester County; 4ward Planning Inc. 2019

ILV Analysis: Large Commercial Sites in Valley Township

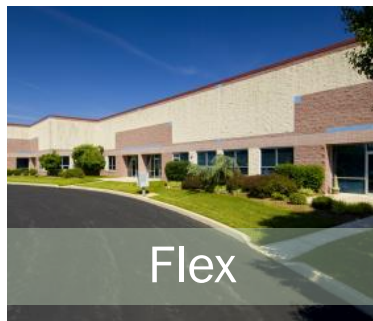


Since regional developers are likely to target large parcels (e.g., 10 acres or larger) of underutilized land, several sites in Valley Township have a low improvement-to-land value (ILV) and could be priority sites for development. Much of this land is located within the Highlands Corporate Center, presented in more detail on the following slide.

Site	Address	Owner	Use	Improvement Value	Land Value	Land Area (Acres)	ILV Ratio
1	1120 Airport Rd., 125 Highlands Blvd.	High Properties	Vacant Commercial	\$0	\$414,890	10	0
2	301-475 Highlands Blvd.	High Properties	Vacant Commercial	\$0	\$819,000	14	0
3	600 Highlands Blvd.	Communications Test Design Inc.	Vacant Commercial	\$0	\$281,590	43	0

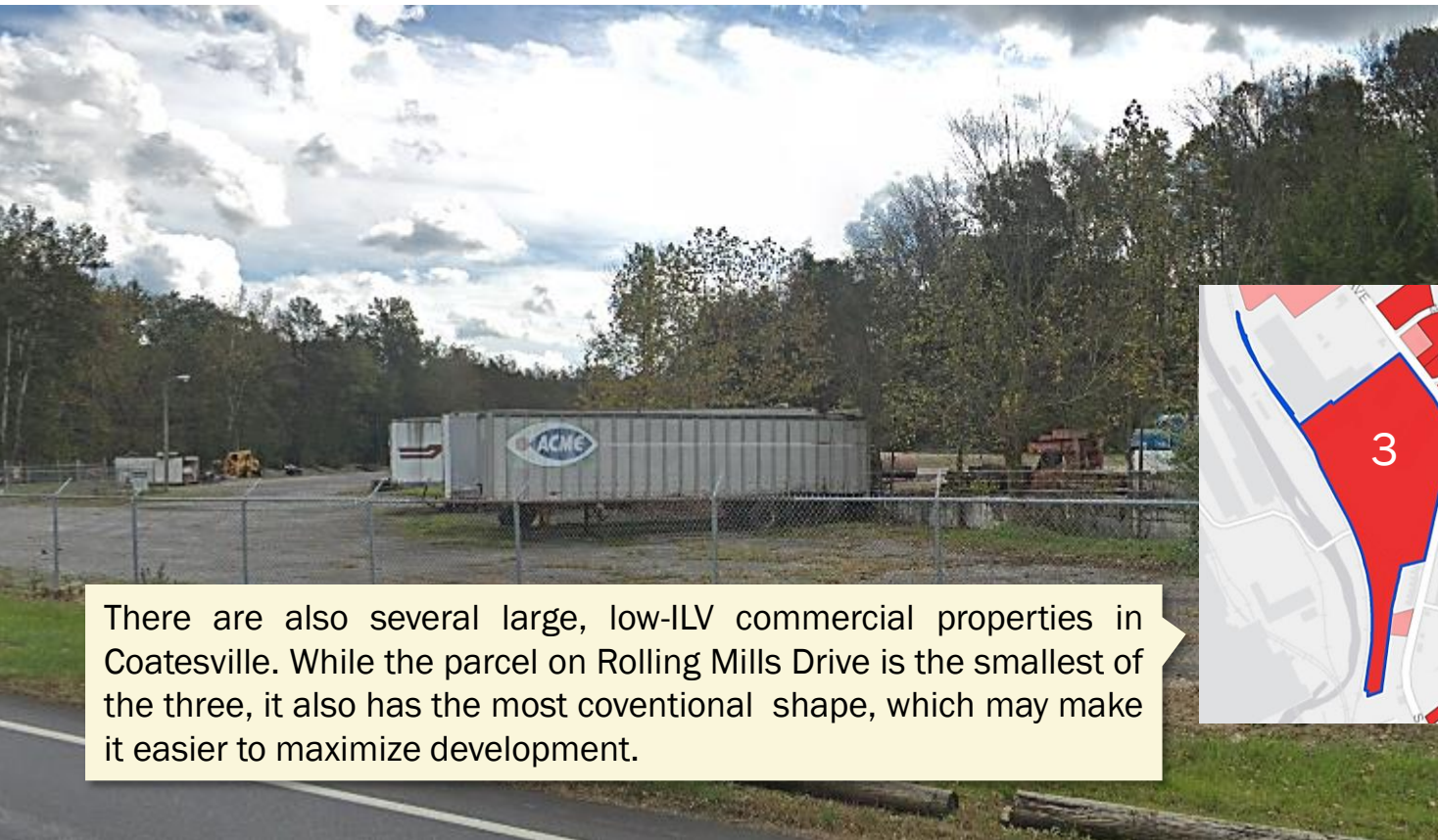
ILV Analysis: Large Commercial Sites in Valley Township (cont.)

Highlands Corporate Center: Positioned on 200 acres in Valley Township (north of the airport), the Highlands Corporate Center features approximately 32,000 square feet of office space (contained within two office buildings with suites ranging in size from 1,500 to 8,000 square feet); 150,000 square feet of industrial space (modules ranging from 15,000 to 65,000 square feet); and 270,000 square feet of flex space (modules ranging from 3,000 to 30,000 square feet), as well as build-to-suit land development opportunities for lease or purchase.



Source: Highlands Corporate Center

ILV Analysis: Large Commercial Sites in Coatesville

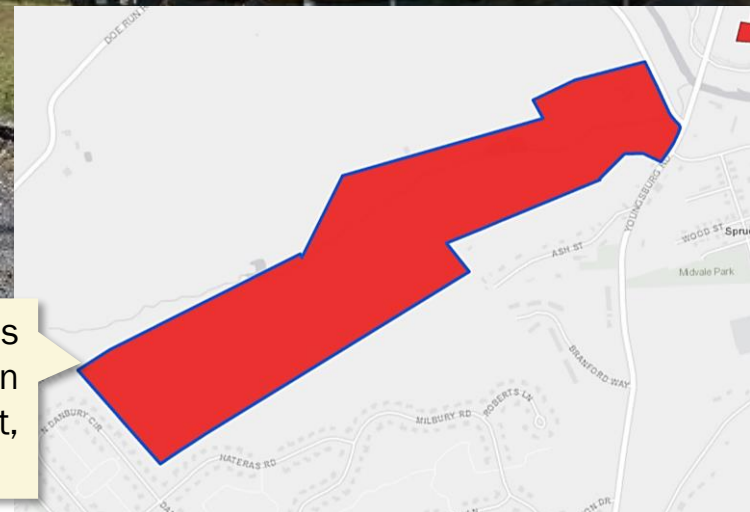


There are also several large, low-ILV commercial properties in Coatesville. While the parcel on Rolling Mills Drive is the smallest of the three, it also has the most conventional shape, which may make it easier to maximize development.



Site	Address	Owner	Use	Improvement Value	Land Value	Land Area (Acres)	ILV Ratio
1	300 W Kings Highway	A Duie Pyle Inc.	Parking and Open Storage	\$61,170	\$125,360	12	0.49
2	650 Manor Rd.	Redevelopment Authority of the City of Coatesville	Vacant Commercial	\$0	\$66,190	20	0
3	32 Rolling Mills Drive	ISG Plate Inc.	Vacant Commercial	\$0	\$99,310	11	0

ILV Analysis: Large Commercial Sites in South Coatesville



There is one large low-ILV commercial property in South Coatesville. This 71-acre property could accommodate a one large development, or even several unrelated industrial buildings. The majority of the site is vacant, but a portion along Newlinville Road is used for parking and storage.

Site	Address	Owner	Use	Improvement Value	Land Value	Land Area (Acres)	ILV Ratio
1	140 Newlinville Road	ISG Plate Inc.	Parking and vacant	\$35,240	\$574,200	71	0.06

Market Analysis

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Socio-Economic Trends Analysis

Key Findings: Socio-Economic Trends Analysis

Forecasted flat population growth

Although the study area experienced strong population growth from 2000 to 2010 (increasing by 2.4 percent per year), population growth has been relatively flat in recent years. Absent large-scale development, the study area's population is expected to remain relatively flat, at 0.6 percent per year over the next five years (increasing by approximately 700 people). Total population growth in the 20-minute PMA is also projected to remain flat over the next five years, at 0.7 percent per year (increasing by approximately 4,810 people).

Shifting and aging of the region's population

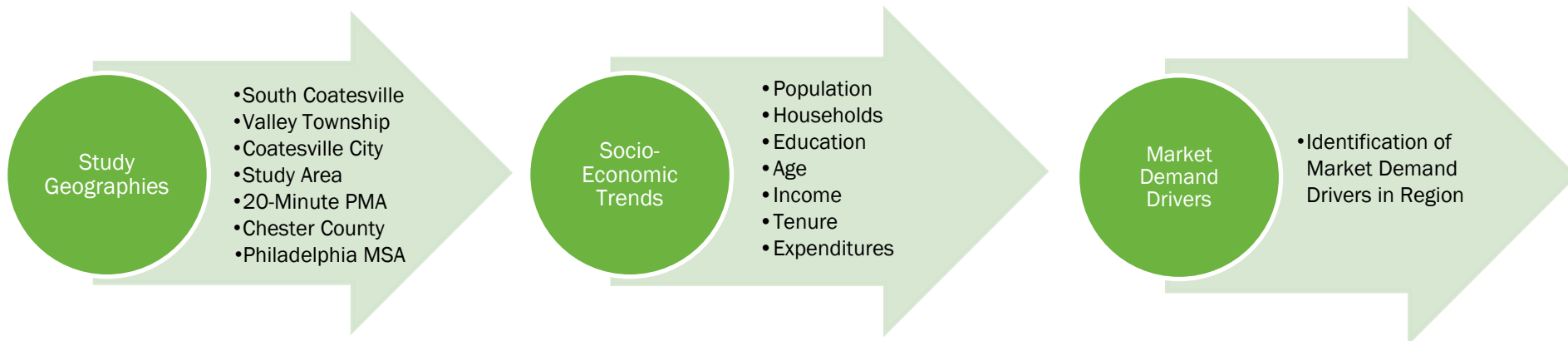
Despite relatively flat general population growth projected through 2024, the PMA is expected to experience population growth among early-stage families (ages 35 to 44) and older empty nesters and mostly retired persons, who are partially represented by the baby boom generation (those born between 1946 and 1964, or currently ages 54 to 72). The shifting and aging of the region's population will present opportunities for new housing types, as early-stage families seek to purchase homes (whether existing or newly built) and older empty nesters downsize from single-family housing to multi-family and townhouse units.

Relatively low household incomes and purchasing power

Average household expenditures within the study area are approximately 80 percent of the 2019 national average household expenditures on a range of goods and services. Household expenditures in the study area are reflective of its relatively lower levels of educational attainment and median household income, compared to those of the PMA and MSA. The study area's relatively weak purchasing power makes the attraction of national and regional retailers challenging, but not impossible.

Methodology: Socio-Economic Trends Analysis

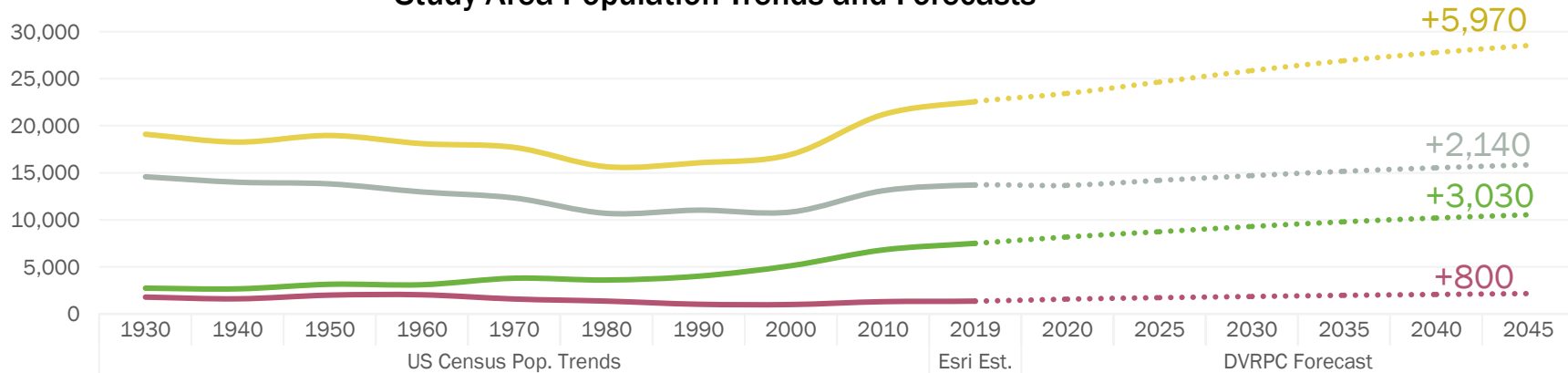
Using a combination of published government data (U.S. Census, Bureau of Labor Statistics, and Pennsylvania Labor Department) and proprietary analysis software (ESRI Community Analyst), 4ward Planning prepared a series of data tables comparatively illustrating demographic trends for the combined City of Coatesville, South Coatesville, and Valley Township study area (representing the “study area”); the 20-minute drive-time contour from the center of the study area (representing the Primary Market Area or PMA (e.g., within which 70 percent or more of households would work, live, and/or shop)); Chester County; and the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area (MSA). Specifically, demographic trends associated with population, households, age cohorts, and population density were analyzed. Additionally, we analyzed household income distribution, educational attainment, housing tenure, and consumer expenditure estimates (including restaurant, arts and entertainment expenditures). Demographic data is displayed for 2010, 2019 (estimated), and 2024 (projected).



Total Population

According to Esri, the study area currently has approximately 22,560 residents – an estimated 6,900 more residents than it had in 1980. As a result of the industrial restructuring of the region’s steel industry in the 1970s and 1980s, and the subsequent economic decline of communities located along the Brandywine River, many study area residents and workers have had to move away in recent decades to find new jobs. Since 2000, the study area has experienced strong population growth, largely due to population increase in Coatesville City and Valley Township, while the population in South Coatesville has remained relatively flat. According to forecasts provided by the Delaware Valley Regional Planning Commission (DVRPC), over the next 25 years, population within the study area is expected to increase by nearly 6,000 residents.

Study Area Population Trends and Forecasts



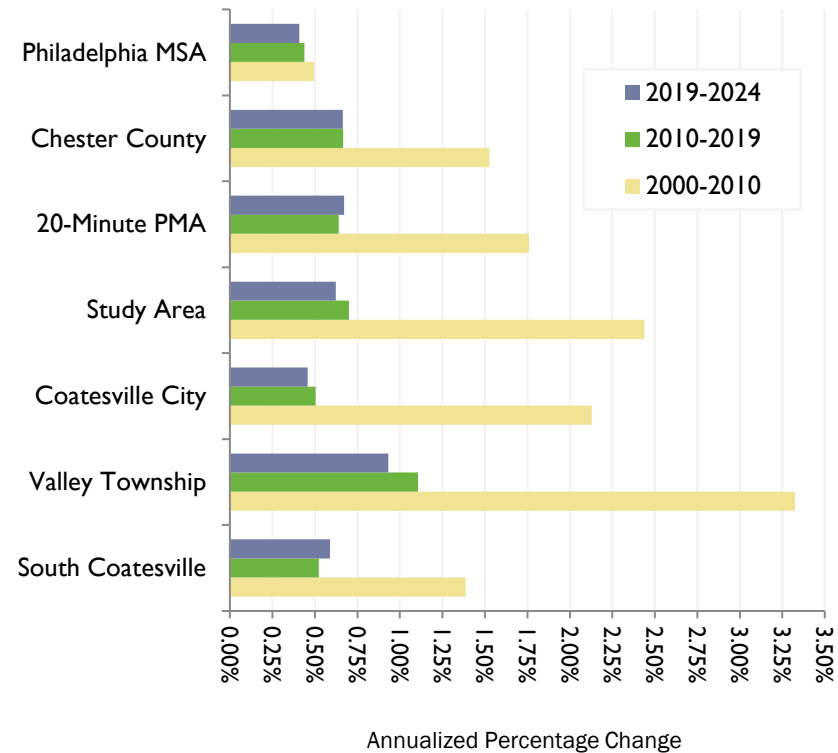
	1930	1940	1950	1960	1970	1980	1990	2000	2010	2019	2020	2025	2030	2035	2040	2045	
	US Census Pop. Trends									Esri Est.		DVRPC Forecast					
South Coatesville	1,785	1,604	1,996	2,032	1,583	1,359	1,026	997	1,303	1,358	1,574	1,713	1,853	1,975	2,075	2,160	
Valley Township	2,735	2,663	3,148	3,101	3,791	3,598	4,007	5,116	6,794	7,493	8,187	8,740	9,301	9,787	10,186	10,524	
Coatesville City	14,582	14,006	13,826	12,971	12,331	10,698	11,038	10,838	13,100	13,711	13,666	14,182	14,706	15,160	15,532	15,848	
Study Area	19,102	18,273	18,970	18,104	17,705	15,655	16,071	16,951	21,197	22,562	23,427	24,635	25,860	26,922	27,793	28,532	

Sources: 1930-1970 from Chester County Population Analysis Census, 1980-2010 from U.S. Decennial Census; 2019 from Esri; 2020-2045 from Delaware Valley Regional Planning Commission Population Forecasts

Total Population (continued)

Although the study area experienced strong population growth from 2000 to 2010 (increasing by 2.4 percent per year), population growth has been relatively flat in recent years. Most recently, from 2010 to 2019, the study area’s population increased by just 0.7 percent per year (strong growth would be in excess of 0.75 percent per year). Absent large-scale development, the study area’s population is expected to remain relatively flat, at 0.6 percent per year over the next five years (increasing by approximately 700 people). Total population growth in the 20-minute PMA is also projected to remain flat over the next five years, at 0.7 percent per year (increasing by approximately 4,810 people).

Annualized Percentage Change, Total Population

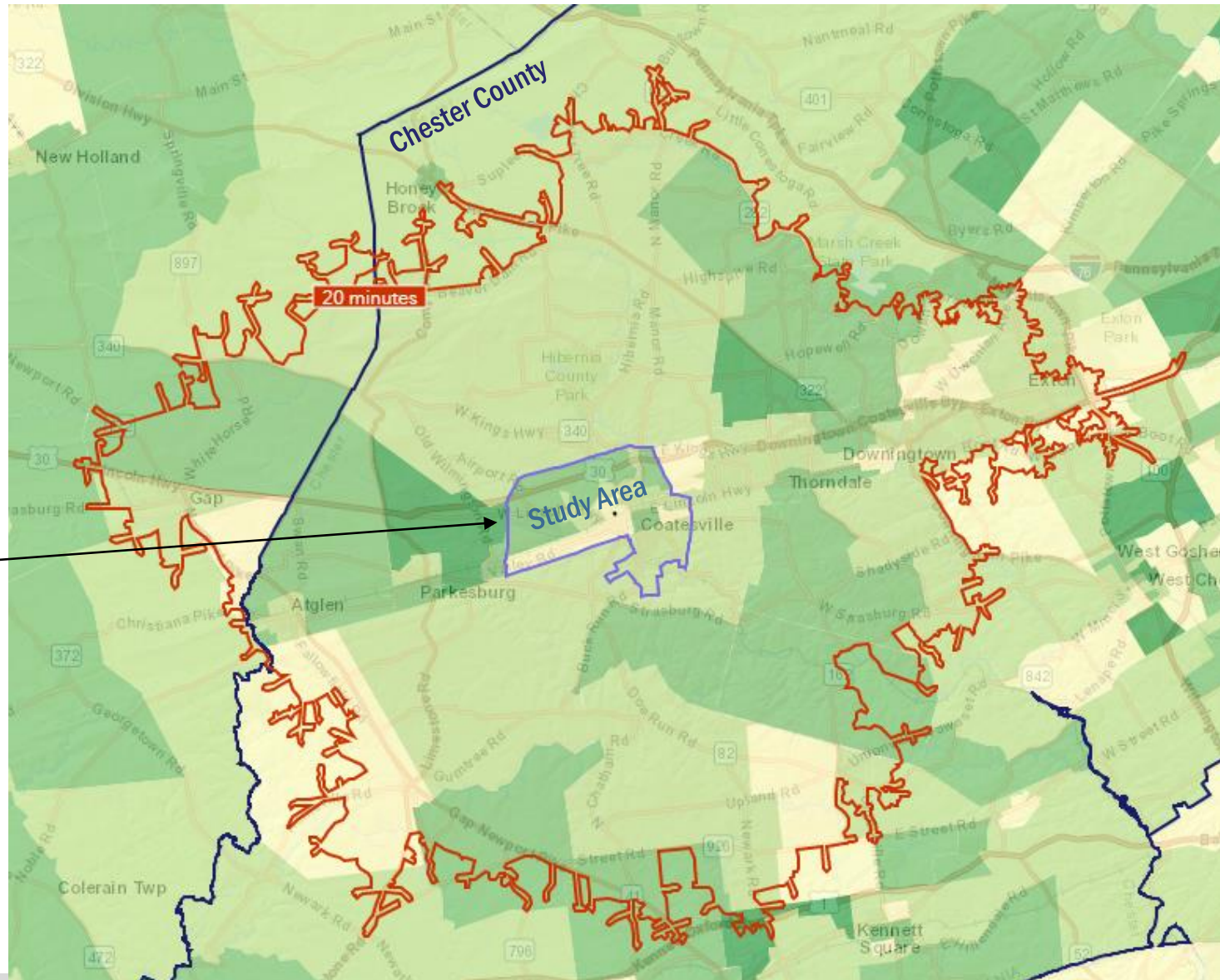
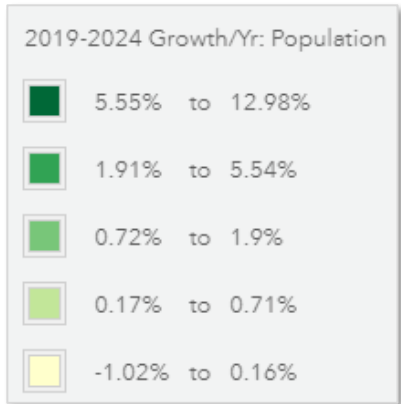


Population by Geography

	2000	2010	2019	2024	Net Change (2019-2024)
South Coatesville	1,139	1,297	1,358	1,398	40
Valley Township	5,114	6,814	7,493	7,842	349
Coatesville City	10,814	13,116	13,711	14,024	313
Study Area	17,067	21,227	22,562	23,264	702
20-Minute PMA	115,200	135,481	143,285	148,099	4,814
Chester County	433,501	499,665	529,578	547,137	17,559
Philadelphia MSA	5,687,144	5,968,851	6,203,916	6,330,339	126,423

Source: US Census Bureau; Esri; 4ward Planning Inc., 2019

Population: Annualized Pop. Change by Block Group, 2019 to 2024



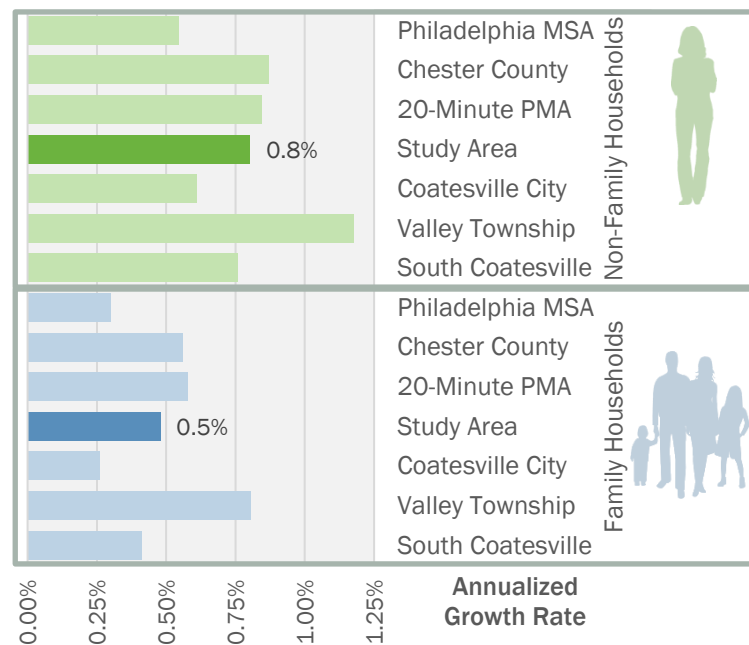
Relatively flat annualized population change between 2019 and 2024

Source: US Census Bureau; Esri; 4ward Planning Inc., 2019

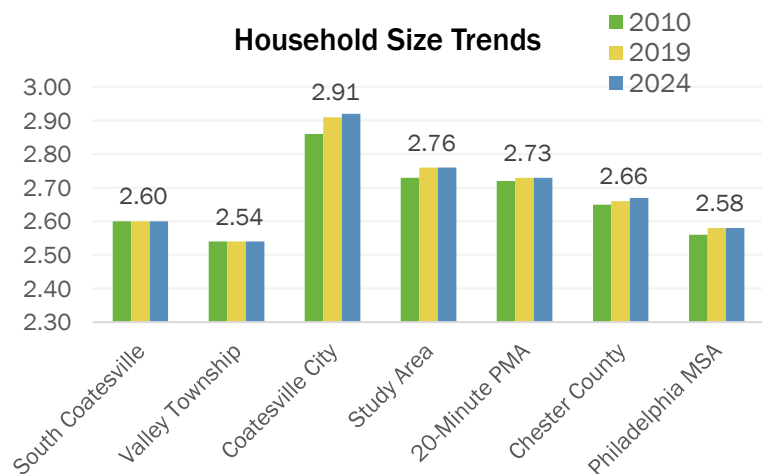
Household Formation

As illustrated in the chart to the right, the rates of non-family household formation (on top in green) in the Study Area is expected to be slightly stronger, compared to the rates of family household growth (on bottom in blue). As shown below, average household size in the study area (2.76 persons) is highest in Coatesville City (2.91) and lowest in Valley Township (2.54 persons). Average household size is expected to remain relatively steady through 2024. Household size trends will influence the number and types of housing units that will be market-supportable.

Household Formation Trends



Household Size Trends



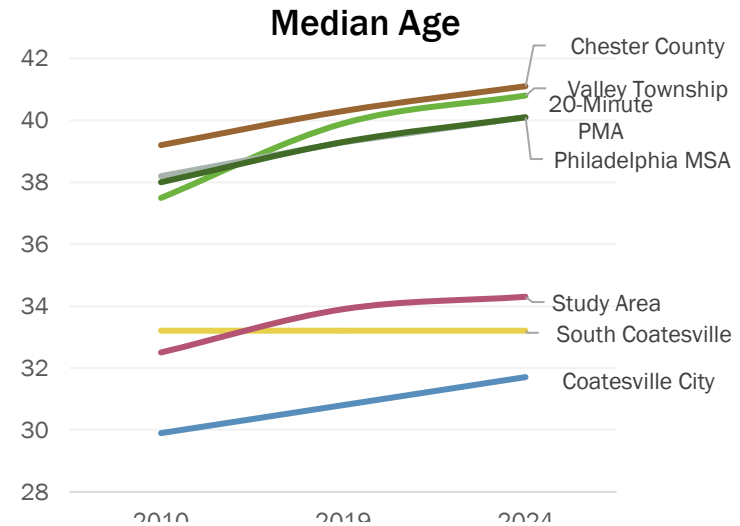
Households by Geography

	2000	2010	2019	2024	Net Change (2019-2024)
South Coatesville	418	499	523	537	14
Valley Township	1,874	2,665	2,933	3,068	135
Coatesville City	3,933	4,501	4,626	4,716	90
Study Area	6,225	7,665	8,082	8,321	239
20-Minute PMA	40,919	49,270	51,927	53,625	1,698
Chester County	157,905	183,187	193,665	199,995	6,330
Philadelphia MSA	2,134,402	2,261,724	2,344,093	2,389,485	45,392

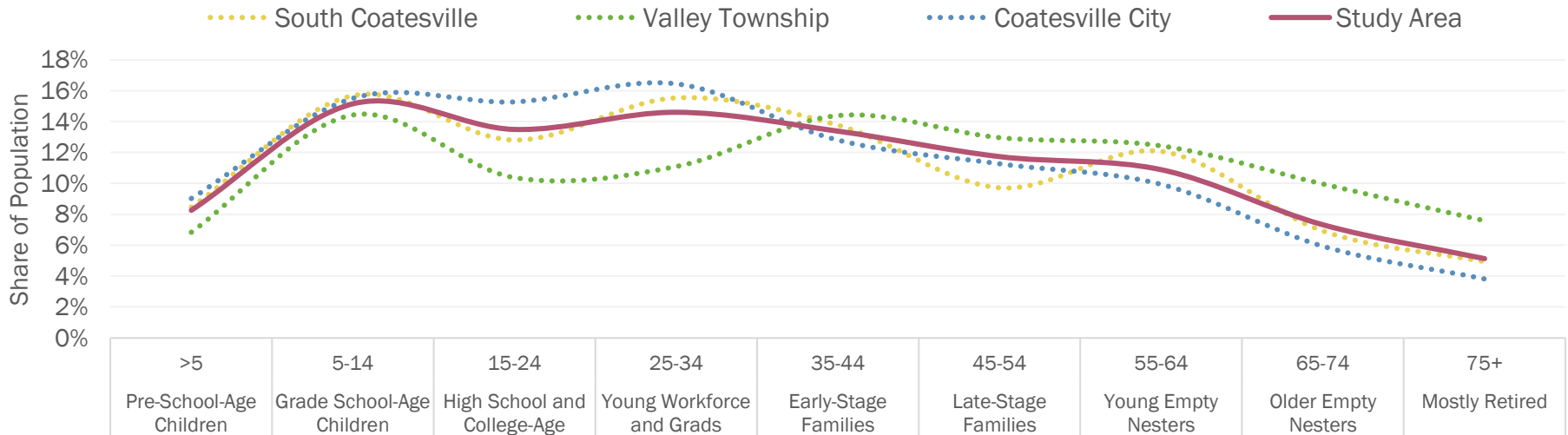
Source: US Census Bureau; Esri; 4ward Planning Inc., 2019

Age Distribution

As illustrated in the chart to the right, the median age in the study area (34 years) is lowest in Coatesville City (31 years) and highest in Valley Township (40 years). Although the median age in all geographies is expected to increase through 2024, the median age in the study area will remain much lower than those within the PMA and MSA. As shown below, within the study area, Coatesville City has relatively high shares of high-school- and college-age persons (consistent with a larger median household size), while Valley Township has higher shares of persons over 35 years old.



Age Distribution, 2019

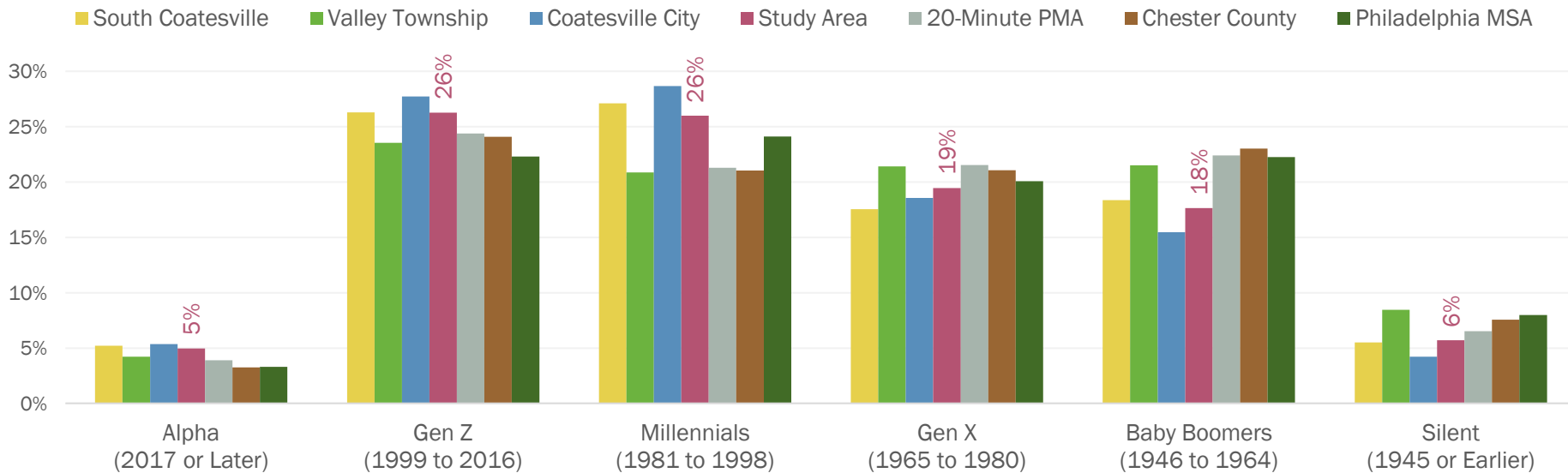


Source: Esri; 4ward Planning Inc., 2019

Age Distribution by Generation

The chart below compares population shares by generation across all geographies. Currently, persons representing both Generation Z (those born between 1999 and 2016) and the millennial generation (those born between 1981 and 1998) each represent 26 percent of residents within the study area (and up to 28 and 29 percent, respectively, in Coatesville City). According to a 2019 Emerging Trends in Real Estate survey published by Urban Land Institute (ULI), millennials are increasingly forming households, having kids, and moving to more affordable secondary market areas (e.g., first ring suburban areas). As a result, multi-family housing demand in secondary markets like those surrounding Philadelphia are expected to remain strong in coming years.

Generation by Population Share 2019

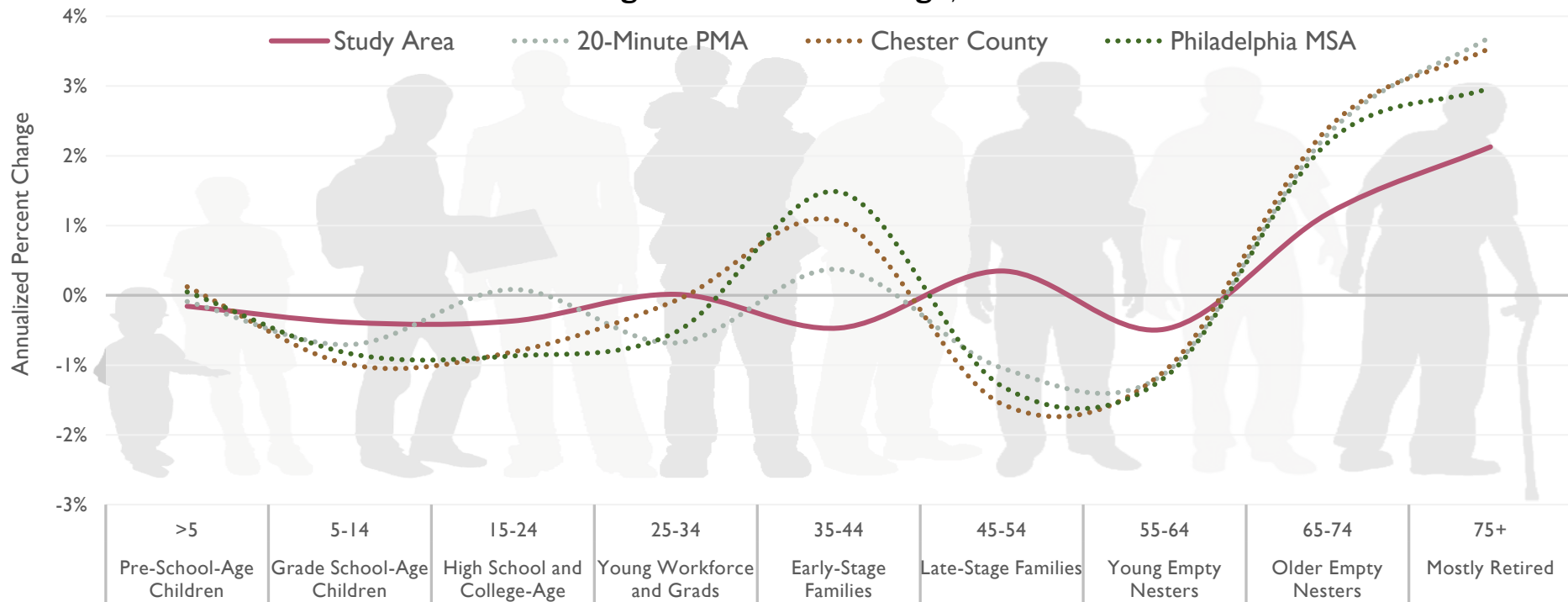


Source: Emerging Trends in Real Estate 2019 survey

Age Cohort Growth Patterns

Through 2024, all geographies are expected to experience the fastest population growth among older empty nesters and mostly retired persons (ages 65 and older), who are partially represented by the baby boom generation (those born between 1946 and 1964). The shifting and aging of the region’s population will present opportunities for new housing types, as early-stage families seek to purchase homes (whether existing or newly built) and older empty nesters downsize from single-family housing to multi-family and townhouse units.

Annualized Age Distribution Change, 2019-2024

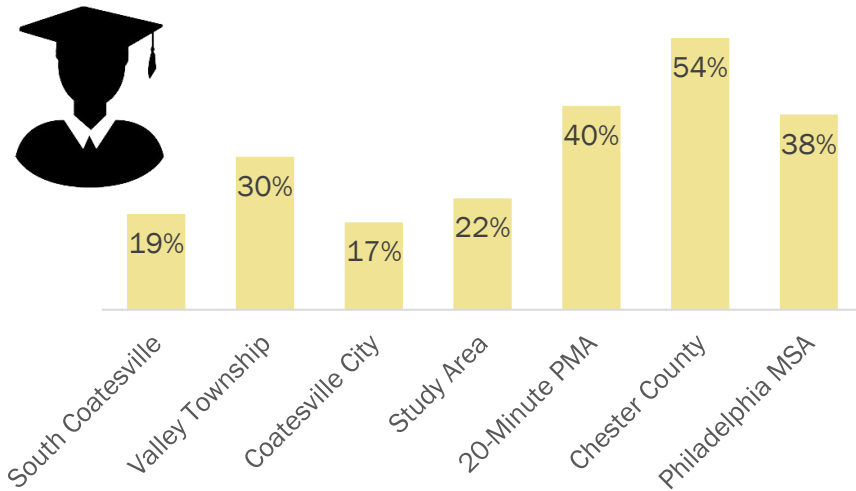


Source: US Census Bureau; Esri; 4ward Planning Inc., 2019

Educational Attainment & Income

As illustrated in the chart below, to the left, educational attainment is relatively low in the study area, where just 22 percent of adult residents ages 25 and older hold a bachelor’s degree or higher level of education (compared to 40 percent in the PMA and 54 percent in the County). Since median household income is strongly correlated with educational attainment, it is not surprising that 2019 median household income within the study area (\$55,431) is also relatively low compared to the PMA and County (\$87,083 and \$100,408, respectively). Although the median household income in all geographies is projected to rise over the next five years, it is expected to remain much lower in the study area.

Share of Adult Population with Bachelor’s Degree or Higher, 2019

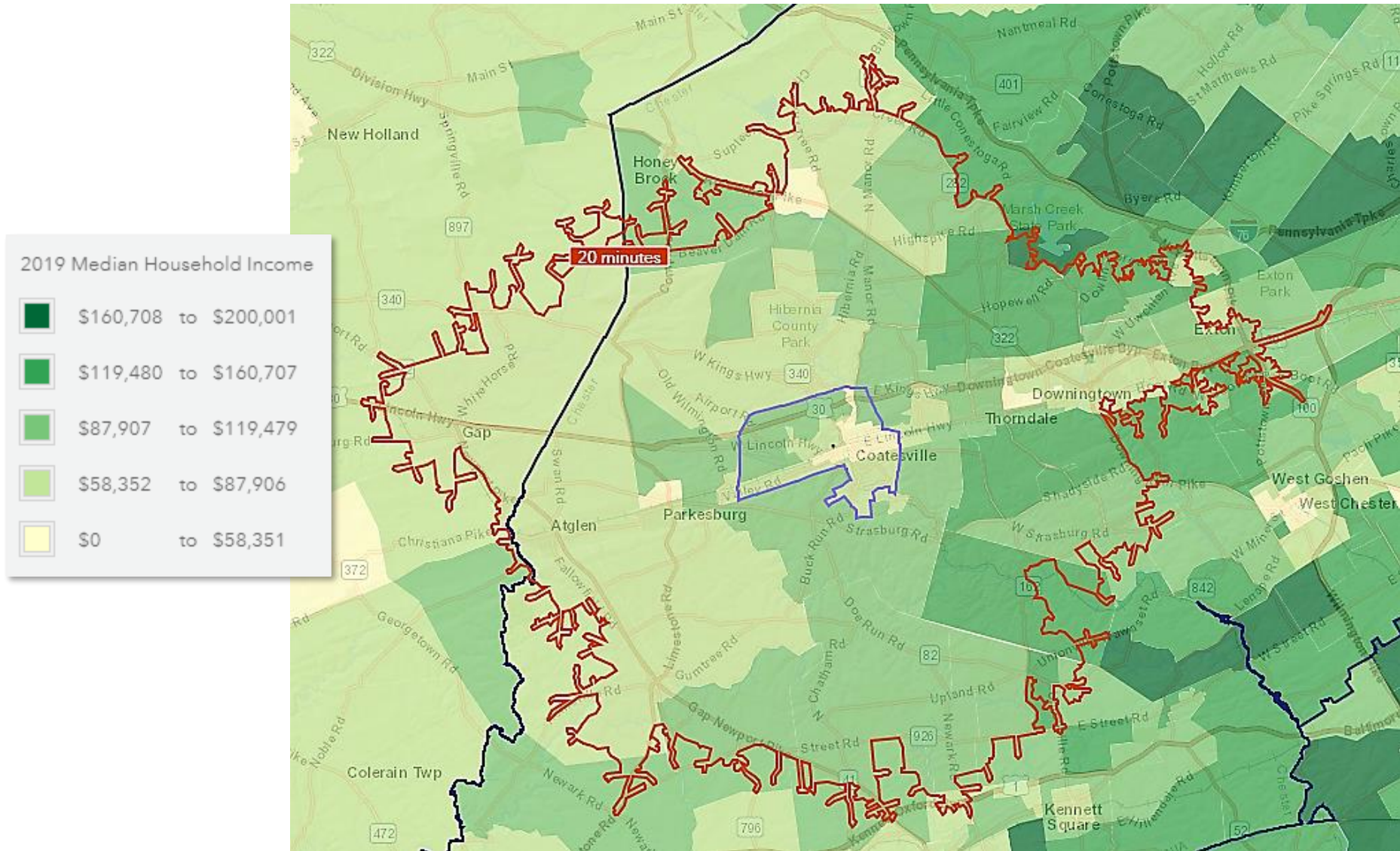


Median Household Income 2019-2024

	2019	2024	2019-2024	% Change
South Coatesville	\$66,279	\$78,065	\$11,786	17.8%
Valley Township	\$78,470	\$87,488	\$9,018	11.5%
Coatesville City	\$40,536	\$51,189	\$10,653	26.3%
Study Area	\$55,431	\$65,828	\$10,397	18.8%
20-Minute PMA	\$87,083	\$101,186	\$14,103	16.2%
Chester County	\$100,408	\$110,357	\$9,949	9.9%
Philadelphia MSA	\$69,632	\$79,682	\$10,050	14.4%

Source: Esri; 4ward Planning Inc., 2019

Median Household Income by Block Group: 2019

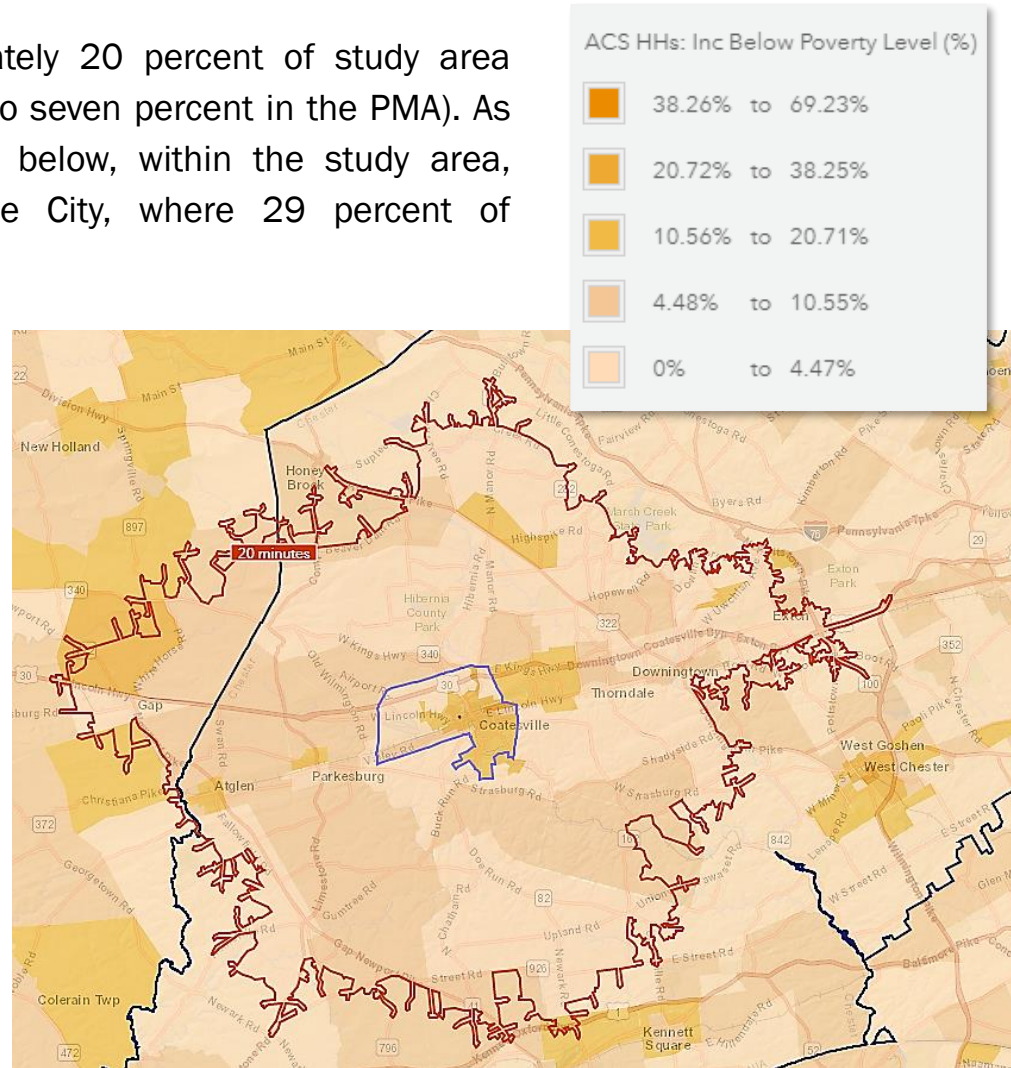
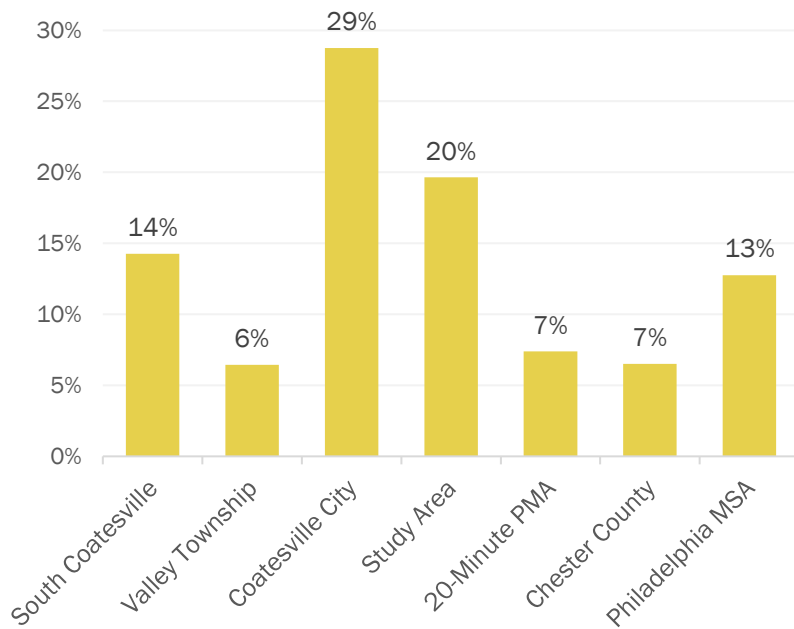


Source: Esri; 4ward Planning Inc., 2019

Households Below the Poverty Level: 2017

According to 2013 to 2017 ACS data, approximately 20 percent of study area households live below the poverty level (compared to seven percent in the PMA). As depicted in the chart and map (by block group) below, within the study area, household poverty is concentrated in Coatesville City, where 29 percent of households live below the poverty level.

Share of Households Below the Poverty Level, 2017

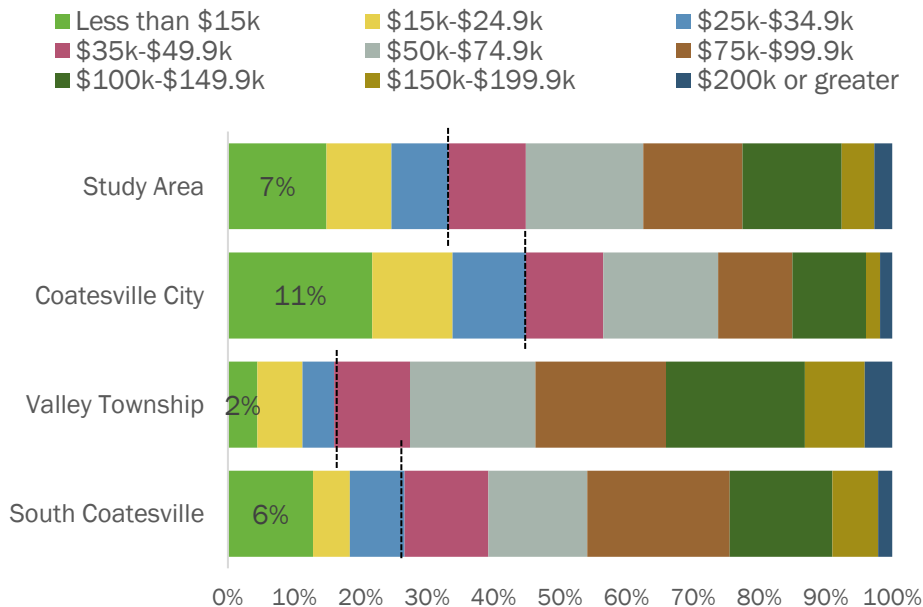


Source: 2013-2017 ACS, Esri; 4ward Planning Inc., 2019

Income Distribution

As shown in the chart below (left), high poverty levels in Coatesville City are likely due to the relatively large share of households (approximately 11 percent in 2019) earning less than \$15,000 per year (compared to just seven percent within the study area). As illustrated in the chart below (right), Esri projects that within the study area, households earning more than \$75,000 per year will grow the fastest over the next five years, suggesting improving opportunities for new retail service businesses.

Income Distribution, 2019



Annualized Percent Household Income Change, 2019-2024

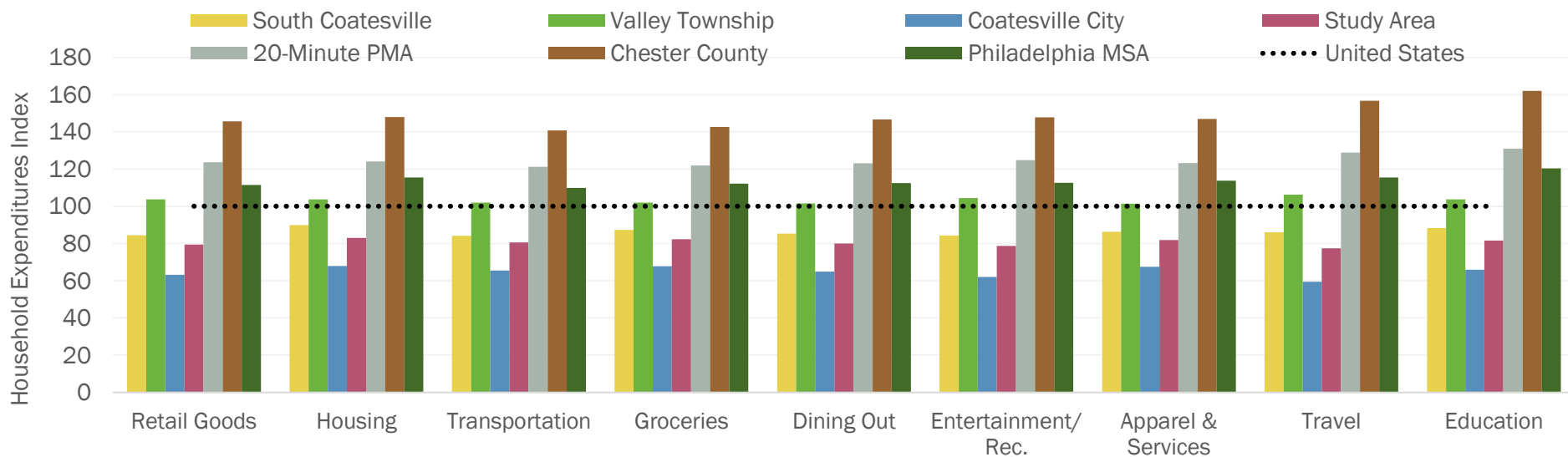
	South Coatesville	Valley Township	Coatesville City	Study Area
Less than \$15k	-3.9%	-4.2%	-4.1%	-4.1%
\$15k-\$24.9k	-4.1%	-4.3%	-3.0%	-3.3%
\$25k-\$34.9k	-3.3%	-3.4%	-0.5%	-1.2%
\$35k-\$49.9k	-2.1%	-2.7%	-0.6%	-1.5%
\$50k-\$74.9k	-0.5%	-1.3%	1.2%	0.1%
\$75k-\$99.9k	1.6%	0.9%	2.9%	1.8%
\$100k-\$149.9k	5.4%	4.6%	7.3%	5.8%
\$150k-\$199.9k	8.3%	8.3%	12.2%	9.3%
\$200k or greater	7.3%	5.6%	8.9%	7.0%

Sources: US Census Bureau; Esri; 4ward Planning Inc., 2019

Household Expenditures

As illustrated in the chart below, in 2019, average household expenditures within the study area were considerably lower (approximately 80 percent) than national average household expenditures on a range of goods and services. Household expenditures in the study area are reflective of its relatively lower levels of educational attainment and median household income, compared to those of the PMA, County, and MSA. The study area’s relatively weak purchasing power makes the attraction of national and regional retailers challenging, but not impossible. Consequently, attracting higher income households to the study area, particularly within the city of Coatesville, is critical to supporting existing and new retail and food businesses.

Household Expenditure Index by Geography, 2019



Source: Esri; 4ward Planning Inc., 2019

Tapestry Segments: An Overview

Esri's Tapestry Segmentation process classifies U.S. residential neighborhoods into 65 unique segments based on demographic variables such as age, income, home value, occupation, household type, education, and other consumer behavior, demographic, and socio-economic characteristics.

According to Esri, companies, agencies, and organizations have used segmentation to divide and group consumer markets to more precisely target their best customers and prospects. This targeting method is, purportedly, superior to using "scattershot" methods that might attract preferred groups. Segmentation explains customer diversity, simplifies marketing campaigns, describes lifestyles and life-stages, and incorporates a wide range of data.

Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes - "like seeks like." These behaviors can be measured, predicted, and targeted. Esri's Tapestry Segmentation system combines the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of various lifestyle classifications or segments of actual neighborhoods with addresses - distinct behavioral market segments.

The chart on the following page compares the top 20 Tapestry Segments by share of total households within the PMA, along with key socio-economic metrics (median age, household size, etc.). Approximately 46 percent of households in the study area have some preference for multi-family housing (compared to just 22 percent within the PMA), with 48 percent preferring rental housing (compared to just 27 percent in the PMA).

Source: Esri; 4ward Planning Inc., 2019

Top 20 Tapestries

Tapestry Segment	Household Type	Housing Type	Share of Households					20-Minute PMA	Median Age	Average HH Size	Median HH Income	% Renters
			South Coatesville	Valley Township	Coatesville City	Study Area						
Savvy Suburbanites	Married Couples	Single-Family					14.4%	45.3	2.9	\$111,900	9%	
Parks and Rec	Married Couples	Single-Family		26.1%		9.5%	10.4%	41.1	2.5	\$61,900	32%	
Professional Pride	Married Couples	Single-Family					10.3%	40.8	3.1	\$142,300	9%	
Soccer Moms	Married Couples	Single-Family					9.9%	37.0	3.0	\$94,200	14%	
Green Acres	Married Couples	Single-Family					6.3%	44.1	2.7	\$79,100	13%	
Enterprising Professionals	Married Couples	Multi-Units; SF					6.2%	35.4	2.5	\$90,300	70%	
In Style	Married Couples	Single-Family		57.5%		20.9%	6.0%	42.2	2.4	\$75,600	34%	
Front Porches	Married Couples w/No Kids	Single-Family; Multi-Units	100.0%		17.2%	16.3%	4.7%	35.1	2.6	\$45,500	52%	
Comfortable Empty Nesters	Married Couples	Single-Family					4.0%	48.2	2.5	\$76,900	12%	
Salt of the Earth	Married Couples	Single-Family					3.6%	44.3	2.6	\$58,100	16%	
Fresh Ambitions	Married Couples	Multi-Unit Rentals; SF			35.9%	20.6%	3.2%	28.7	3.2	\$28,000	75%	
Bright Young Professionals	Married Couples	Single-Family; Multi-Units					3.2%	33.2	2.4	\$55,700	60%	
Old and Newcomers	Singles	Single-Family; Multi-Units					2.3%	39.5	2.1	\$45,900	57%	
Pleasantville	Married Couples	Single-Family					2.3%	42.8	2.9	\$97,500	16%	
Southern Satellites	Married Couples	Single-Family; Mobile Homes					1.8%	40.4	2.7	\$49,800	34%	
Golden Years	Singles	Single-Family; Multi-Units					1.5%	52.6	2.1	\$75,400	59%	
Metro Fusion	Singles	Multi-Unit Rentals; SF			16.1%	9.2%	1.4%	29.3	2.7	\$37,200	77%	
Modest Income Homes	Singles	Single-Family			15.8%	9.1%	1.4%	37.2	2.6	\$24,600	39%	
Hardscrabble Road	Singles	Single-Family			14.9%	8.5%	1.3%	32.5	2.7	\$29,300	41%	
Home Improvement	Married Couples	Single-Family					1.2%	37.8	2.9	\$74,900	16%	
Weighted Share with Some MF Preference			100%	0%	69%	46%	22%					
Weighted Share of Renter Households			52%	28%	61%	48%	27%					

Source: Esri; 4ward Planning Inc., 2019

Labor and Industry Trends Analysis

Key Findings: Labor and Industry Trends Analysis

Recent net job losses due to loss of manufacturing jobs in Coatesville City

According to the U.S. Census, in 2017, the number of primary jobs in the study area represented 84 percent of the number of jobs in 2002 (3,844 jobs). While the number of jobs in both South Coatesville and Valley Township grew from 2002 to 2017 (increasing by 915 and 161 jobs, respectively), the number of jobs in Coatesville City declined significantly (by 1,707 primary jobs) over the same period. Overall, the study area lost 631 jobs from 2002 to 2017.

Health Care expected to dominate job growth within the County

Based on long-term employment projections by industry data provided by the Pennsylvania Department of Labor and Industry for Chester County, the health care and social assistance sector is expected to remain the top industry by new job creation within Chester County, adding 10,410 new, relatively mid-wage (average annual earnings of \$45,660) jobs by 2029.

Low and declining share of residents both living and working in the study area

In 2017, just 2.4 percent of study area residents also worked in the study area, while approximately 8,037 study area residents commuted beyond it for work (nearly five percent worked in Philadelphia). Approximately 2,670 study area workers commuted into the study area for work. From 2002 to 2017, the share of residents both living and working in the study area declined by 3.9 points. The low and declining share of residents both living and working in the study area is likely due to a deficiency in the local economy (e.g., lack of living-wage employment opportunities or qualified workforce).

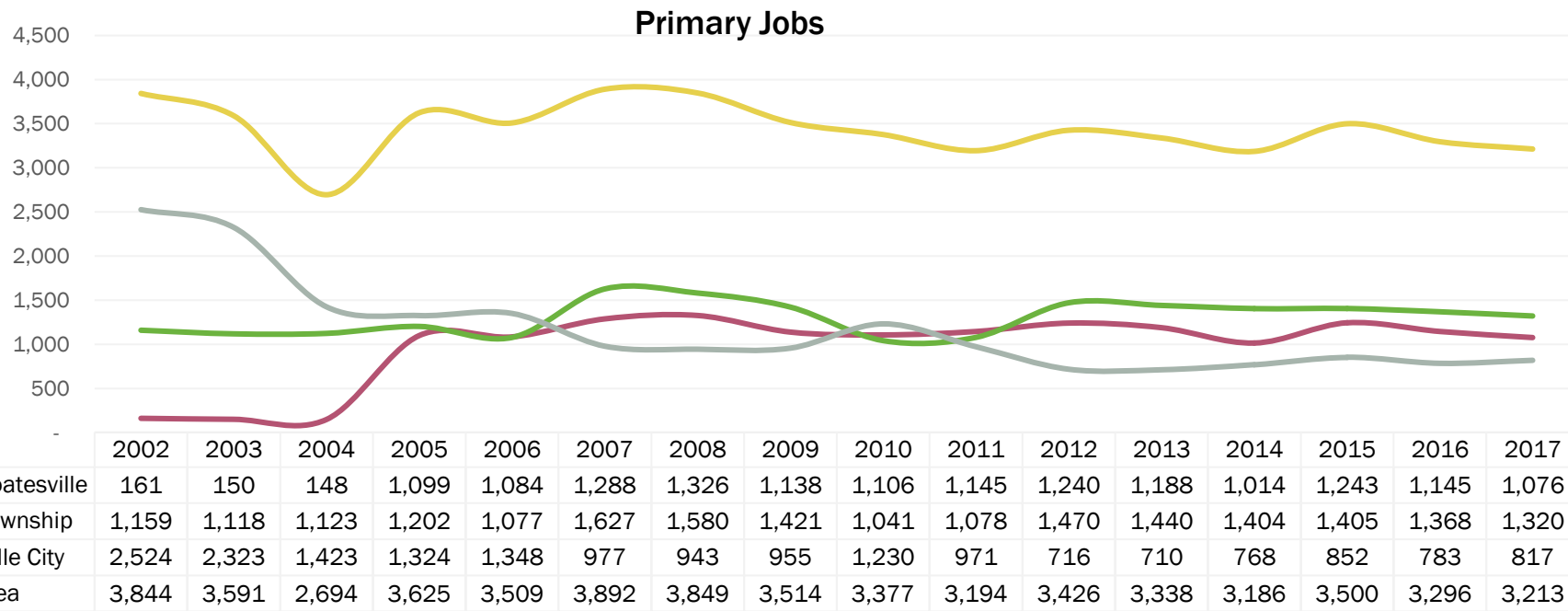
Methodology: Labor and Industry Trends Analysis

The examination of projected employment data by industry provides necessary insight into the types and quantity of commercial land uses which might be in demand over the coming years - some portion of which, possibly, could be captured in the study area. Labor market trends include industry employment, the top employers by industry for the County, day-time worker population estimates within the study area, and a travel shed analysis (demonstrating worker commuting patterns to and from the study area). Labor data was assembled from the latest U.S. Department of Labor and Pennsylvania Labor Department Industry figures. Current labor market and industry trends were also examined for Chester County and the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area (the “Philadelphia MSA”), including current and projected industry employment and average earnings. 4ward Planning also examined local employment location quotients (LQs) to identify industries that are geographically concentrated or of a similar nature, and that make use of related buyers, suppliers, infrastructure and workforce. Location quotients (LQs) are ratios that compare the concentration of employment in a given area to that of a larger area (in this case, Pennsylvania). By identifying industry clusters, business recruitment, attraction, and development efforts will be able to focus on companies that complement existing businesses.



Primary Jobs: Study Area

According to the U.S. Census, in 2017, the study area had 3,213 primary jobs (if more than one job is held by an individual, the primary job is that which pays most) with 41 percent of these jobs located in Valley Township, 33 percent in South Coatesville, and 25 percent in Coatesville City. In 2017, total jobs represented approximately 84 percent of the number of primary jobs in 2002 (3,844 jobs). While the number of primary jobs in both South Coatesville and Valley Township grew from 2002 to 2017 (increasing by 915 and 161 jobs, respectively), the number of primary jobs in Coatesville City declined significantly (by 1,707 primary jobs) over the same period. Overall, the study area lost 631 primary jobs from 2002 to 2017.



Sources: U.S. Census Bureau, Center for Economic Studies; 4ward Planning, Inc., 2019

Employment Change

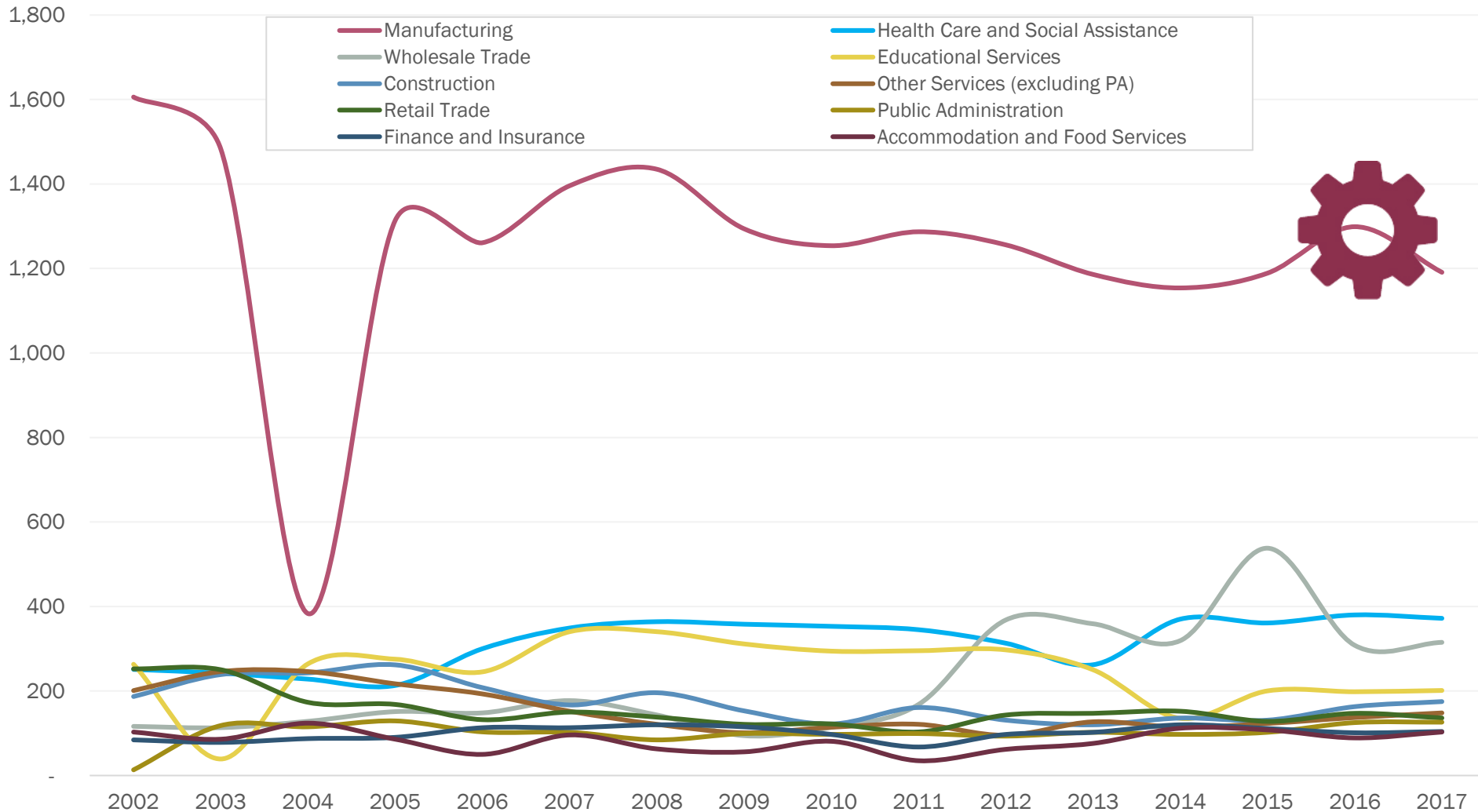
From 2002 to 2017, the study area lost 631 jobs, with a decrease of 415 jobs in the manufacturing sector (largely within Coatesville City) and 210 jobs in the administration & support sector (also largely within Coatesville City). Although the number of manufacturing sector jobs increased in South Coatesville (by 870 jobs), the manufacturing sector lost 1,273 jobs in Coatesville City, resulting in a net loss of 415 jobs in the study area over the same period (illustrated in more detail on the following page).

Primary Job Change by Industry, 2002-2017

	South Coatesville	Valley Township	Coatesville City	Study Area	20-Minute PMA	Chester County	Philadelphia MSA
Wholesale Trade	58	156	(15)	199	509	1,110	(8,369)
Health Care and Social Assistance	2	97	22	121	5,439	9,405	143,749
Public Administration	8	38	67	113	(49)	(371)	(8,677)
Management of Companies	0	32	(7)	25	2,392	5,975	28,424
Finance and Insurance	(8)	31	(3)	20	718	1,734	11,157
Arts, Entertainment, and Recreation	0	11	(1)	10	1,216	1,099	10,630
Utilities	0	0	0	0	(108)	(26)	647
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0	(5)	(16)	(559)
Accommodation and Food Services	(3)	(7)	10	0	1,546	3,462	45,676
Construction	35	(14)	(33)	(12)	1,446	838	5,076
Real Estate	0	(3)	(10)	(13)	(215)	657	(703)
Transportation and Warehousing	(38)	14	2	(22)	1,856	1,009	19,070
Agriculture, Forestry, Fishing and Hunting	0	(36)	(1)	(37)	128	141	1,354
Other Services (excluding PA)	2	(34)	(21)	(53)	490	1,653	12,602
Educational Services	0	51	(113)	(62)	2,363	4,963	39,619
Professional, Scientific, and Technical Services	0	(54)	(13)	(67)	6,694	11,157	37,597
Retail Trade	0	(79)	(37)	(116)	3,976	1,645	4,169
Information	(10)	(19)	(103)	(132)	1,118	1,222	50,773
Administration & Support	(1)	(11)	(178)	(190)	1,015	1,889	38,201
Manufacturing	870	(12)	(1,273)	(415)	(6,945)	(11,332)	(78,461)
Total	915	161	(1,707)	(631)	23,584	36,214	351,975

Source: U.S. Census Bureau, Center for Economic Studies

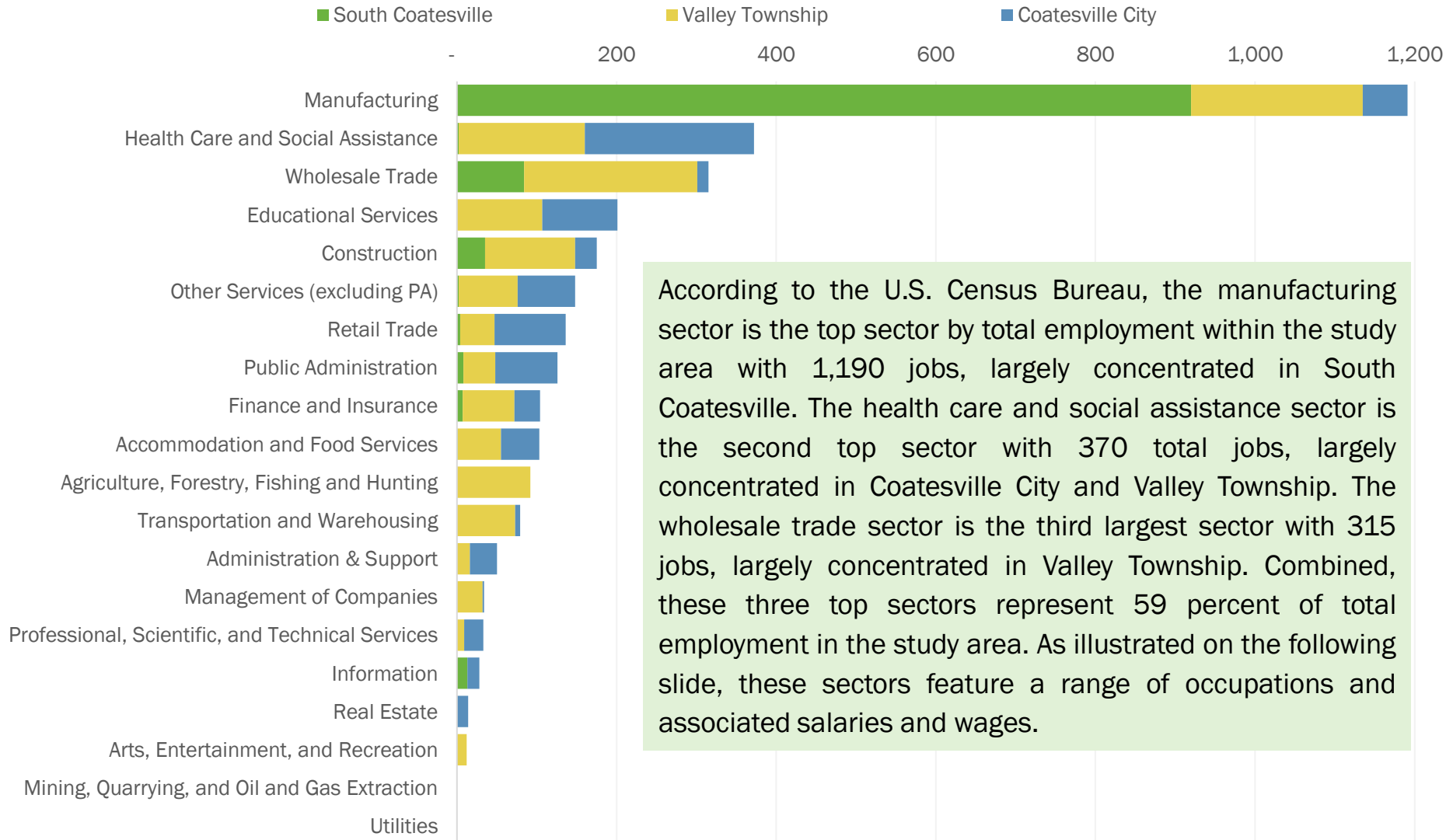
Top 10 Industries by Primary Jobs: Study Area



Sources: U.S. Census Bureau, Center for Economic Studies; 4ward Planning, Inc., 2019

Employment

Industries by Employment, 2017

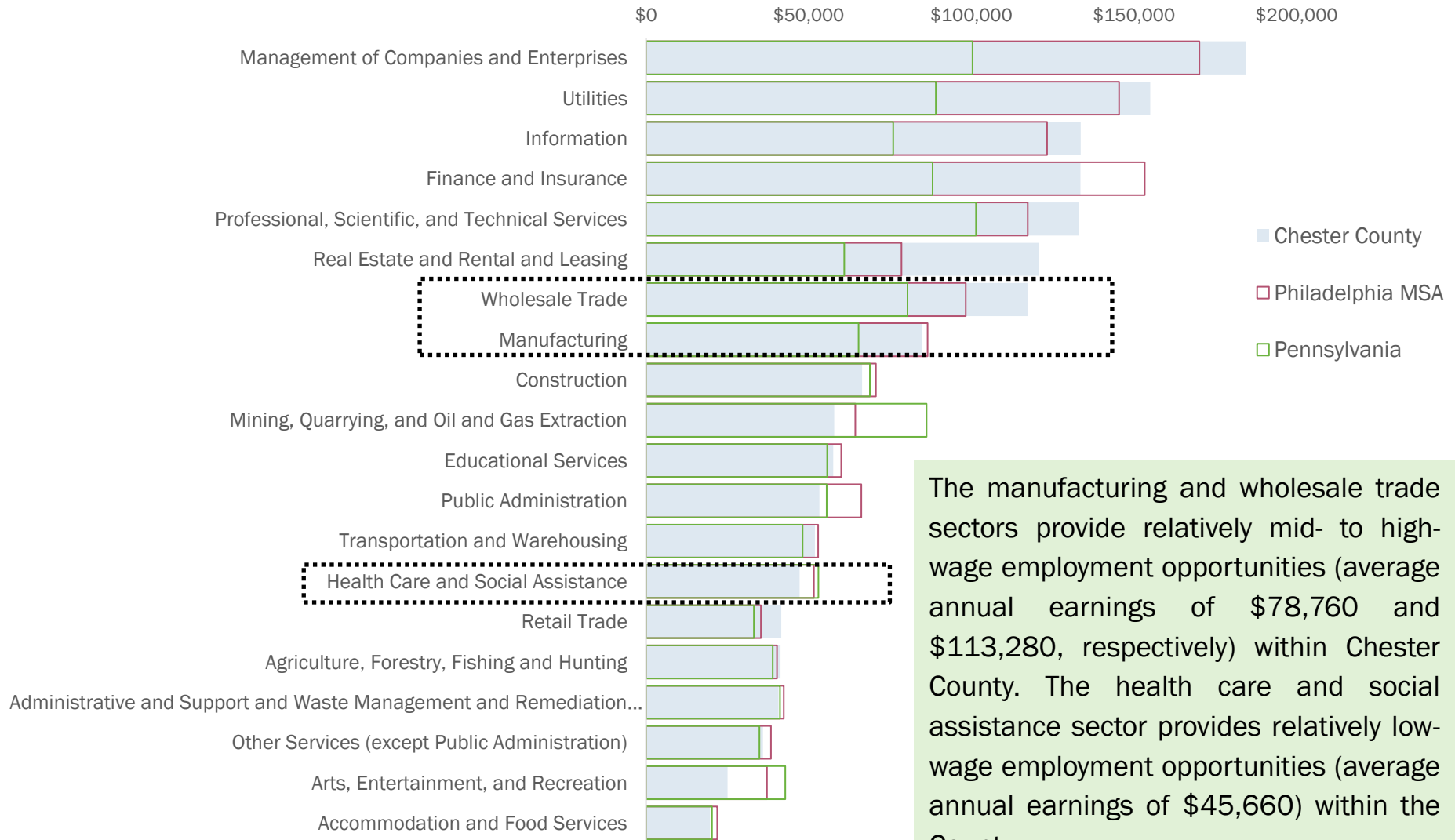


According to the U.S. Census Bureau, the manufacturing sector is the top sector by total employment within the study area with 1,190 jobs, largely concentrated in South Coatesville. The health care and social assistance sector is the second top sector with 370 total jobs, largely concentrated in Coatesville City and Valley Township. The wholesale trade sector is the third largest sector with 315 jobs, largely concentrated in Valley Township. Combined, these three top sectors represent 59 percent of total employment in the study area. As illustrated on the following slide, these sectors feature a range of occupations and associated salaries and wages.

Source: U.S. Census Bureau, Center for Economic Studies, LEHD

Earnings

Average Annual Earnings, 2018 Q1



The manufacturing and wholesale trade sectors provide relatively mid- to high-wage employment opportunities (average annual earnings of \$78,760 and \$113,280, respectively) within Chester County. The health care and social assistance sector provides relatively low-wage employment opportunities (average annual earnings of \$45,660) within the County.

Source: U.S. Census Bureau, Center for Economic Studies, LEHD

Employment Share

The table below compares 2017 employment share across industries and geographies, with the top two sectors in each geography highlighted in **bold**. In 2017, the manufacturing sector represented 37.1 percent of total employment within the study area (notably 85.5 percent in South Coatesville). The health care and social assistance sector was the second top sector in terms of total employment (11.6 percent) within the study area (notably 25.9 percent in Coatesville City). Although the professional, scientific, and technical services sector represented 12.1 percent of total employment within the PMA, it represented just 1.0 percent of total employment within the study area.

Percent Primary Job Share by Industry, 2017

	South Coatesville	Valley Township	Coatesville City	Study Area	20-Minute PMA	Chester County	Philadelphia MSA	Pennsylvania
Manufacturing	85.5%	16.3%	6.9%	37.1%	9.6%	8.1%	6.8%	10.5%
Health Care and Social Assistance	0.2%	12.0%	25.9%	11.6%	11.7%	12.7%	17.5%	17.6%
Wholesale Trade	7.8%	16.4%	1.7%	9.8%	6.2%	5.4%	4.5%	4.0%
Educational Services	0.0%	8.1%	11.5%	6.3%	8.4%	7.9%	9.3%	8.7%
Construction	3.3%	8.6%	3.3%	5.4%	6.4%	4.9%	4.5%	4.6%
Other Services (excluding PA)	0.2%	5.6%	8.8%	4.6%	3.0%	3.8%	3.3%	3.3%
Retail Trade	0.4%	3.3%	10.9%	4.2%	11.6%	9.9%	10.7%	10.7%
Public Administration	0.7%	3.0%	9.5%	3.9%	0.7%	1.8%	2.9%	3.3%
Finance and Insurance	0.7%	4.9%	3.9%	3.2%	3.5%	8.1%	6.7%	4.8%
Accommodation and Food Services	0.1%	4.1%	5.9%	3.2%	5.5%	5.7%	7.1%	7.6%
Agriculture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transportation and Warehousing	0.0%	5.5%	0.7%	2.5%	4.7%	2.8%	3.6%	4.8%
Administration & Support	0.0%	1.2%	4.2%	1.6%	5.4%	4.9%	6.5%	5.3%
Management of Companies	0.0%	2.4%	0.2%	1.1%	2.9%	3.6%	2.3%	2.6%
Professional, Scientific, and Technical Services	0.0%	0.7%	2.9%	1.0%	12.1%	12.2%	8.5%	6.5%
Information	1.2%	0.0%	1.8%	0.9%	3.0%	2.6%	1.9%	1.6%
Real Estate	0.0%	0.0%	1.7%	0.4%	0.9%	1.7%	1.4%	1.1%
Arts, Entertainment, and Recreation	0.0%	0.9%	0.0%	0.4%	1.7%	1.5%	1.5%	1.4%
Mining	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.6%	0.7%

Source: U.S. Census Bureau, Center for Economic Studies

Location Quotients

Employment location quotients (LQs) are ratios that compare the concentration of employment in a given area to that of a larger area (in this case, Pennsylvania). For example, if the LQ of a particular industry in a given area is 1.5, this would indicate the industry in question is 1.5 times more concentrated relative to that industry in the larger area. In 2017, the study area featured five industries with employment LQs that are more concentrated than those within the State (highlighted in green), including one industry with employment LQs nearly seven times the rate within the State (agriculture sector) and one industry with employment LQs more than three times the rate within the State (manufacturing sector).

Location Quotients by Industry, 2017

	South Coatesville	Valley Township	Coatesville City	Study Area	20-Minute PMA	Chester County	Philadelphia MSA
Manufacturing	8.14	1.55	0.65	3.53	0.92	0.77	0.64
Health Care and Social Assistance	0.01	0.68	1.48	0.66	0.66	0.72	0.99
Wholesale Trade	1.96	4.12	0.43	2.46	1.55	1.36	1.12
Educational Services	0.00	0.93	1.33	0.72	0.97	0.91	1.07
Construction	0.71	1.86	0.72	1.18	1.39	1.07	0.98
Other Services (excluding PA)	0.06	1.67	2.63	1.38	0.89	1.13	0.99
Retail Trade	0.03	0.30	1.02	0.39	1.08	0.92	0.99
Public Administration	0.22	0.91	2.88	1.18	0.20	0.54	0.88
Finance and Insurance	0.13	1.02	0.81	0.67	0.72	1.67	1.38
Accommodation and Food Services	0.01	0.54	0.77	0.42	0.73	0.74	0.92
Agriculture, Forestry, Fishing and Hunting	0.00	16.87	0.00	6.93	5.74	5.06	0.88
Transportation and Warehousing	0.00	1.16	0.15	0.51	0.98	0.58	0.76
Administration & Support	0.00	0.23	0.78	0.29	1.01	0.92	1.22
Management of Companies	0.00	0.95	0.10	0.41	1.15	1.43	0.90
Professional, Scientific, and Technical Services	0.00	0.10	0.45	0.16	1.85	1.88	1.30
Information	0.76	0.00	1.16	0.55	1.90	1.67	1.22
Real Estate	0.00	0.00	1.53	0.39	0.82	1.56	1.27
Arts, Entertainment, and Recreation	0.00	0.67	0.00	0.27	1.29	1.09	1.09
Mining, Quarrying, and Oil and Gas Extraction	0.00	0.00	0.00	0.00	0.18	0.10	0.06
Utilities	0.00	0.00	0.00	0.00	0.21	0.33	0.93

Source: U.S. Census Bureau, Center for Economic Studies

Top Employers: Chester County, Fourth Quarter, 2018

According to fourth-quarter 2018 data provided by the Pennsylvania Department of Labor and Industry, Vanguard Group Inc. (one of the world's largest investment companies) is the top employer within the County.

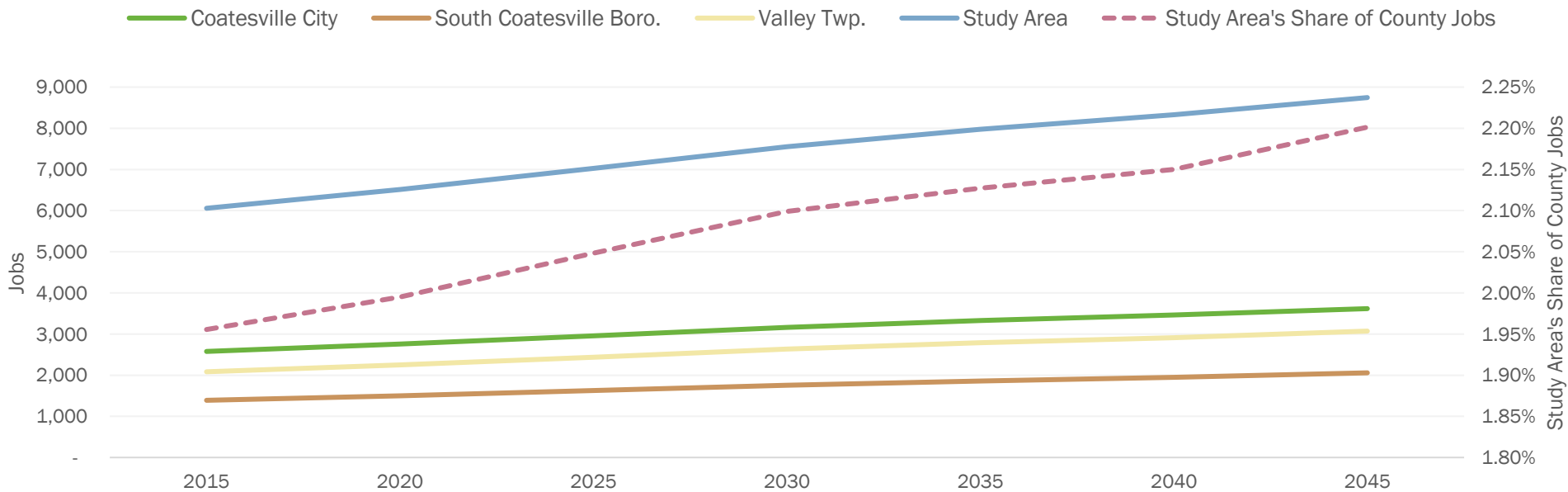
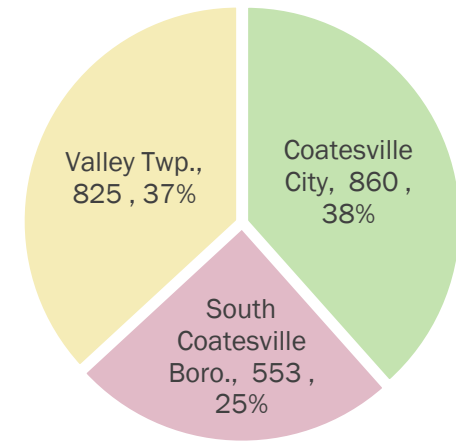
Rank	Employer	Rank	Employer
1	Vanguard Group Inc	26	Siemens Medical Solutions USA Inc
2	QVC Network Inc	27	Johnson Matthey Inc
3	County of Chester	28	Phoenixville Hospital LLC
4	Federal Government	29	Tredyffrin/Easttown School District
5	The Chester County Hospital	30	Owen J Roberts School District
6	Giant Food Stores LLC	31	Target Corporation
7	Main Line Hospitals Inc	32	Brandywine Hospital
8	PA State System of Higher Education	33	Amerisource Bergen Services Corp
9	United Parcel Service Inc	34	Coatesville Area School District
10	The Devereux Foundation	35	Herr Foods Inc
11	Downingtown Area School District	36	Unionville Chadds Ford School District
12	YMCA of Greater Brandywine Valley	37	The Pyle Corporation
13	Chester County Intermediate	38	The Arc of Chester County
14	West Chester Area School District	39	Phoenixville Area School District
15	Janssen Research & Development LLC	40	Aerotek Inc
16	Wawa Inc	41	Longwood Gardens Inc
17	Comcast Cablevision Corp (PA)	42	Bayada Home Health Care Inc
18	Communications Test Design Inc	43	Cerner Corporation
19	State Government	44	Bentley Systems Inc
20	Cerner Health Services Inc	45	Total Renal Care Inc
21	Wal-Mart Associates Inc	46	Great Valley School District
22	George Krapf Jr & Sons Inc	47	CertainTeed Corporation
23	Wegmans Food Markets Inc	48	Avon Grove School District
24	ACME Markets Inc	49	Kendal-Crosslands Communities
25	De Lage Landen Financial Services	50	Medical Device Business Services Inc

Source: Quarterly Census of Employment and Wages, Pennsylvania Department of Labor and Industry, 4Q 2018

Employment Forecasts: Study Area

According to forecasts provided by the Delaware Valley Regional Planning Commission (DVRPC), over the next 25 years, total employment within the study area is expected to increase by 2,240 jobs (1.4 percent per year). Approximately 860 new jobs are estimated for Coatesville City, 825 new jobs for Valley Township, and 553 new jobs for South Coatesville. From 2020 to 2045, the study area's share of jobs in Chester County is expected to increase from 2.0 to 2.2 percent.

New Jobs, 2020 - 2045



Source: Delaware Valley Regional Planning Commission, ADR 023, Analytical Data Report, Regional, County, and Municipal Employment Forecasts, 2015-2045

Employment Change by Top 10 Industries: Chester County

The table below presents the top 10 employment sectors by total employment change within Chester County, based on employment data by industry, provided by the Pennsylvania Department of Labor and Industry. From first-quarter 2013 to 2019, the health care and social assistance sector experienced the greatest numeric employment growth within the County, adding 4,740 relatively mid-wage jobs (average annual earnings of \$47,180). The construction, accommodation and food service, and professional, scientific, and technical services sectors experienced the second, third, and fourth greatest numeric employment growth within the County, adding 2,320, 2,230, and 2,110 new jobs, respectively, over the same five-year period.

Industry	2013 Q1 Employment	2018 Q1 Employment	Numeric Change	Annualized Change	Average Annual Earnings (2018 Q1)
Health Care and Social Assistance	28,900	33,640	4,740	3.3%	\$47,180
Construction	8,900	11,220	2,320	5.2%	\$66,400
Accommodation and Food Services	13,710	15,940	2,230	3.3%	\$19,690
Professional, Scientific, and Technical Services	26,770	28,880	2,110	1.6%	\$133,160
Finance and Insurance	17,720	19,590	1,870	2.1%	\$133,560
Management of Companies and Enterprises	8,290	9,640	1,350	3.3%	\$184,480
Information	5,860	7,040	1,180	4.0%	\$133,620
Transportation and Warehousing	6,230	7,340	1,110	3.6%	\$51,910
Administrative and Support and Waste Management	11,060	12,170	1,110	2.0%	\$40,740
Arts, Entertainment, and Recreation	3,180	4,110	930	5.8%	\$25,030

Source: U.S. Census Bureau, QWI Explorer; Pennsylvania Department of Labor and Industry, 2016-2026 Long-Term Projections

Employment Projections by Top 10 Industries: Chester County

The table below presents projected employment estimates for Chester County based on long-term employment projections by industry data provided by the Pennsylvania Department of Labor and Industry for Chester County (assumes an average growth rate), and estimated employment figures provided by the U.S. Census Bureau. Through 2029, the health care and social assistance sector is expected to continue remaining the top industry by new job creation within the County, adding 10,410 new, relatively mid-wage jobs (average annual earnings of \$45,660). The accommodation and food services sector is expected to be the second largest industry by new job creation within the County, adding 3,620 new, relatively low-wage jobs (average annual earnings of \$20,720). The professional, scientific, and technical services sector is expected to be the third largest industry by new job creation within the County, adding 3,190 new, relatively high-wage jobs (average annual earnings of \$115,790).

Industry	2019 Estimated Employment	2029 Projected Employment	Numeric Change	Annualized Change	Average Annual Earnings (2018 Q1)
Health Care and Social Assistance	34,540	44,950	10,410	3.0%	\$45,660
Accommodation and Food Services	16,270	19,890	3,620	2.2%	\$20,720
Professional, Scientific, and Technical Services	29,180	32,370	3,190	1.1%	\$115,790
Finance and Insurance	19,860	22,730	2,870	1.4%	\$113,570
Educational Services	19,050	21,070	2,020	1.1%	\$54,070
Management of Companies and Enterprises	9,780	11,280	1,500	1.5%	\$133,560
Construction	11,340	12,620	1,280	1.1%	\$70,660
Arts, Entertainment, and Recreation	4,180	4,980	800	1.9%	\$28,070
Other Services (except Public Administration)	9,950	10,690	740	0.7%	\$35,430
Transportation and Warehousing	7,410	8,080	670	0.9%	\$51,420

Source: U.S. Census Bureau, QWI Explorer; Pennsylvania Department of Labor and Industry, 2016-2026 Long-Term Projections

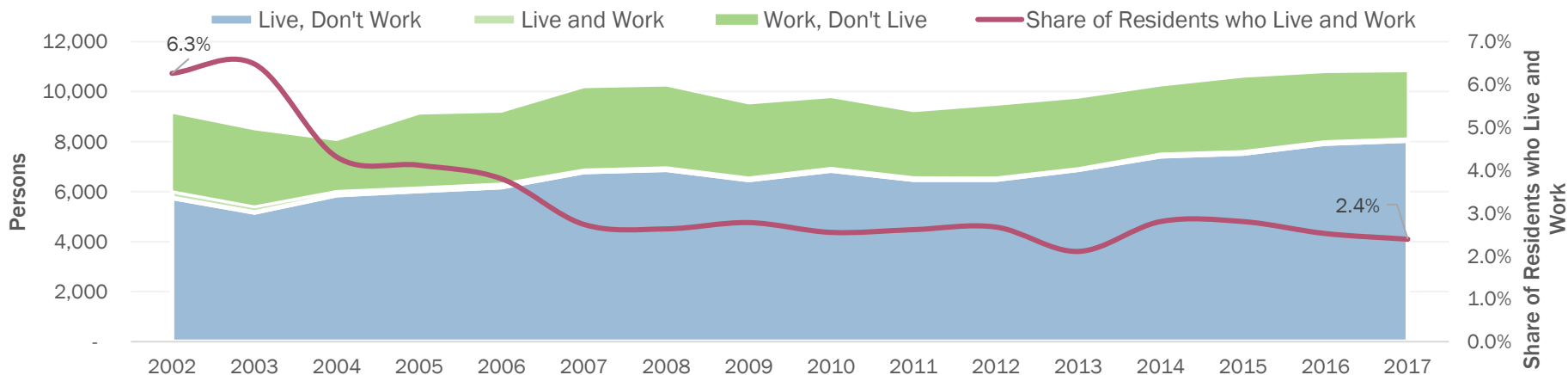
Worker Inflow/Outflow: Study Area

In 2017, just 2.4 percent of study area residents also worked in the study area, while approximately 8,037 study area residents commuted beyond the study area for work (nearly five percent worked in Philadelphia).

Approximately 2,670 study area workers commuted into the study area for work. From 2002 to 2017, the share of residents both living and working in the study area declined by 3.9 points. Due to overall job decline, the study area has become more of a bedroom community in recent years.

Where Workers Live	Change		Where Residents Work	Change	
	2017	2002-2017		2017	2002-2017
Coatesville City, PA	8.3%	-3.3%	Philadelphia City, PA	4.9%	1.6%
Philadelphia City, PA	2.9%	0.1%	Downingtown Borough, PA	3.8%	-1.2%
Parkesburg Borough, PA	2.6%	-0.3%	West Chester Borough, PA	2.3%	-1.2%
Downingtown Borough, PA	1.3%	-0.2%	Exton CDP, PA	2.3%	-0.7%
South Coatesville Borough, PA	1.0%	-0.5%	Coatesville City, PA	1.9%	-4.2%
Westwood CDP, PA	0.9%	-0.1%	King of Prussia CDP, PA	1.3%	0.5%
Thorndale CDP, PA	1.1%	-0.1%	South Coatesville Borough, PA	1.8%	1.4%
West Chester Borough, PA	1.0%	-0.5%	Eagleview CDP, PA	1.4%	0.4%
Atglen Borough, PA	0.5%	-0.1%	Lionville CDP, PA	1.3%	0.0%
Lancaster City, PA	0.6%	0.1%	Thorndale CDP, PA	1.2%	0.6%
All Other Locations	79.8%	4.8%	All Other Locations	76.4%	3.0%

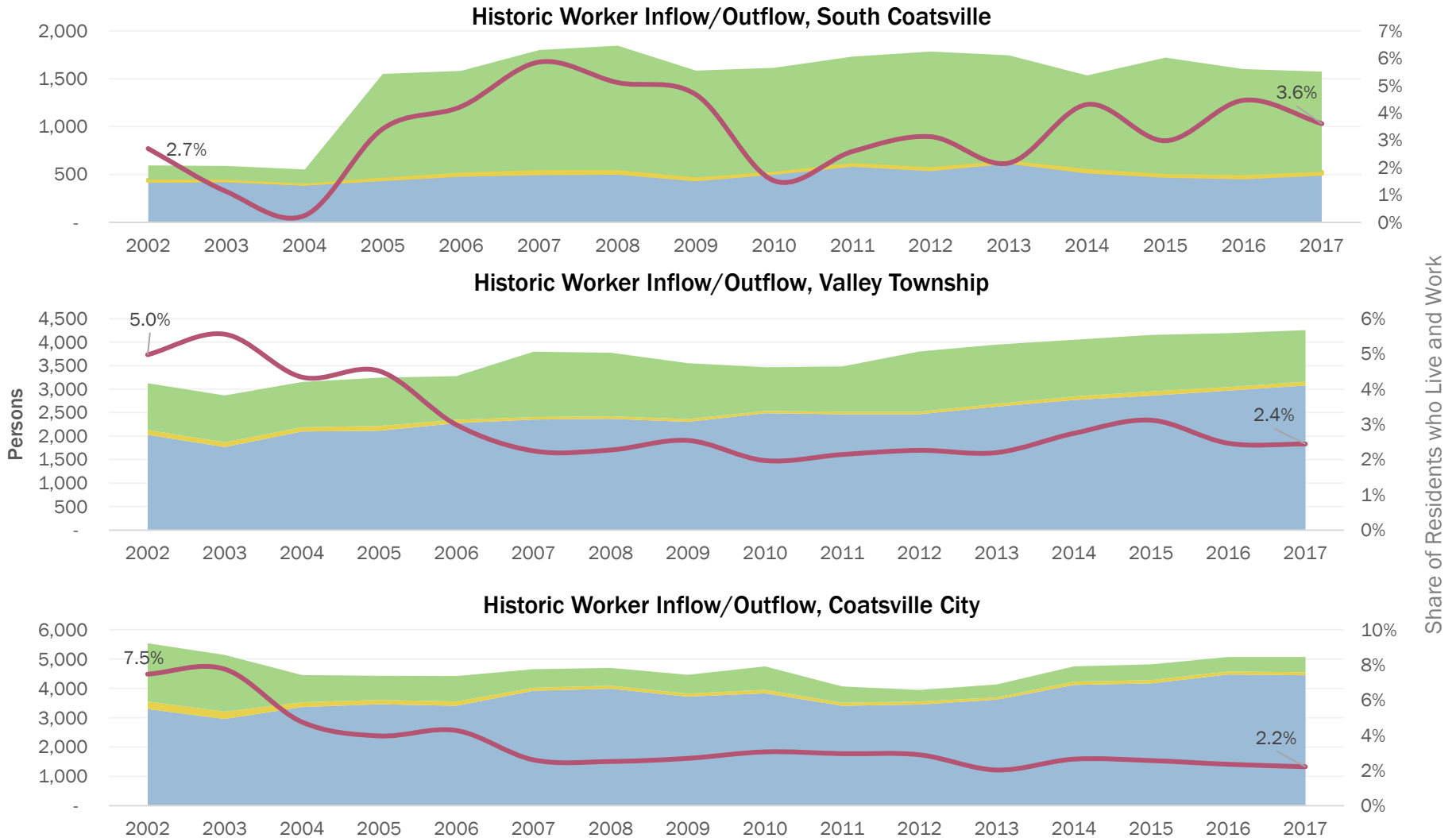
Historic Worker Inflow/Outflow, Study Area



Source: U.S. Census Bureau, OnTheMap; 4ward Planning Inc., 2019

Worker Inflow/Outflow: Study Area (cont.)

- Live, Don't Work
- Live and Work
- Work, Don't Live
- Share of Residents who Live and Work



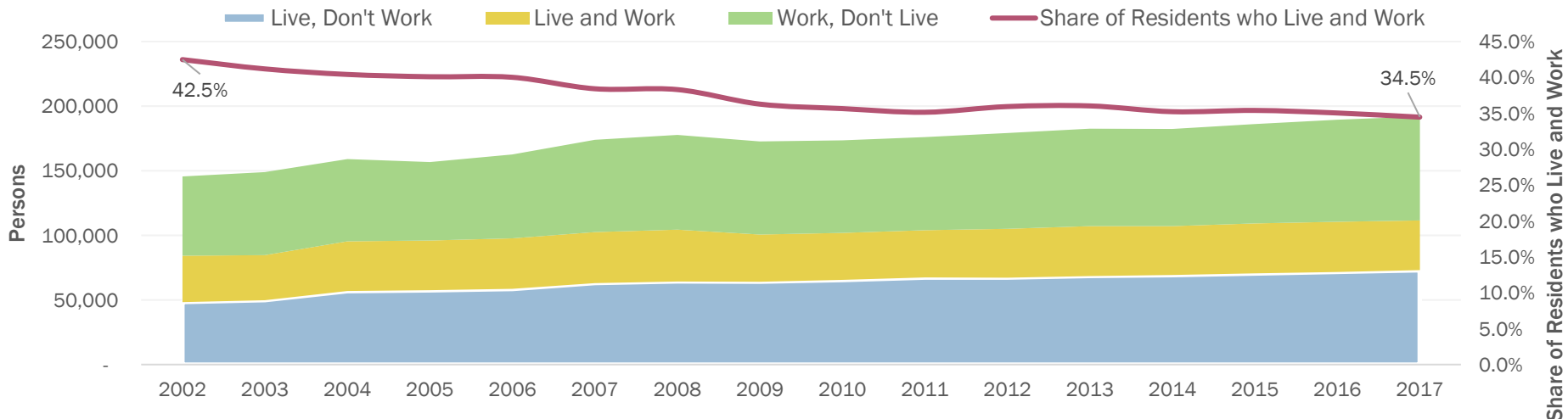
Source: U.S. Census Bureau, OnTheMap; 4ward Planning Inc., 2019

Worker Inflow/Outflow: PMA

In 2017, just over 34 percent of PMA residents also worked in the PMA, while approximately 73,170 PMA residents commuted beyond the PMA to work (5.6 percent worked in Philadelphia). Approximately 80,370 PMA workers commuted into the PMA to work. From 2002 to 2017, the share of residents both living and working in PMA declined by 8.0 points.

Where Workers Live	Change		Where Residents Work	Change	
	2017	2002-2017		2017	2002-2017
Philadelphia City, PA	3.9%	-0.9%	Philadelphia City, PA	5.6%	0.6%
Coatesville City, PA	1.9%	-0.3%	Downingtown Borough, PA	2.7%	-0.3%
Downingtown Borough, PA	1.4%	-0.5%	West Chester Borough, PA	2.4%	-0.8%
West Chester Borough, PA	1.4%	-0.7%	King of Prussia CDP, PA	2.1%	0.7%
Phoenixville Borough, PA	1.0%	-0.2%	Eagleview CDP, PA	1.4%	0.1%
Lionville CDP, PA	0.8%	-0.3%	Exton CDP, PA	1.7%	-0.7%
Parkesburg Borough, PA	0.7%	-0.1%	Wilmington City, DE	1.3%	0.1%
Kennett Square Borough, PA	0.7%	-0.1%	Lionville CDP, PA	1.1%	-0.3%
Pottstown Borough, PA	0.6%	0.0%	Kennett Square Borough, PA	0.7%	-0.2%
Thorndale CDP, PA	0.6%	-0.2%	Paoli CDP, PA	0.8%	-0.5%
All Other Locations	87.0%	3.3%	All Other Locations	79.7%	1.2%

Historic Worker Inflow/Outflow, 20-Minute PMA

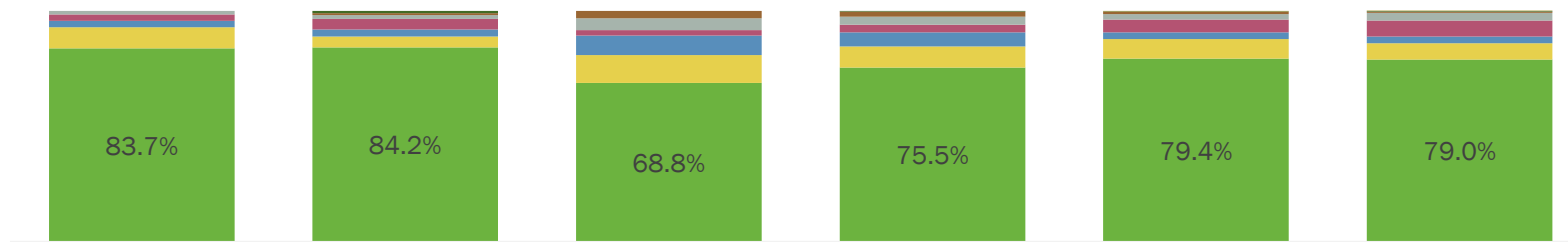


Source: U.S. Census Bureau, OnTheMap; 4ward Planning Inc., 2019

Means to Work

According to 2017 data provided by the U.S. Census Bureau, 75.5 percent of workers ages 16 or older living in the study area drive to work alone in a car. According to GoBankingRates.com, Pennsylvania is one of the more expensive states in the country to own a vehicle, costing Pennsylvanians \$11,782 to own a car for three years, not including the vehicle's initial purchase price. Given relatively low household income and high poverty levels, particularly in Coatesville, some of these residents may be dependent on public transit for work. Most of the County's workforce development services (such as Career Corps) are located 12 miles away in Exton and are difficult to access without a car.

Share of Adults by Means to Work, 2017



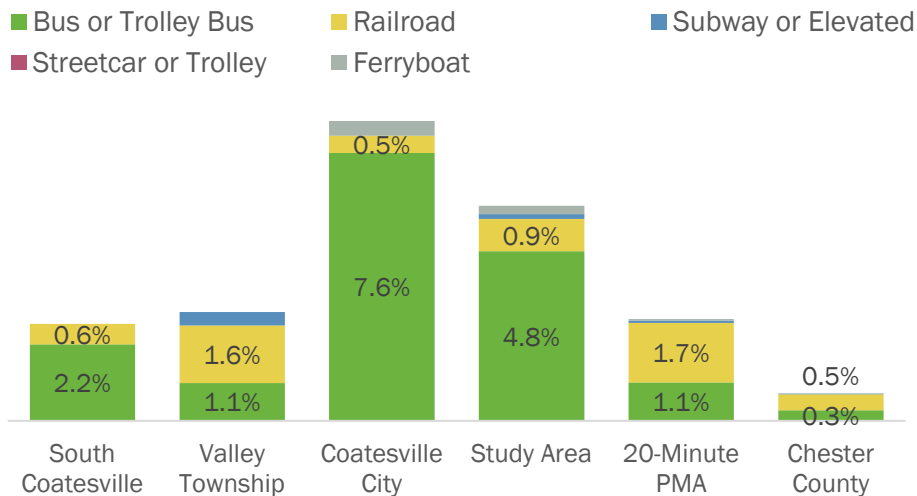
Means to Work	South Coatesville	Valley Township	Coatesville City	Study Area	20-Minute PMA	Chester County
Motorcycle	-	-	-	-	0.1%	0.1%
Bicycle	0.0%	1.0%	0.0%	0.4%	0.2%	0.2%
Other	0.0%	0.8%	3.3%	2.1%	1.1%	0.6%
Walked	1.6%	1.6%	5.0%	3.5%	2.3%	3.3%
Worked from Home	2.7%	4.6%	2.4%	3.2%	5.7%	7.0%
Public Transportation	2.7%	3.1%	8.5%	6.1%	2.9%	2.8%
Carpooled	9.2%	4.7%	12.0%	9.1%	8.4%	7.1%
Drive Alone	83.7%	84.2%	68.8%	75.5%	79.4%	79.0%

Source: 2013-2017 ACS; 4ward Planning Inc., 2019

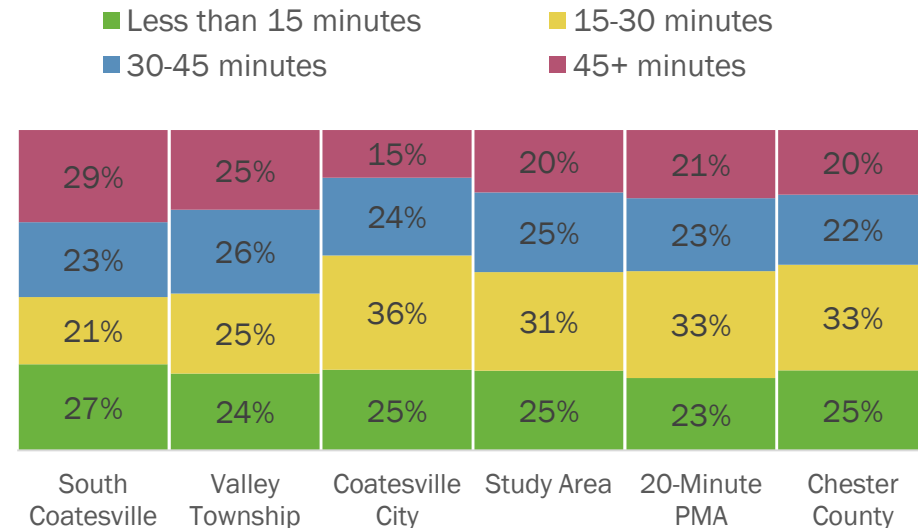
Means to Work (continued)

Approximately 6.1 percent of residents within the study area currently utilize public transit, a higher share than residents within the 20-minute PMA (2.9 percent) and Chester County (0.8 percent). The study area’s greater existing proclivity towards public transit use (particularly in Coatesville City) is a positive sign that additional transit investment at the Coatesville station may be well-received by local commuters, especially workers spending long portions of their day commuting (approximately 20 percent of residents within the study area spend more than 45 minutes per day traveling to work). Furthermore, ongoing bike trail expansion in the area may lead to new opportunities to cycle to work.

Share of Adult Workers Taking Public Transportation, 2017



Workers Age 16+ by Travel Time to Work



Source: 2013-2017 ACS; 4ward Planning Inc., 2019

Real Estate Analysis

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Methodology: Real Estate Supply and Demand

Our primary objective, here, is to gain an understanding of local supply, demand, occupancy, and pricing factors for existing land uses within the region, inclusive of retail, residential (multi-family, town houses, and condos), office, and light industrial/flex space uses. Using a variety of primary and secondary resources, 4ward Planning examined real estate opportunities for each of the major land uses (residential, retail, office, and light industrial) and identified prospective opportunities and challenges for facilitating these land uses within the study area. We examined the following land-use metrics for residential, retail, office, and light industrial: inventory in terms of units and/or square footage; vacancy and absorption rate trends; commercial lease rates, apartment rental rates, and residential price points; and building permit activity. Quantitative analysis was supplemented with active broker and developer interviews, in order to “ground truth” data findings. We projected unmet demand for each of the identified land-use categories out over a 10-year period, in terms of units (residential) or square footage (commercial).



Multi-Family Residential

Key Findings: Multi-Family Residential

Housing stock will likely need replacing in the foreseeable future

Although the average housing vacancy rate in the study area (8.9 percent in 2019) is relatively high, this vacancy rate includes seasonal and other vacant units (50 percent of all vacant units in 2017). The study area's number of "other vacant" units, the overall age of its housing stock, and its relatively low household incomes suggest a higher share of physically obsolescent and/or unmarketable housing stock.

Tight homeowner and rental vacancy rates

In 2017, the vacancy rate for rental and ownership units within the study area was as low as zero percent for owner-occupied units in South Coatesville and zero percent for renter-occupied units in Valley Township. Offering newly developed multi-family rental units and small attached owner-occupied units within the study area is an opportunity to relieve its extremely tight homeowner and rental vacancy rates.

Need for more balanced housing stock

In 2019, just over half of occupied housing units in the study area was owner-occupied (54 percent) - a share markedly lower than those found in the PMA and County (76 and 75 percent, respectively). The long-term imbalance of owner-occupied to renter-occupied housing stock (particularly the lack of renter-occupied housing in Valley Township) could undermine economic development efforts within the study area, long-term.

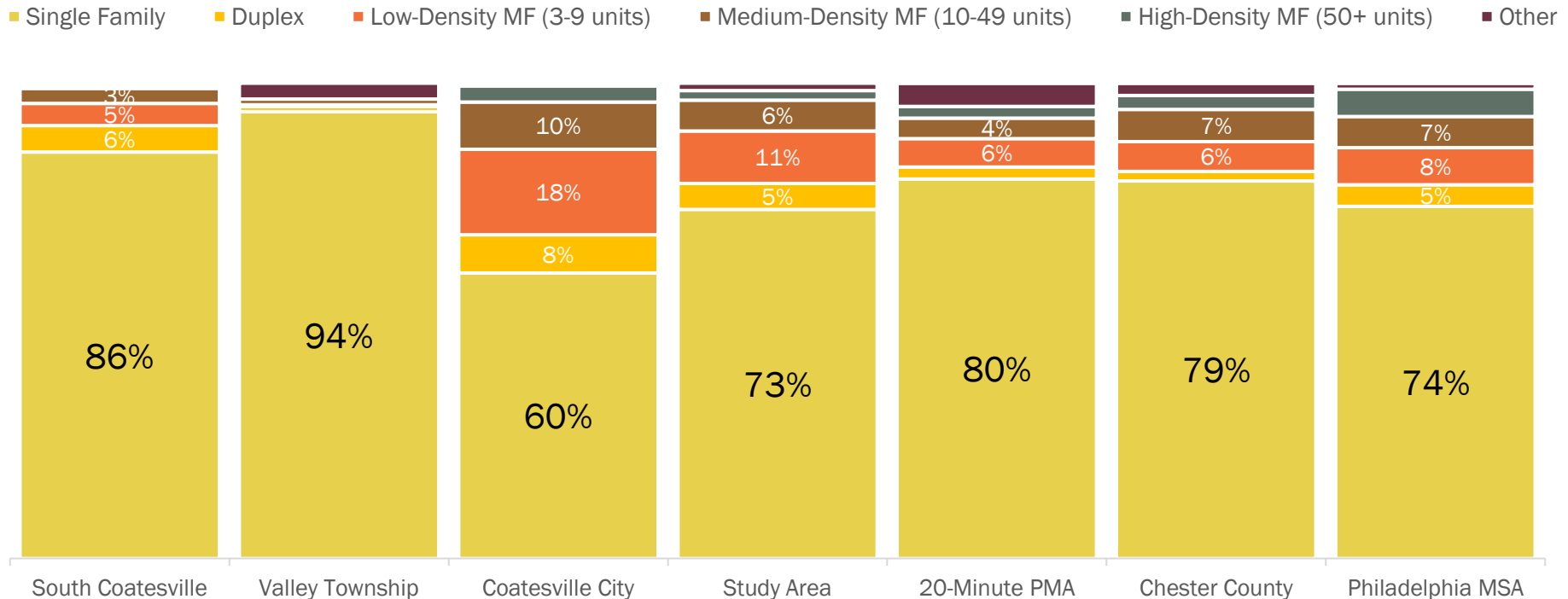
Prospective unit capture of between 100 and 210 units by 2029

By 2029, there will be a projected net demand for approximately 2,070 residential units within the PMA. Assuming that between five- and 10 percent of these units could be captured within the study area, the area could capture between 100 and 210 units by 2029 - a very conservative estimate.

Housing Choice: Unit Type and Bedroom Size

According to 2013 to 2017 American Community Survey (ACS) data, compared to the PMA, the study area has a lower share of single-family housing (73 percent in the study area versus 80 percent in the PMA). However, housing stock varies widely by study area municipality. While Valley Township is primarily composed of single-family housing (94 percent of all housing), Coatesville City has a greater share of higher-density housing stock.

Housing Units by Structure Type, 2017



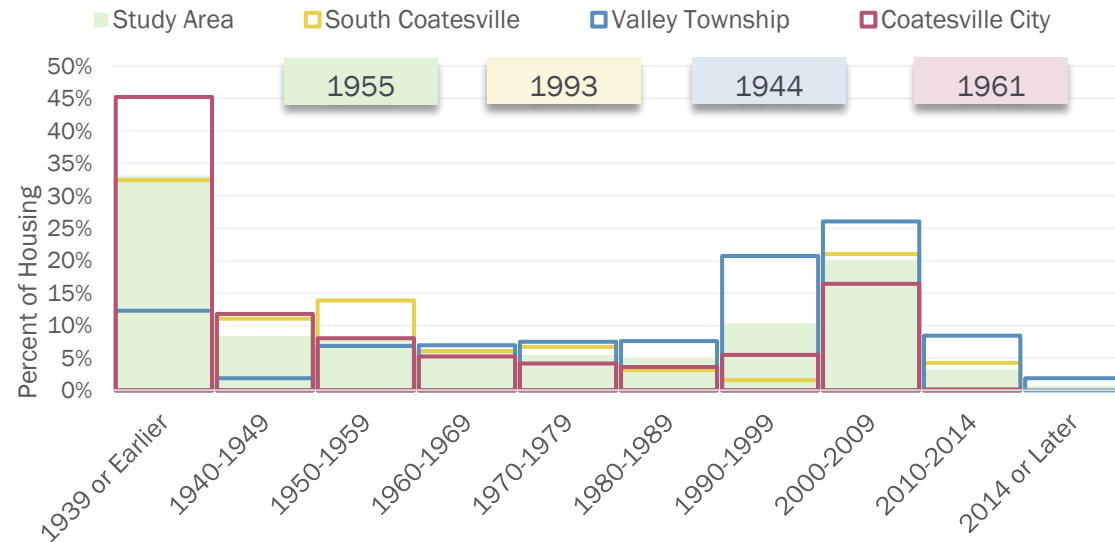
Source: U.S. Census Bureau, 2013-2017 American Community Survey, 4ward Planning Inc., 2019

Housing Stock Characteristics

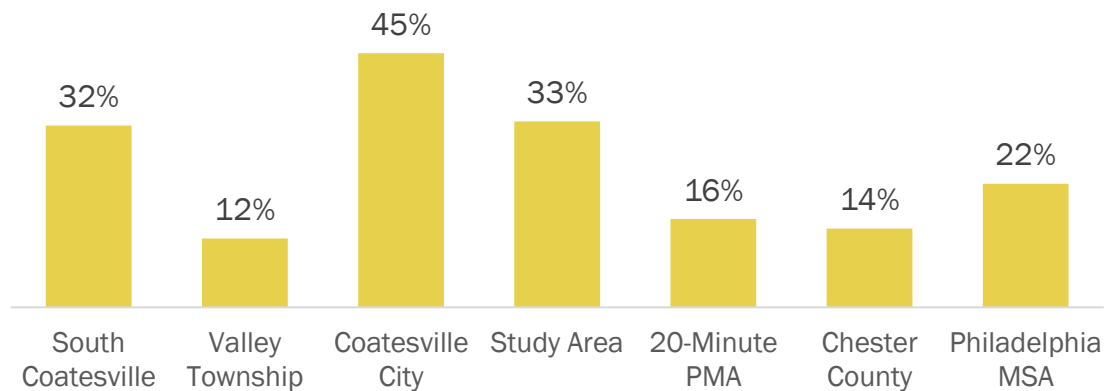
Compared to the region, the study area’s housing stock is relatively old, in terms of when it was constructed. For example, within the study area, approximately 33 percent of all housing was built before 1940 (compared to 16 and 14 percent within the PMA and County, respectively).

Older housing stock, combined with an area’s relatively low household income are indicative of a likely higher incidence of physically obsolescent and/or unmarketable housing stock. As such, a relatively large share of the study area’s housing stock may either need to be substantially rehabilitated or demolished.

Share of Housing Units by Year Built by Geography, 2017



Share of Housing Built Before 1940

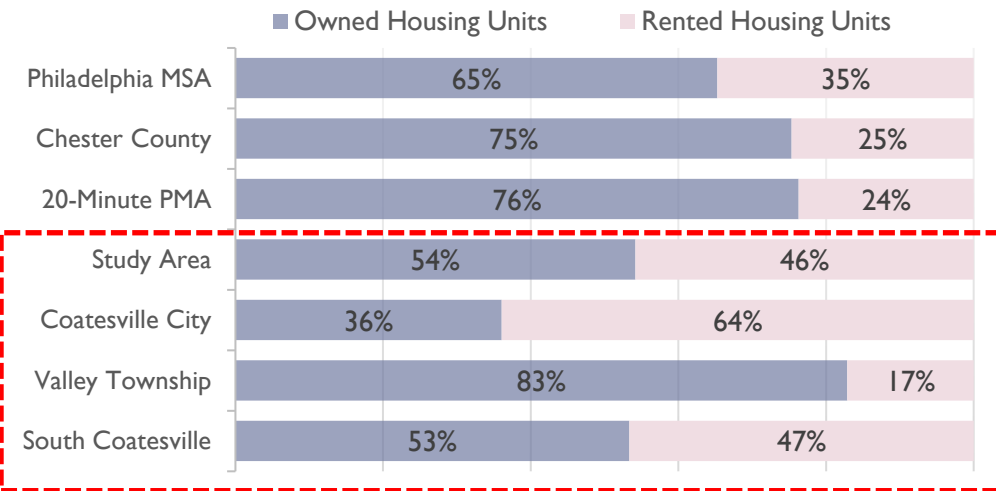


Source: U.S. Census Bureau, 2013-2017 American Community Survey, 4ward Planning Inc., 2019

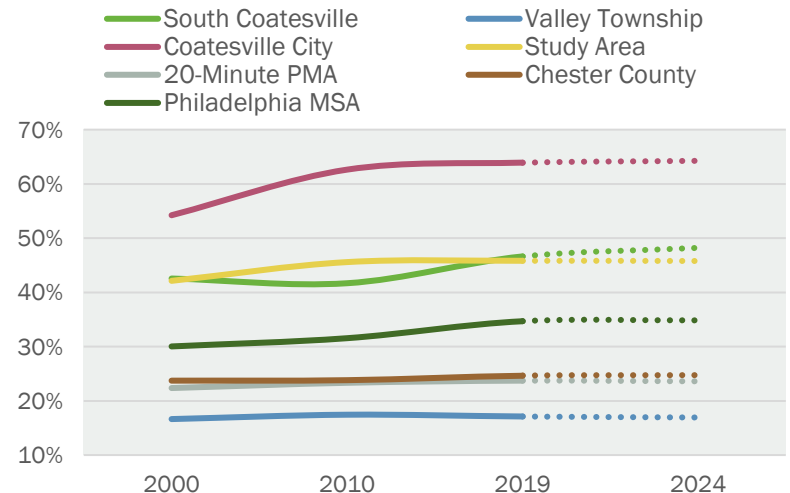
Housing Tenure Trends

As illustrated below, in 2019, just over half of occupied housing units in the study area were owner-occupied (54 percent) - a share which is markedly lower than that found in the PMA and County (76 and 75 percent, respectively). Most notably, likely due to the relatively large share of single-family housing in Valley Township the share of owner-occupied housing is also markedly high in Valley Township (83 percent). While the share of renter-occupied housing units increased in all geographies from 2000 to 2019 (partially a result of the economic downturn), the share of renter-occupied housing units is expected to remain relatively flat or decline slightly across all geographies through 2024. The long-term imbalance of owner-occupied to renter-occupied housing stock (particularly the lack of renter-occupied housing in Valley Township) could undermine economic development efforts within the study area.

Housing Tenure as Share of Total Occupied Units, 2019



Share Rented Occupied Housing Units

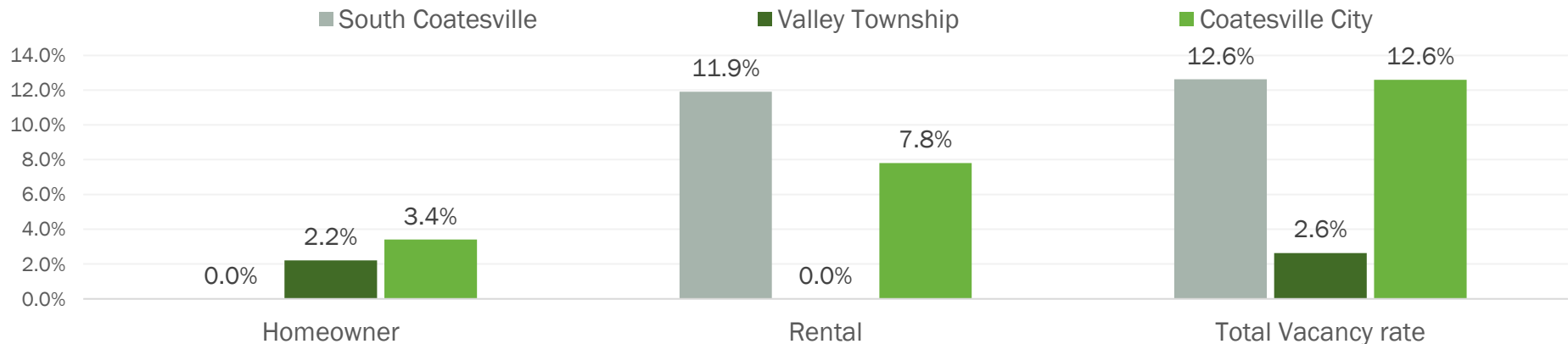


Source: Esri; ACS; 4ward Planning Inc., 2019

Housing Vacancy By Tenure

Since the study area’s housing stock was built to accommodate a much larger population, as the population declined, the number of housing vacancies increased. In general, a vacancy rate of between four and seven percent is an indicator of a relatively healthy housing market (allowing for natural turns of in- and out-migration). While the average overall housing vacancy rate in the study area is relatively high (8.9 percent in 2019), this vacancy rate includes seasonal and other vacant units (those which are vacant due to a sales or leasing transition, repairs being conducted, or for an owner’s personal reasons). In 2017, the vacancy rate for rental and ownership units within the study area (excluding units vacant for seasonal and other reasons) was extremely low (as low as zero percent for owner-occupied units in South Coatesville and zero percent for renter-occupied units in Valley Township). Offering newly developed multi-family units within the study area is an opportunity to relieve its extremely tight homeowner and rental vacancy rates.

Vacancy Rate Trends by Housing Tenure, 2017



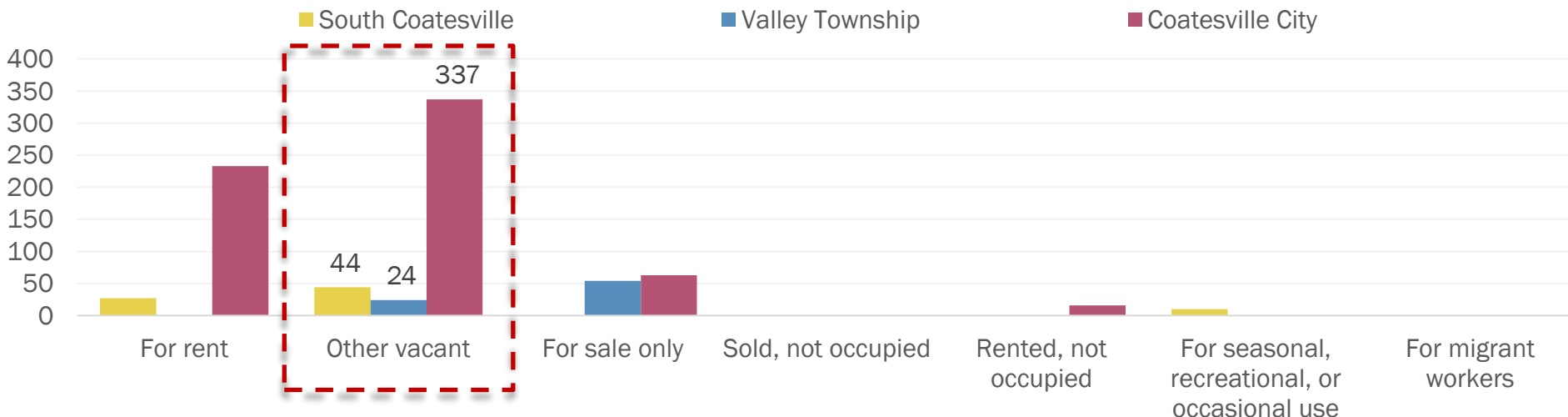
Note: Rental and homeowner vacancy rates do not include "other vacant" or "seasonal" units in the calculation of vacancy rates.

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates; 4ward Planning Inc., 2019

Detailed Housing Vacancy

The U.S. Census Bureau categorizes vacant units into housing market classifications. For example, rental units are separated into vacant units offered "for rent," and those "rented, not occupied" (e.g., rent has been paid, but new renter has not moved in). Likewise, for-sale units are separated into vacant units offered "for sale only," and those "sold, not occupied" (e.g., unit has recently been sold but the new owner has not moved in). "For seasonal, recreational, or occasional use" units are vacant units used only in certain seasons or other occasional use. "Migrant units" (none in the study area) are vacant units intended for migratory workers. If a vacant unit does not fall into any of the above classifications, it is categorized as "other vacant" (e.g., owner that does not want to rent or sell; or house is being used for storage, being foreclosed upon, or being repaired or renovated). The number of "other vacant" units in the study area (405 units) represented 50 percent of all vacant units in 2017.

Detailed Housing Vacancy, 2017



Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates; 4ward Planning Inc., 2019

Home Sales and Median Price: Chester County

One of the competitive advantages the study area possesses is its residential affordability. Based on tax assessment data provided by the Chester County Planning Commission, in 2017, the median home value within the study area was much lower than that found within Chester County. For example, the median home value within Coatesville City (\$90,750) was 27 percent of that within Chester County (\$337,000). Nevertheless, despite the overall affordability, according to a resident survey conducted as part of the *Coatesville Growing Greater - Neighborhood Revitalization Strategy*, the primary reason (82 percent) renter households in Coatesville have not purchased a home is personal finance obstacles. This finding is in line with observations from area real estate brokers who cited a lack of financial literacy among some of the local population.

Home Sales and Median Price

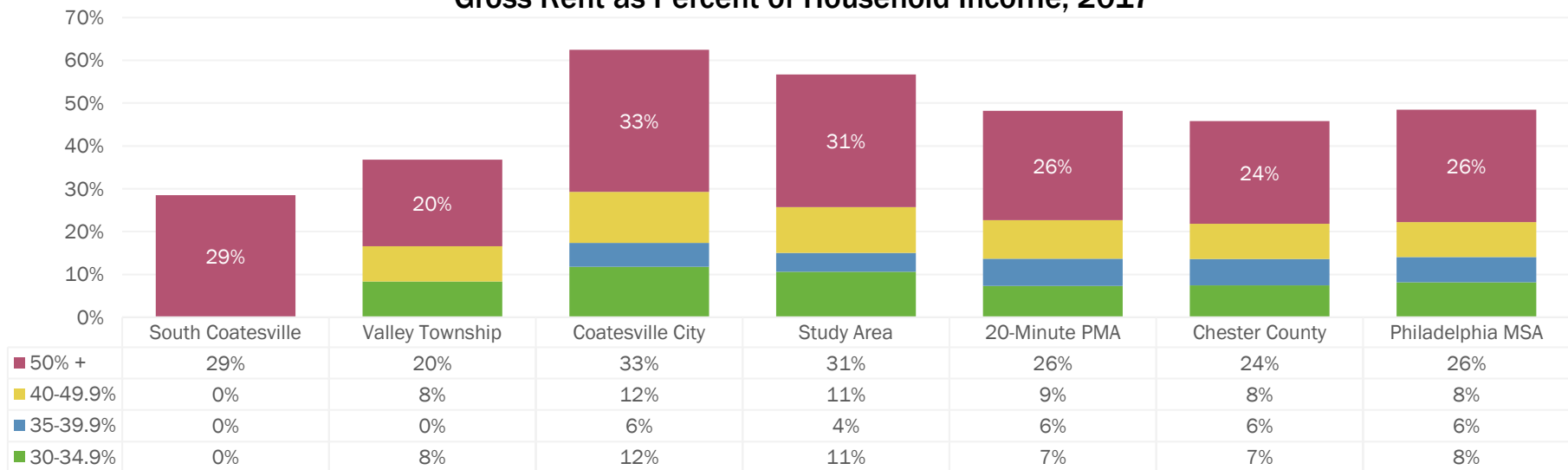
Geography	Total Sales	New Sales	Total Median Price (Dollars)	Share of County Median
Coatesville City	103	1	\$90,750	27%
South Coatesville Borough	20	3	\$210,500	62%
Valley Twp.	156	23	\$198,750	59%
Chester County	7,080	720	\$337,000	100%

Sources: Chester County Planning Commission, 2017 Housing Report: Annual Survey of Housing in Chester County (based on Tax Assessment data).
Coatesville Growing Greater - Neighborhood Revitalization Strategy, 2017

Cost-Burdened Households

According to U.S. Department of Housing and Urban Development (HUD), families who pay more than 30 percent of their incomes for housing are considered “cost-burdened” and may have difficulty affording necessities such as food, clothing, transportation, and medical care. According to 2013-2017 data provided by the U.S. Census Bureau, 62 percent of renter households in Coatesville City paid more than 30 percent of their incomes on rent, compared to just 29 percent of those within South Coatesville. Considering 33 percent of households within Coatesville City pay more than 50 percent of their incomes on rent (considered severely cost-burdened), there is great need for quality affordable rental housing within the local area (workforce housing)..

Gross Rent as Percent of Household Income, 2017



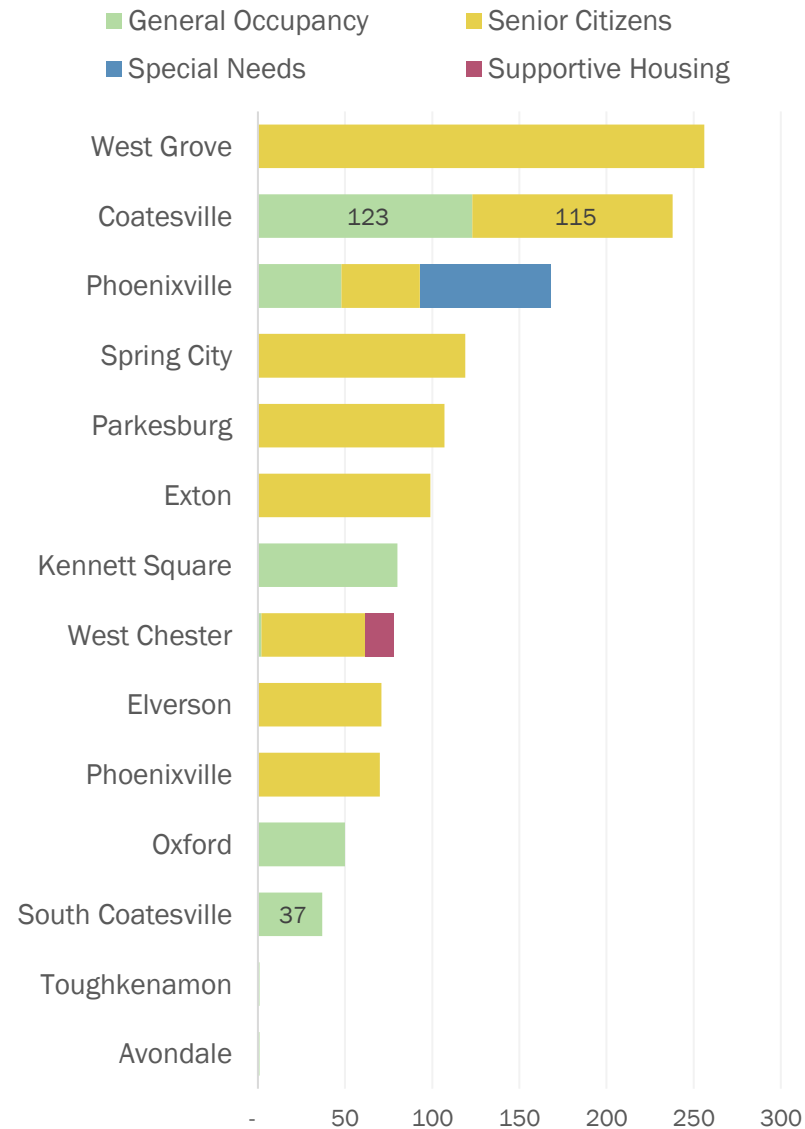
Source: U.S. Census Bureau, 2013-2017 American Community Survey, 4ward Planning Inc., 2015

Rental Housing Inventory

According to 2019 Rental Housing Inventory Report data provided by the Chester County Department of Community Development (DCD), presented to the right and mapped on the following page, there are 238 DCD-subsidized rental units (including 123 general occupancy units and 115 senior units) within Coatesville City and 37 units (general occupancy) within South Coatesville Borough.

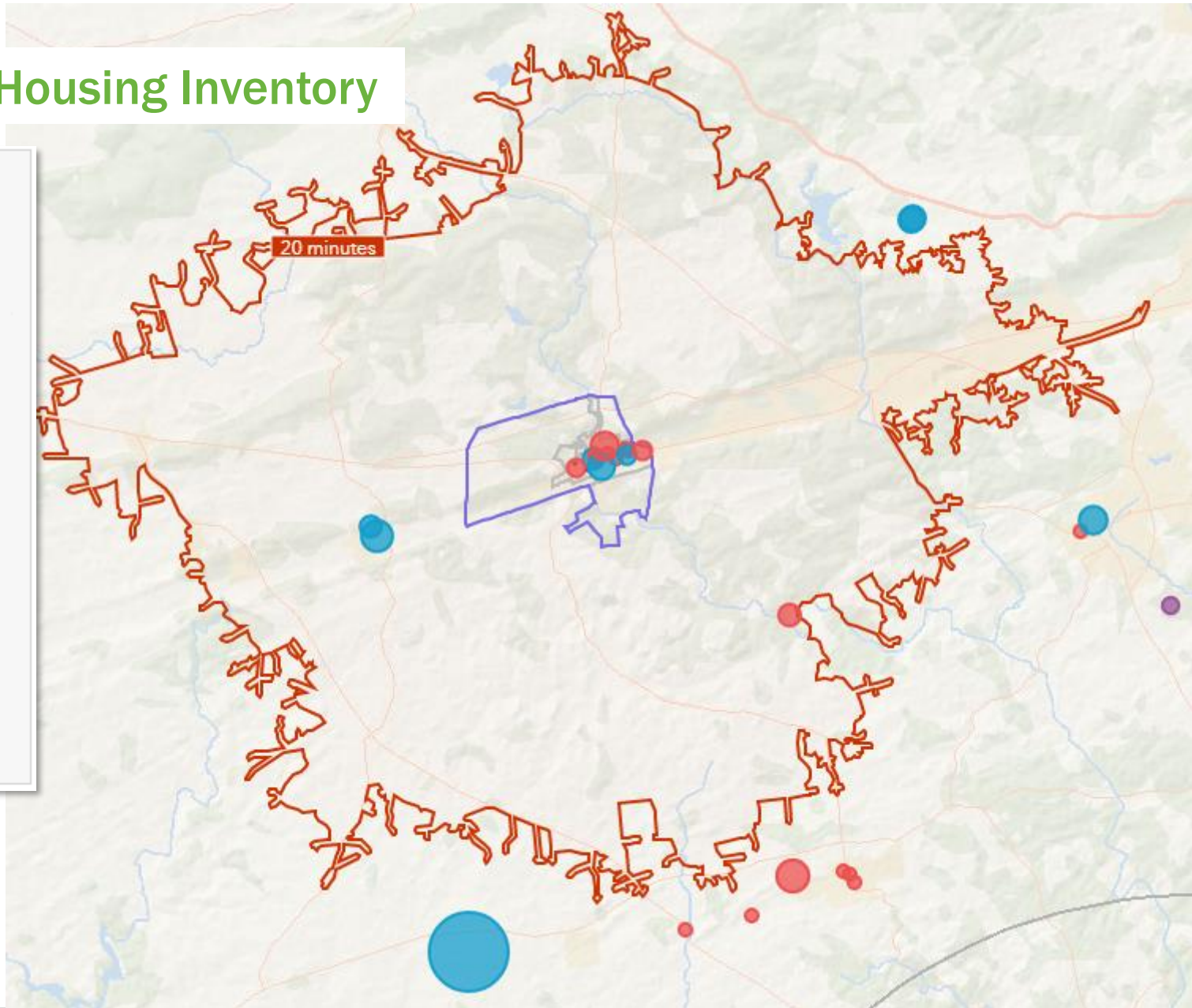
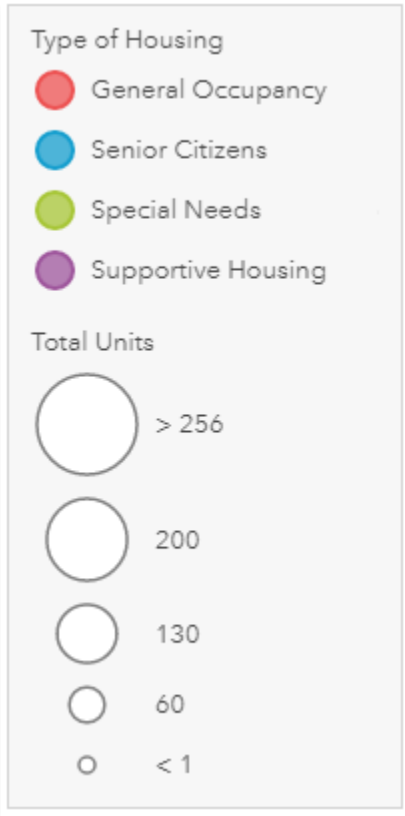
According to the 2017 *Coatesville Growing Greater - Neighborhood Revitalization Strategy* report, one of the issues that *Coatesville City* residents expressed as a concern was the disproportionate concentration of Housing Choice Vouchers (otherwise known as Section 8 Vouchers) in the City. According to U.S. Department of Housing and Urban Development, 42 percent of all Section 8 vouchers in Chester County (1,360 vouchers) were currently in use in Coatesville City (573 vouchers). Such a high concentration of Section 8 residents serves to undermine long-term revitalization efforts.

DCD Rental Housing Inventory



Source: DCD Rental Housing Inventory, 4ward Planning Inc., 2015

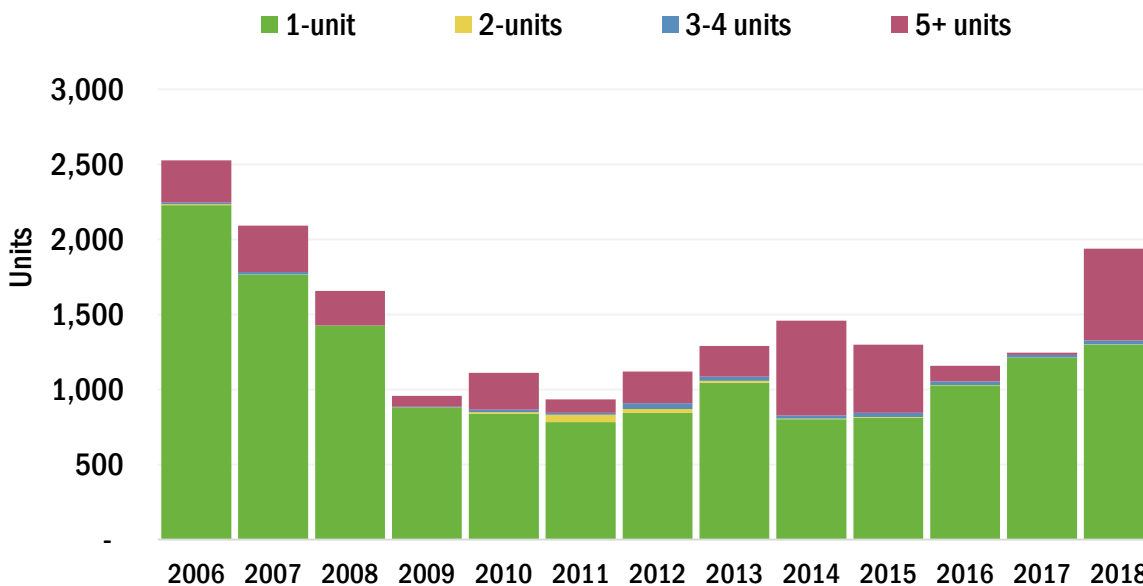
DCD Rental Housing Inventory



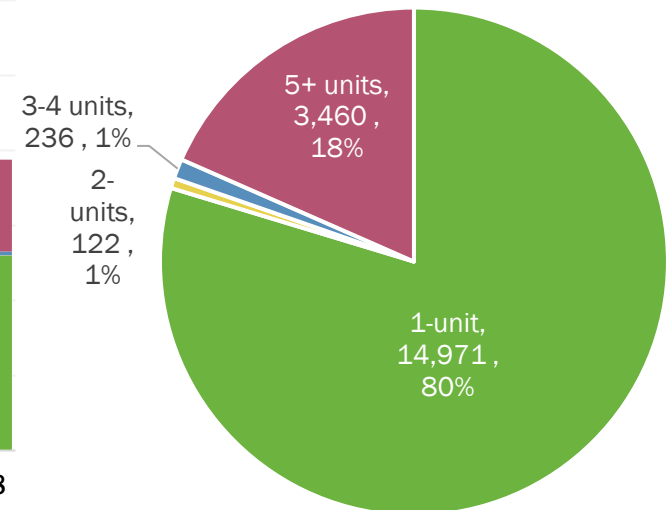
Multi-Family and Attached Homes: Chester County

The graphs below illustrate housing permit trends for Chester County based on data provided by the U.S. Census Bureau’s Building Permits Survey. Since 2006, approximately 80 percent of this housing (14,971 units) has been characteristic of single-family housing, while 18 percent (3,460 units) has been characteristic of higher-density multi-family housing (with five or more units). Very few permits were issued for two-, three- and four-unit housing development projects over the observed period (less than four-percent combined).

Housing Permit Trends: Chester County, Pennsylvania



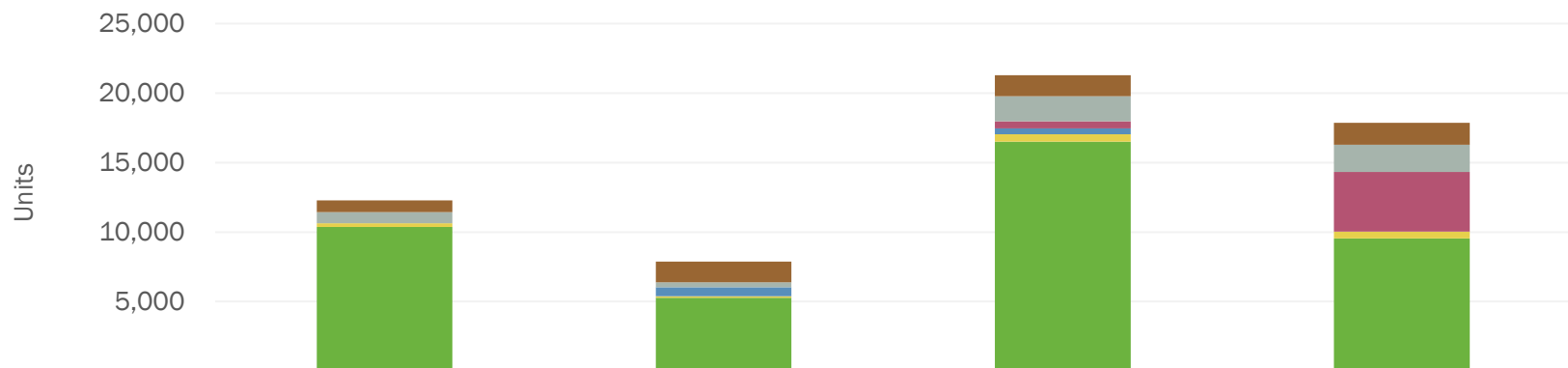
Total Housing Permits: Chester County, Pennsylvania (2006-2018)



Source: U.S. Census Bureau’s Building Permits Survey, 2019

Multi-Family Pipeline: Philadelphia MSA

According to second-quarter 2019 data provided by Reis (a national real estate data source), presented below, there are approximately 17,860 multi-family units in the development pipeline within the Philadelphia MSA, with approximately 70 percent of these characteristic of apartment units. As mapped on the following page, while 1,556 of these pipeline units are located in the PMA, none are located within the study area. The closest multi-family pipeline projects are located in Downingtown Borough (258 planned townhome units and 54 proposed subsidized/ low income units).



	Complete	Under Constr.	Planned	Proposed
Townhomes	840	1,478	1,509	1,579
Subsidized/Low Income	803	365	1,810	1,955
N/A			500	4,300
Mixed Income		640	430	
Condominiums	274	110	538	473
Apartment	10,367	5,282	16,499	9,553
Total	12,284	7,875	21,286	17,860

Note: Data as of August 27, 2019

Source: Reis; 4ward Planning 2019

New Construction: Philadelphia MSA

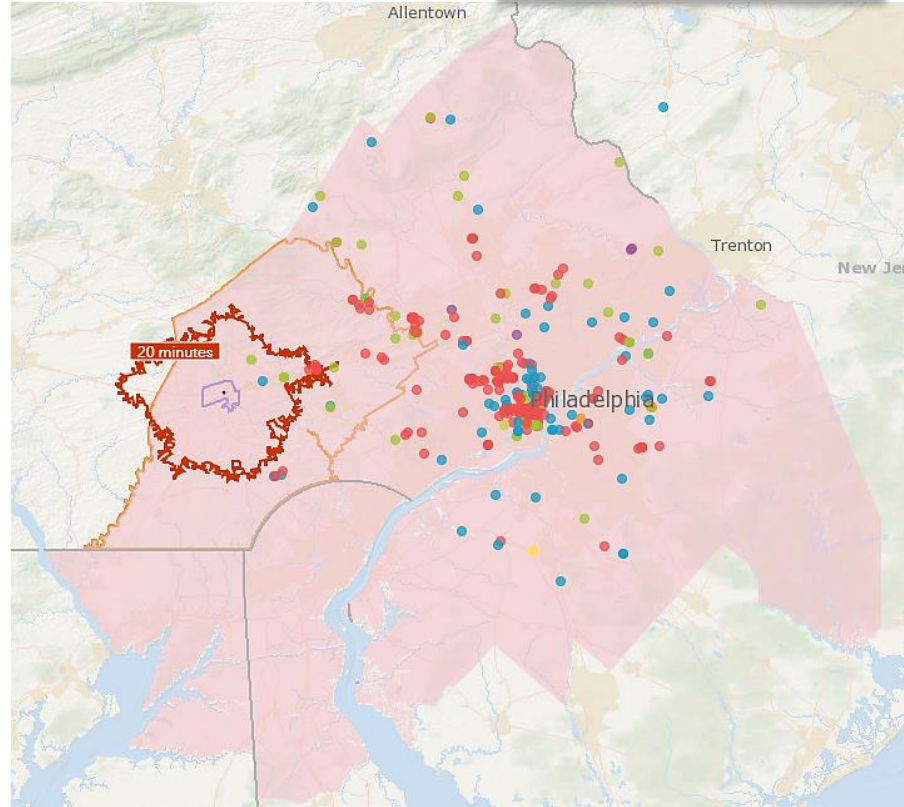
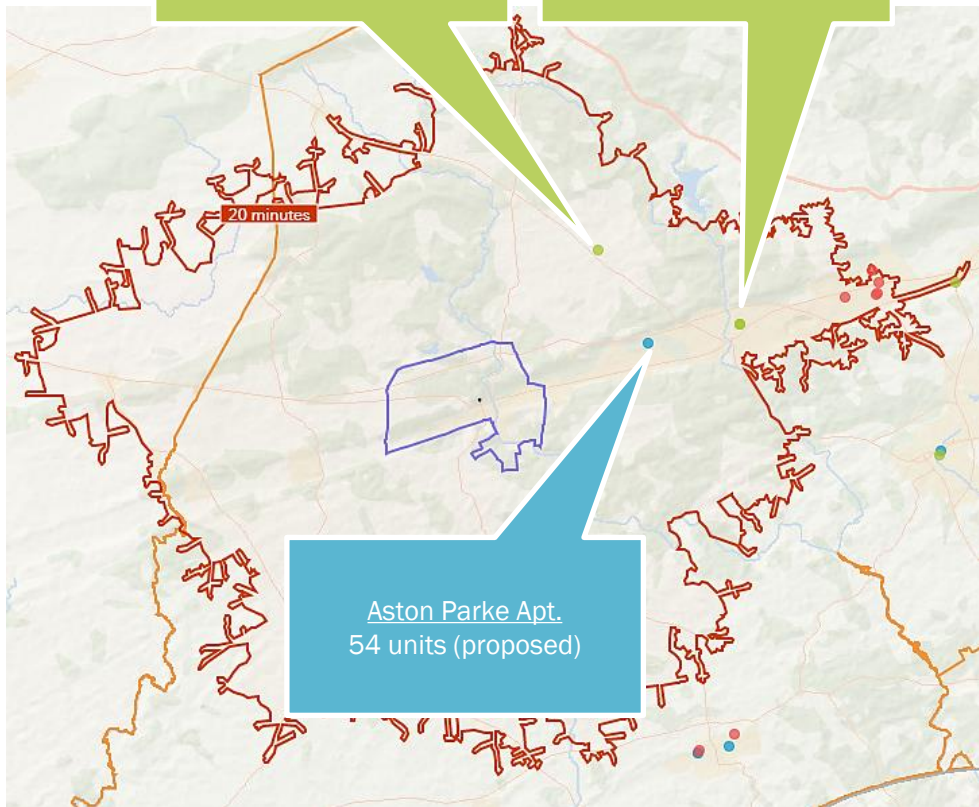
Secondary Type

- Apartment
- Subsidized/Low Income
- Townhomes
- Condominiums
- Mixed Income
- N/A

Maple View Townhomes
154 units (planned)
Downtown

Kardon Park Townhomes
104 units (proposed)
Downtown

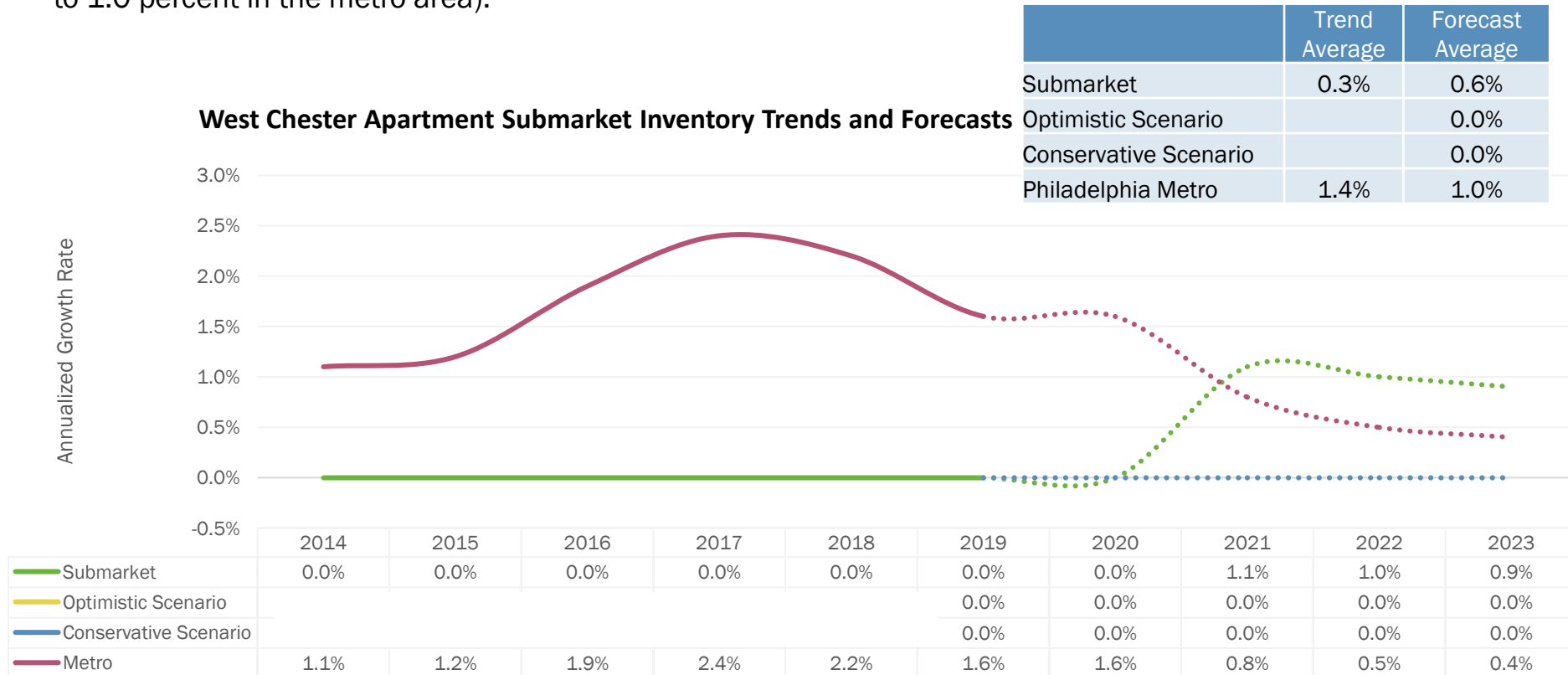
Aston Parke Apt.
54 units (proposed)



Source: Reis; 4ward Planning 2019

Multi-Family Inventory: Apartment Submarket

According to second-quarter 2019 data provided by Reis for the West Chester submarket (which contains the study area), apartment inventory growth in the submarket has been flat in recent years, increasing by nearly zero percent per year since 2014 (compared to an average of 1.4 percent in the Philadelphia metro area). Reis expects that inventory growth in the submarket will continue to remain flat over the next four years (compared to 1.0 percent in the metro area).



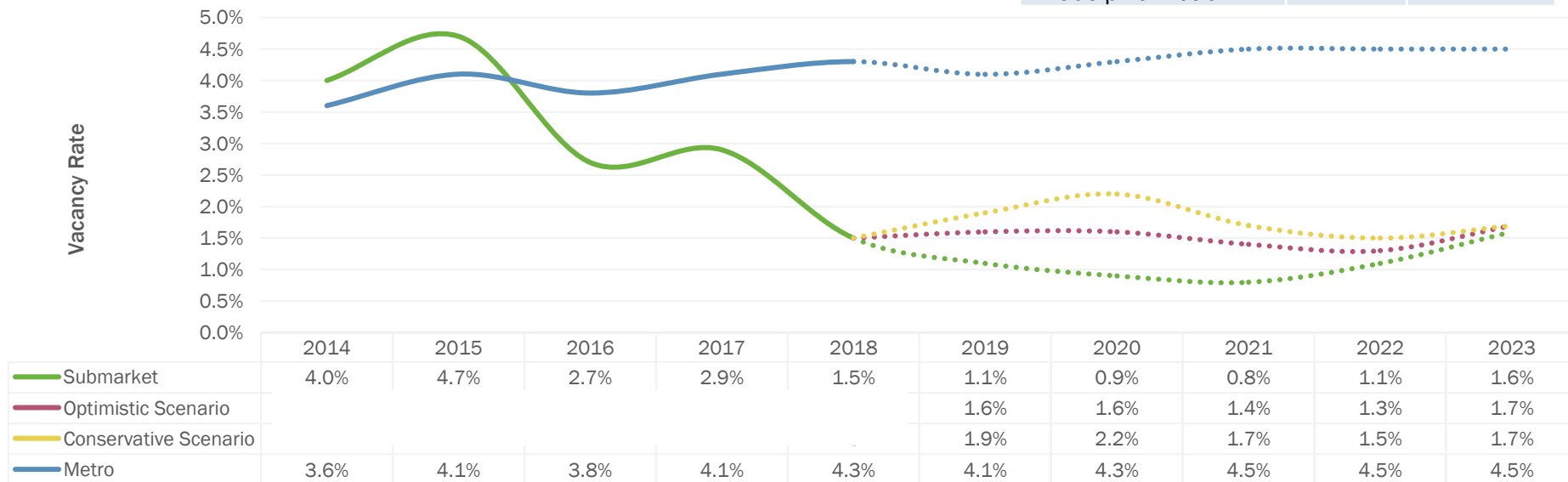
Source: Reis; 4ward Planning 2019

Multi-Family Vacancy: Apartment Submarket

Apartment vacancies in the submarket have been markedly low in recent years (an average of 2.1 percent in the past five years) and have been declining (currently estimated to be 1.1 percent). According to Reis, apartment vacancies within the submarket are expected to continue to be extremely low, an average 1.1 percent over the next four years (compared to 4.4 percent within the larger Philadelphia metro area) – a projection of tight future demand in the submarket. Such a low vacancy rate, ultimately, creates challenges for area employers who must, eventually, pay their employees higher wages in order to compensate them for the rising market rents they will face.

	Trend Average	Forecast Average
Submarket	2.1%	1.1%
Optimistic Scenario		1.5%
Conservative Scenario		1.8%
Philadelphia Metro	4.2%	4.4%

Vacancy Rate Trends and Forecasts



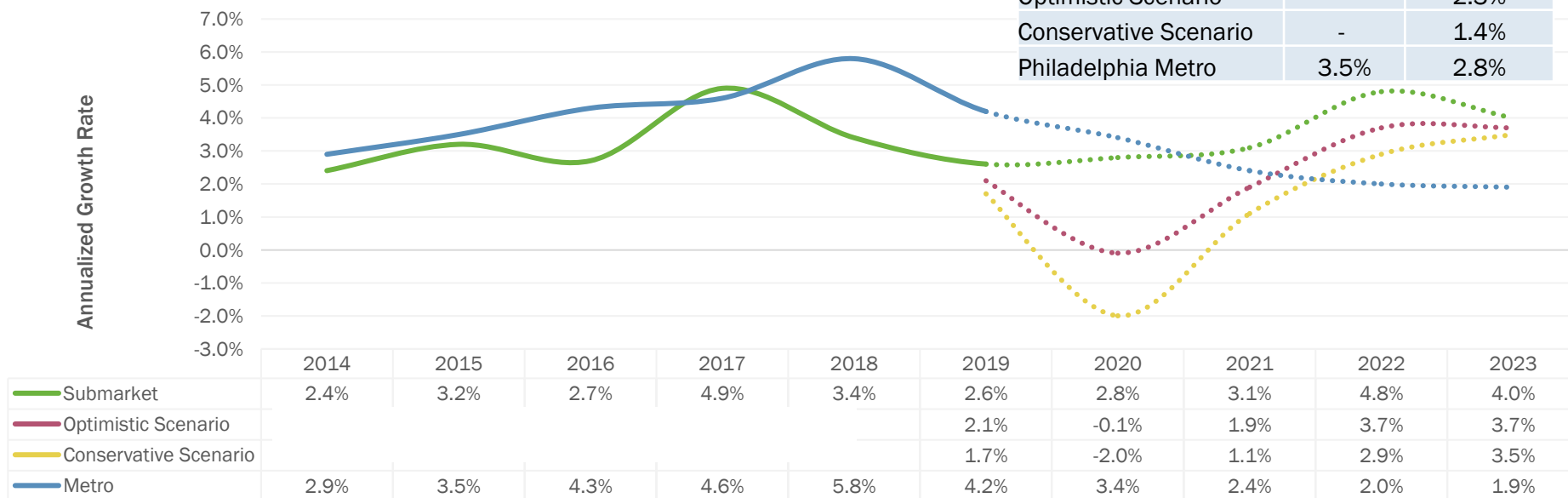
Source: Reis; 4ward Planning 2019

Multi-Family Rent: Apartment Submarket

According to second-quarter 2019 data provided by Reis, the average asking rent within the West Chester submarket is \$1,290 per month, with the average effective rent (after rent concessions and waived fees are considered) estimated at \$1,230 per month. Over the past five years, average asking apartment rents in the submarket increased by 3.4 percent per year (compared to 3.5 percent within the metro area). Reis expects average asking apartment rents in the submarket will continue to increase between 1.4 and 3.5 percent per year over the next four years (likely in response to flat inventory growth and tight vacancies within the submarket). It should be understood that the increase in the submarket’s average rent is likely to exceed the inflation rate (currently averaging 2.1 percent).

	Trend Average	Forecast Average
Submarket	3.4%	3.5%
Optimistic Scenario	-	2.3%
Conservative Scenario	-	1.4%
Philadelphia Metro	3.5%	2.8%

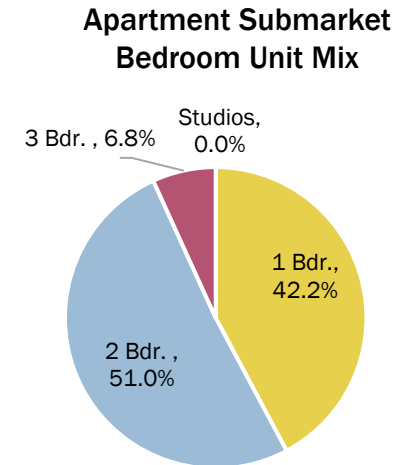
Asking Rent Trends and Forecasts



Source: Reis; 4ward Planning 2019

Multi-Family Inventory: Submarket

Approximately 93 percent of the total apartment inventory within the submarket is composed of either one- or two-bedroom units (42.2 and 51.0 percent, respectively), while a relatively small share is comprised of three-bedroom units (6.8 percent, respectively). On average, asking rents for apartments built between 2000 and 2009 (the most recent multi-family housing stock in the submarket’s inventory) are approximately \$1,700 per month. Given the lack of inventory of apartment units built after 2009, relatively low vacancy rates, and relatively strong asking rent growth, the study area is likely to be market receptive to new multifamily housing units predicated on other area improvements (addressing negative area perceptions).

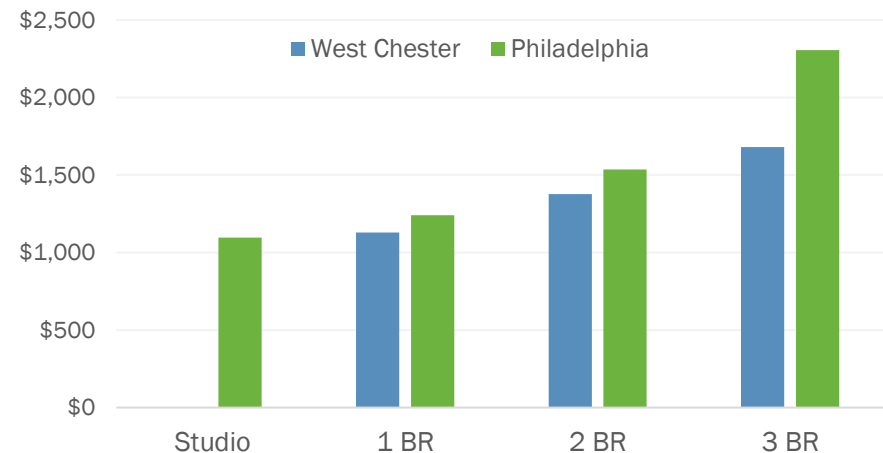


Apartment Submarket Building Age Characteristics

Year Built	Inventory By Building Age	Vacancy Rate By Age	Asking Rent by Age
Before 1970	34%	2.1%	\$1,213
1970-1979	31%	1.4%	\$1,323
1980-1989	5%	2.9%	\$1,452
1990-1999	0%	NA	NA
2000-2009	30%	2.1%	\$1,692
After 2009	0%	NA	NA
All	100%	1.9%	\$1,291

Source: Reis; 4ward Planning 2019

Apartment Asking Rent Comparisons by Bedroom



FY 2019 Income Limits: Chester County, PA

The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs. HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county.

For purposes of this housing market analysis, 4ward Planning concerned itself with the fiscal year (FY) 2019 Income Limits for Chester County, Pennsylvania.

As is exhibited in the tables on the following slide, HUD derives its income limits for affordable housing qualification purposes based on Median Family Income (and is also referred to as area median income (AMI)) for a four-person household. That is, and based on its review of annual data furnished through the Census Bureau's American Community Survey instrument, HUD identifies median income for a family of four for a given county or metro area and then estimates the qualifying income limits for low-income households (80 percent of AMI) and very low-income households (50 percent of AMI). Income limits are estimated for household sizes ranging from one-person up to an eight-person household (with the income limit rising with each increase in the number of persons per household).

Further, the income limit selected for a particular household size is generally based on there being one more person than the number of bedrooms per unit. As such, a three-person household income limit would be used for a two-bedroom rental unit. A two-person household income limit would be used for a one-bedroom rental unit.

FY 2019 Income Limits: Chester County, PA (continued)

80 Percent of Median Household Income (Low-Income)

	Median Family Income ¹	One Person HH	Two Person HH	Three Person HH	Four Person HH	Five Person HH
Chester County, PA	\$90,100	\$50,456	\$57,664	\$64,872	\$72,080	\$77,846
30 Percent of HH Income	\$27,030	\$15,137	\$17,299	\$19,462	\$21,624	\$23,354
Monthly Rent/Mortgage Payment	\$2,253	\$1,261	\$1,442	\$1,622	\$1,802	\$1,946
Unit Size	1,200	600	875	875	1,200	1,200
Rent/S.F.	\$1.88	\$2.10	\$1.65	\$1.85	\$1.50	\$1.62

50 Percent of Median Household Income (Very Low-Income)

	Area Median Income ¹	One Person HH	Two Person HH	Three Person HH	Four Person HH	Five Person HH
Chester County, PA	\$90,100	\$31,535	\$36,040	\$40,545	\$45,050	\$48,654
30 Percent of HH Income	\$27,030	\$9,461	\$10,812	\$12,164	\$13,515	\$14,596
Monthly Rent/Mortgage Payment	\$2,253	\$788	\$901	\$1,014	\$1,126	\$1,216
Unit Size	1,200	600	875	875	1,200	1,200
Rent/S.F.	\$1.88	\$1.31	\$1.03	\$1.16	\$0.94	\$1.01

¹ Represents a median household-income for four-person households within Chester County, PA

Source: United States Department of Housing and Urban Development (HUD)

Supply/Demand Analysis: Key Demand Scenario Assumptions

Net Household Formation from 2019 to 2029 Based on Esri's Household Growth Forecasts

Households within the 20-minute PMA are projected to increase by 3,600 from 2019 to 2029 (by 0.7 percent per year).

Employment Growth Based on Average Annual Growth Rate of 0.5 Percent over 2019 Base Employment

Based on 2019 primary worker data provided by the Census and average 2016 to 2026 industry employment growth rate projections provided by the Pennsylvania Department of Labor and Industry for Chester County, workers within the 20-minute PMA are expected to increase by 2,730 from 2019 to 2029 (by 0.5 percent per year).

Five of Every 100 PMA Workers Would Trade Commute for Adequate Housing Choice

Currently, approximately 68 out of every 100 workers commute from outside the 20-minute PMA. It is assumed that five out of every 100 of these workers would, likely, trade their commutes if adequate housing choice was available.

Housing inventory expected to grow at 0.7 percent per year

Housing within the 20-minute PMA is projected to increase by 1,850 units from 2019 to 2029 (by 0.7 percent per year).

20-Minute PMA Should Maintain a Natural Average Annual Housing Vacancy Rate of Four Percent

These units represent the supply of units in a given market that are not leased or occupied, allowing for housing turnover.

Remaining Vacant Housing within the 20-Minute PMA is Physically Obsolescent or Unmarketable

With a projected housing vacancy rate of 5.3 percent, it is assumed the remaining share of vacant housing (1.3 percent) within the PMA is not available for sale or for rent, but is vacant due to repairs, foreclosure, or other personal reasons.

1.0 Percent of the 20-Minute PMA's Remaining Housing Stock Becomes Obsolescent Annually

All housing stock gradually wears out over time and, on average, one out of every 100 units becomes obsolescent, annually.

Supply/Demand Analysis: 20-Minute PMA

Largely due to existing pent-up demand from 20-minute PMA workers who commute into the area (68 percent of workers) and replacement of physically obsolescent housing, there is currently an identified net demand for approximately 1,850 residential units in the 20-minute PMA. By 2029, there will be a projected net demand for approximately 2,070 residential units. Assuming that between five and 10 percent of these units could be captured within the study area, the area could accommodate between 100 and 210 units by 2029.

Net Dwelling Unit (DU) Demand Through 2029

	2019	2024	2029
Housing Demand Metrics			
<i>Estimated Households in 20-Minute PMA (0.7% growth rate)</i>	51,927	53,625	55,528
Estimated Workers in 20-Minute PMA (0.5% growth rate)	53,280	54,630	56,010
Estimated Workers Residing Outside 20-Minute PMA (68%)	36,020	36,930	37,860
<i>Estimated Pent-Up Housing Unit Demand from Commuting Area Workers (5%)</i>	1,801	1,847	1,893
<i>Estimated Number of Naturally Occurring Vacant Housing Units (4%)</i>	2,191	2,265	2,339
Estimated Aggregate Housing Unit Demand in 20-Minute PMA	55,919	57,737	59,761
Housing Supply Metrics			
Estimated Housing Units in 20-Minute PMA	54,780	56,630	58,480
Physically Obsolescent Units (1.3% of total units, 1% annual obsolescence rate)	712	748	787
New Units Added in 20-Minute PMA (0.7% growth rate)	0	1,850	1,850
Estimated Net Marketable Housing Units in 20-Minute PMA	54,068	55,882	57,693
Net Housing Demand/Supply Calculation			
<i>Estimated Aggregate Housing Unit Demand in 20-Minute PMA</i>	55,919	57,737	59,761
<i>Subtract Estimated Net Marketable Housing Units in 20-Minute PMA</i>	54,068	55,882	57,693
Net Housing Unit Demand/(Excess Units)	1,851	1,855	2,067
Study Area Unit Capture (5%)	93	93	103
Study Area Unit Capture (10%)	185	186	207

Source: 4ward Planning Inc. 2019

Retail

Key Findings: Retail

3.3 million square feet of major retail space in the PMA

Based on 2019 data provided by the Directory of Major Malls, there are six major retail shopping centers (complexes containing at least 200,000 square feet under one roof) within the 20-minute PMA, containing nearly 3.3 million gross leasable area (GLA) of major retail shopping space, equivalent to 23 GLA per person (with some major anchor space recently closed or currently vacant). Containing 70,531 square feet of GLA, Airport Village Shopping Center is the only major retail shopping center located in the study area.

Study area experiencing a “leakage” of retail sales

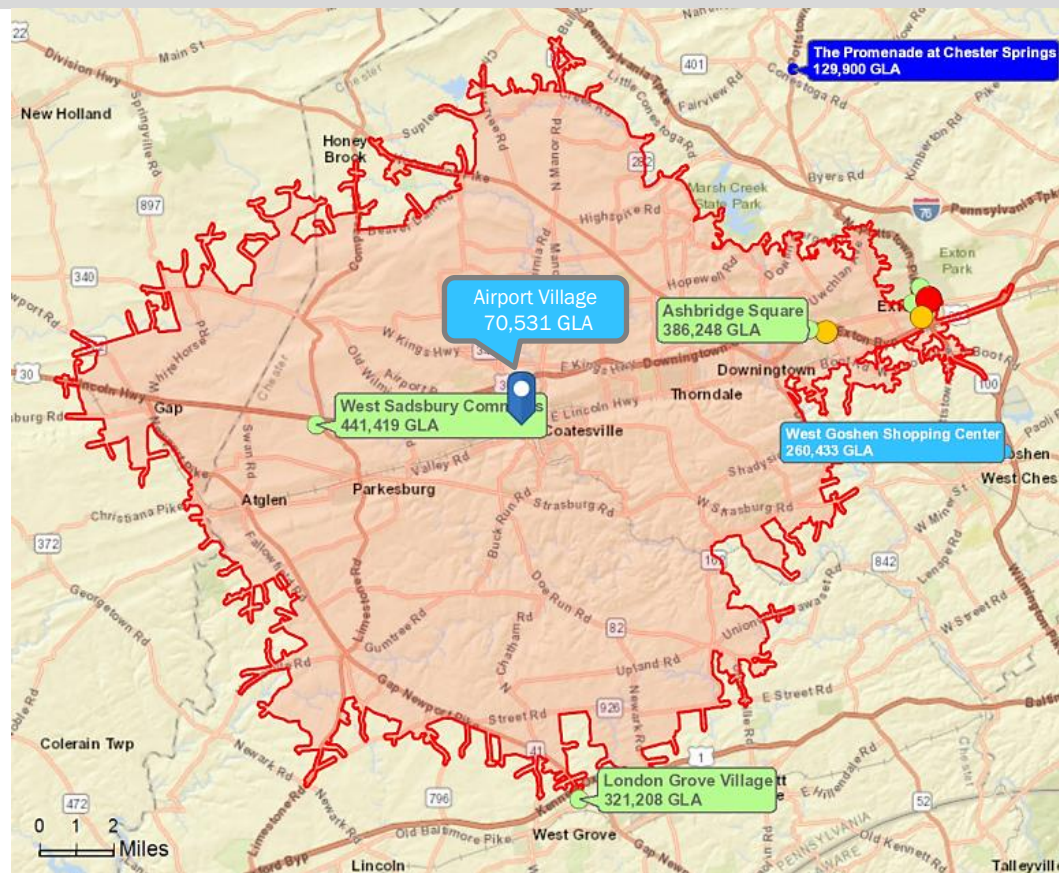
According to data provided by Esri, the study area is experiencing a “leakage” of retail sales in most of the selected retail categories - meaning that either people living inside the study area are making slightly more purchases beyond the study area and/or consuming less than would be expected, given their income levels.

Demand for 22,500 to 27,000 square feet or restaurant space

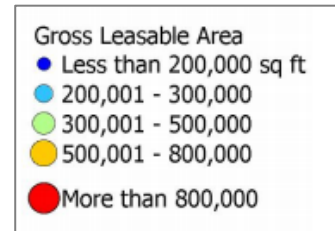
Based on retail supply/demand analysis, there is existing net retail demand within the study area to support between 22,500 to 27,000 square feet or restaurant space (equivalent to between five and six restaurants based on the median-size store formats) and one average sized grocery store (approximately 50,000 s.f. Further, retail development in the study area should be limited in scale and concentrated either along the Lincoln Highway corridor or within 1,000 feet of the SEPTA train station, in order to take advantage of existing traffic volumes and employment clusters.

Major Retail: 20-Minute PMA

Based on 2019 data provided by the Directory of Major Malls, there are six major retail shopping centers (complexes containing at least 200,000 square feet under one roof) within the 20-minute PMA, containing nearly 3.3 million gross leasable area (GLA) of major retail shopping space (with some major anchor space recently closed or currently vacant), equivalent to 23 GLA per person. With 70,531 square feet of GLA, Airport Village Shopping Center is the only major retail shopping center located in the study area.



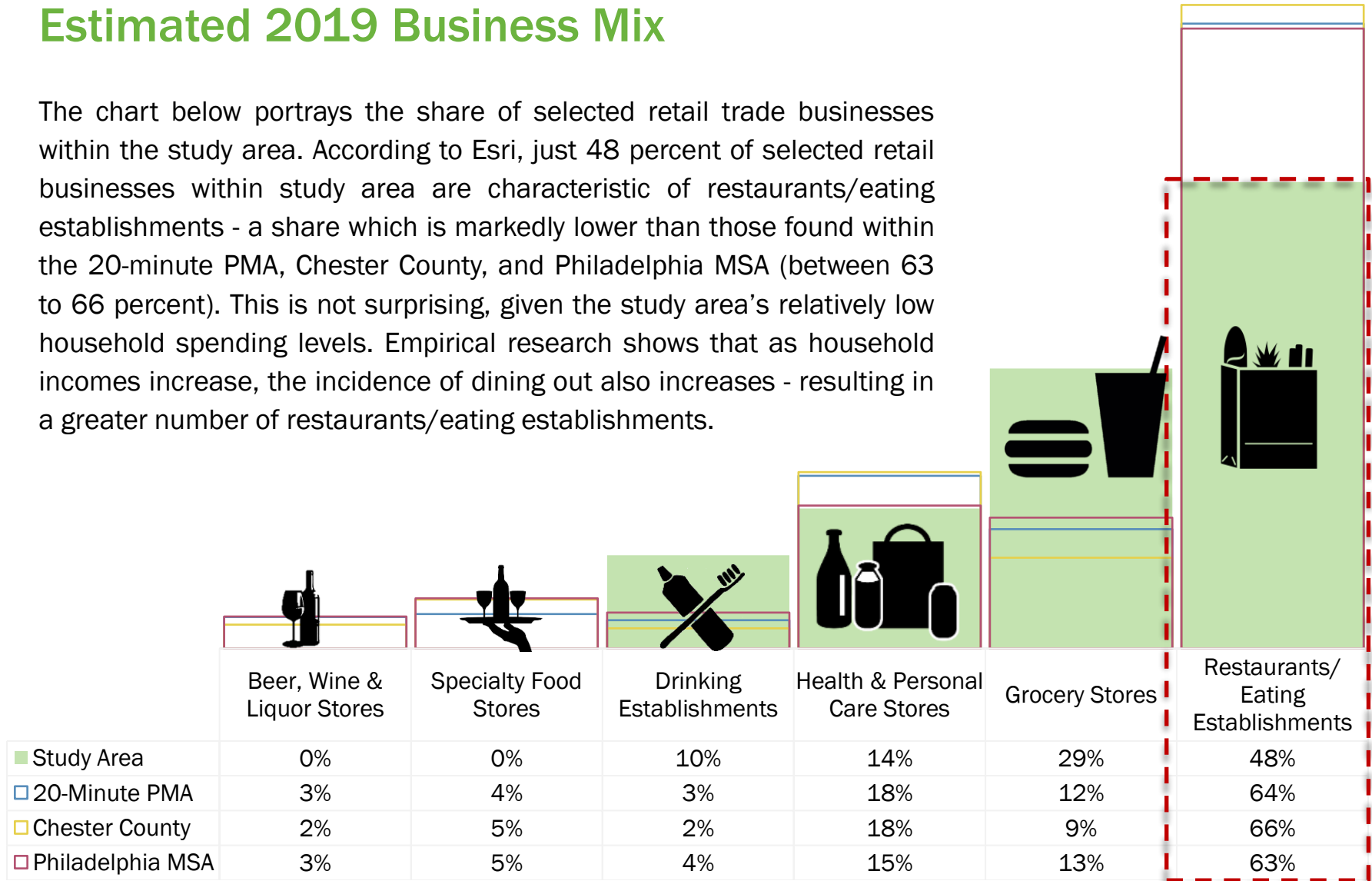
Name	Distance from Site (Miles)	GLA (SF)	Anchor
Airport Village Shopping Center	1.92 NW	70,531	Aldi, Rite Aid, Snap Fitness, US Renal Care, Burger King, Key Bank
West Sadsbury Commons	5.50 NW	441,419	Walmart Supercenter, Home Depot
Ashbridge Square	8.15 NE	386,248	The Home Depot, Best Buy, Christmas Tree Shops, Jo-Ann Fabric & Craft
Brandywine Square	8.55 NE	603,668	Wegmans, BJ's Wholesale Club, Regal Cinemas, Dick's Sporting Goods
Main Street at Exton	11.11 NE	759,957	Walmart, Sam's Club (Closed) , Movie Tavern, Babies R Us (Closed)
Exton Square Mall	11.43 NE	1,088,000	Macy's, Boscov's, Sears, Round1 Bowling & Amusement
Main Street at Exton	11.11 NE	759,957	Walmart, Sam's Club (Closed) , Movie Tavern, Babies R Us (Closed)
Total		3,279,292	
GLA per Population (PMA)		23.0	



Source: Esri, Directory of Major Malls, Inc., 2019

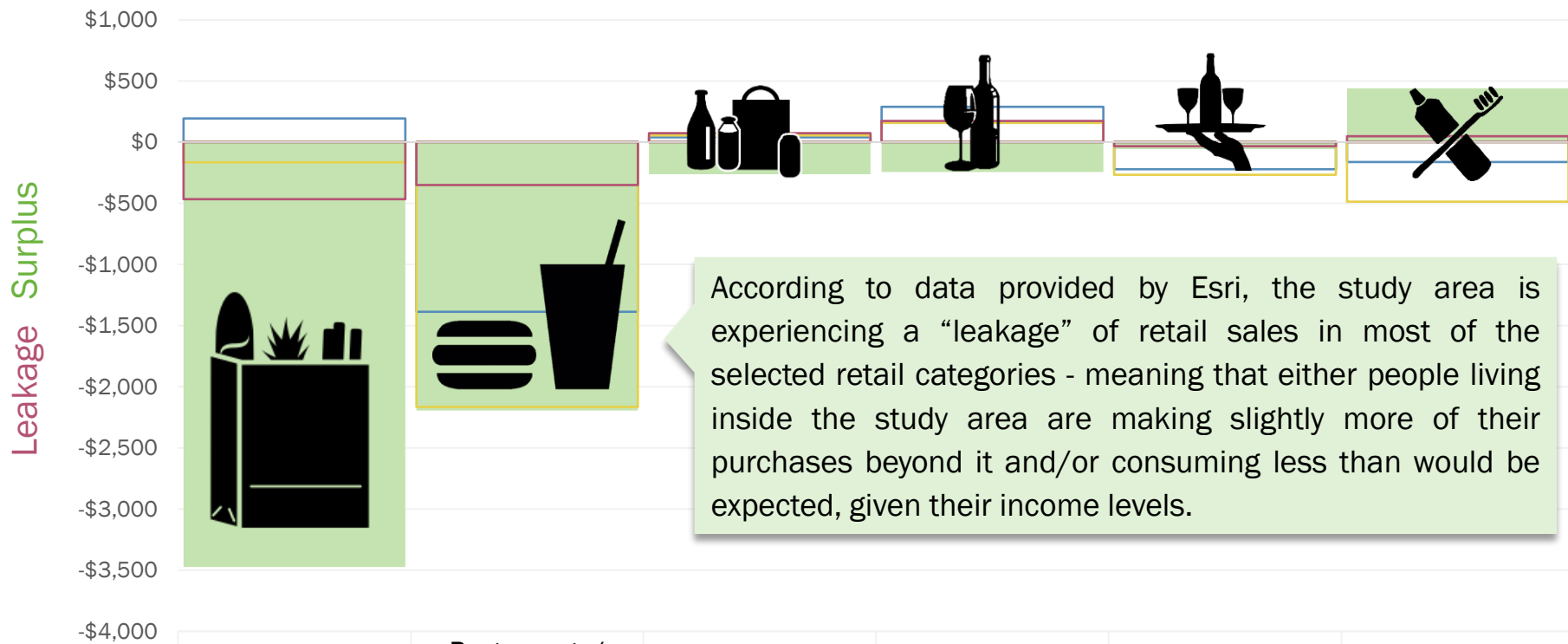
Estimated 2019 Business Mix

The chart below portrays the share of selected retail trade businesses within the study area. According to Esri, just 48 percent of selected retail businesses within study area are characteristic of restaurants/eating establishments - a share which is markedly lower than those found within the 20-minute PMA, Chester County, and Philadelphia MSA (between 63 to 66 percent). This is not surprising, given the study area’s relatively low household spending levels. Empirical research shows that as household incomes increase, the incidence of dining out also increases - resulting in a greater number of restaurants/eating establishments.



Source: Esri; 4ward Planning Inc., 2019

2019 Retail Gap per Household

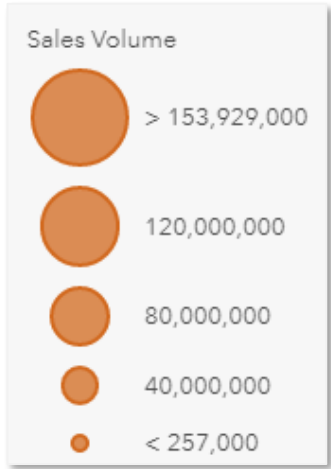
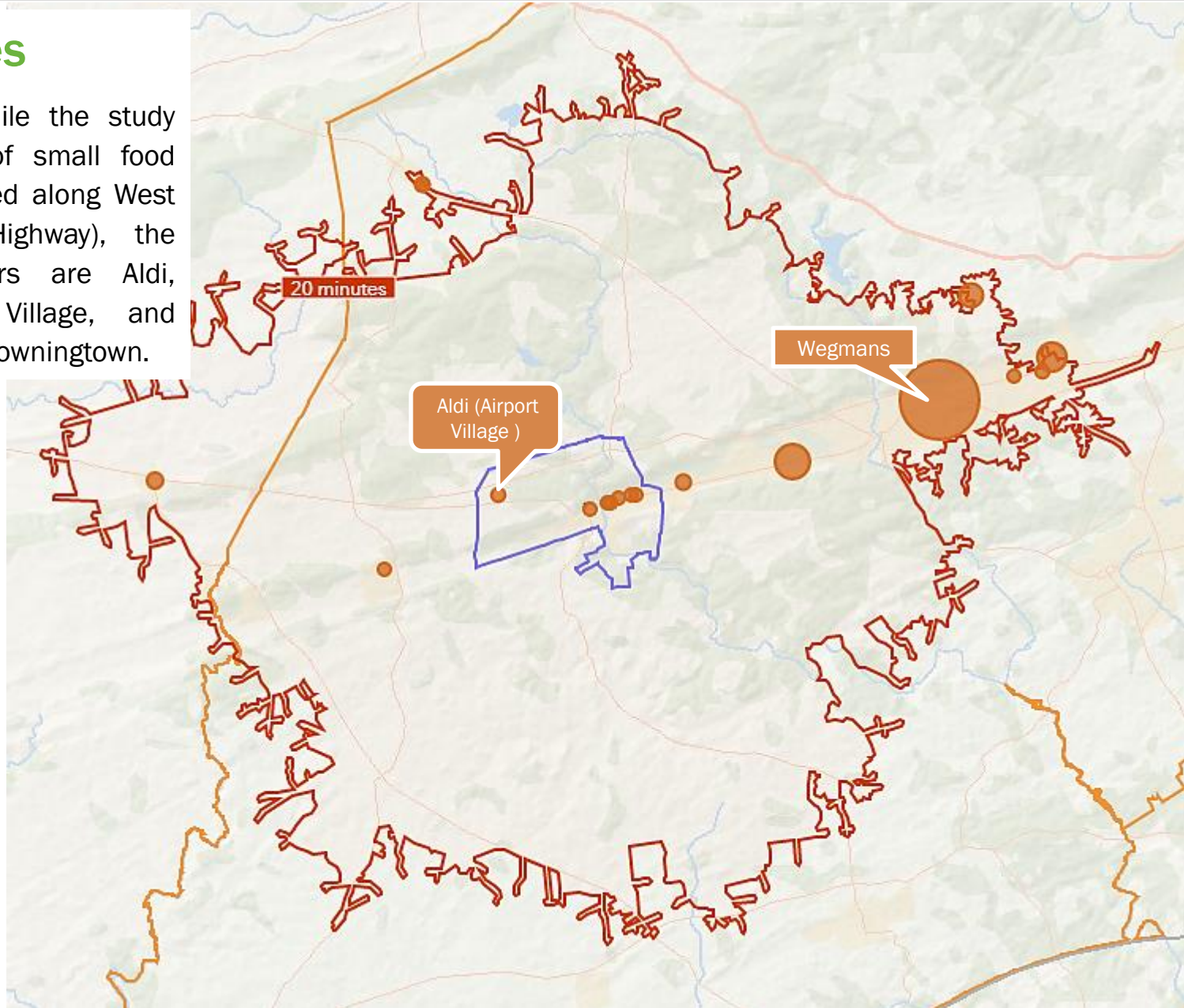


	Grocery Stores	Restaurants/ Eating Establishments	Specialty Food Stores	Beer, Wine & Liquor Stores	Drinking Establishments	Health & Personal Care Stores
■ Study Area	-\$3,473	-\$2,194	-\$261	-\$245	-\$55	\$435
■ 20-Minute PMA	\$193	-\$1,386	\$40	\$289	-\$221	-\$162
■ Chester County	-\$163	-\$2,165	\$56	\$158	-\$266	-\$487
■ Philadelphia MSA	-\$466	-\$351	\$73	\$173	-\$33	\$48

Source: Esri; 4ward Planning Inc., 2019

Grocery Stores

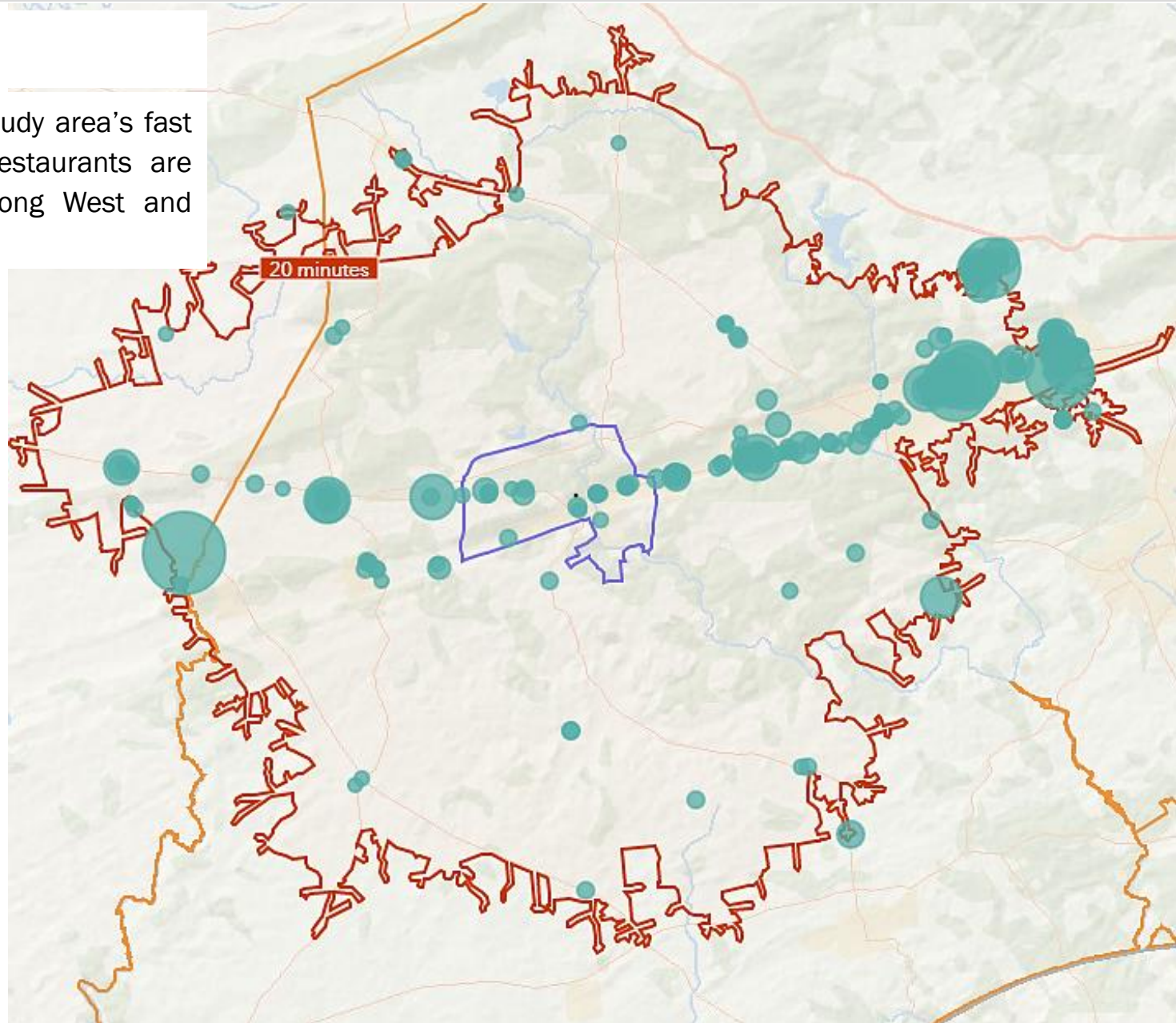
According to Esri, while the study area has a variety of small food markets (largely located along West and East Lincoln Highway), the nearest large grocers are Aldi, located in Airport Village, and Wegmans, located in Downingtown.



Source: Esri; 4ward Planning Inc., 2019

Restaurants

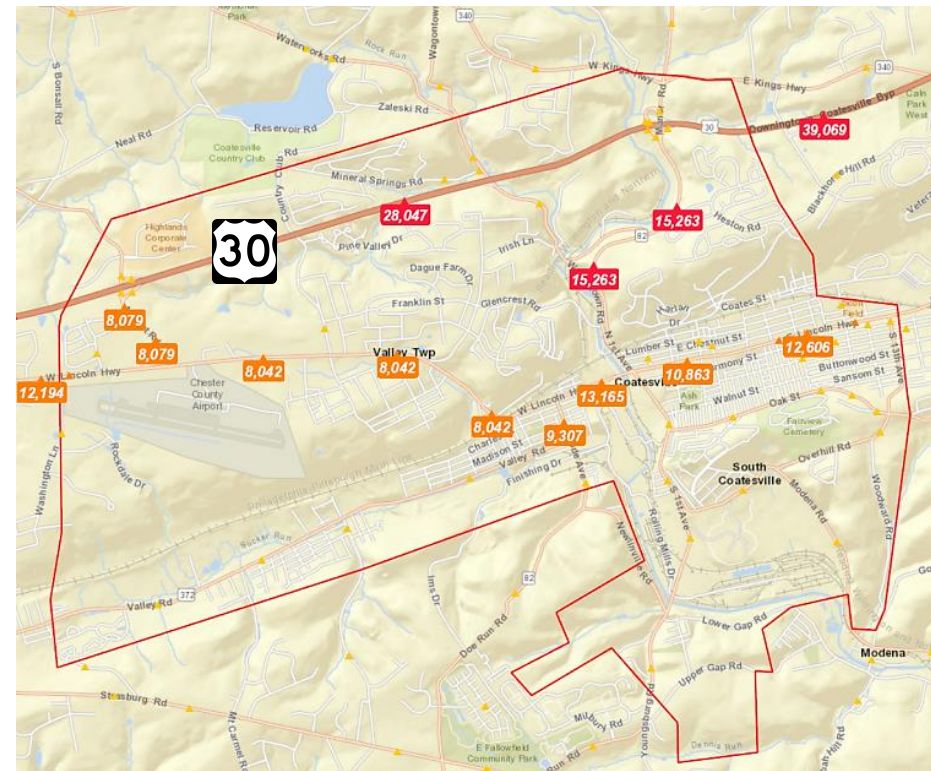
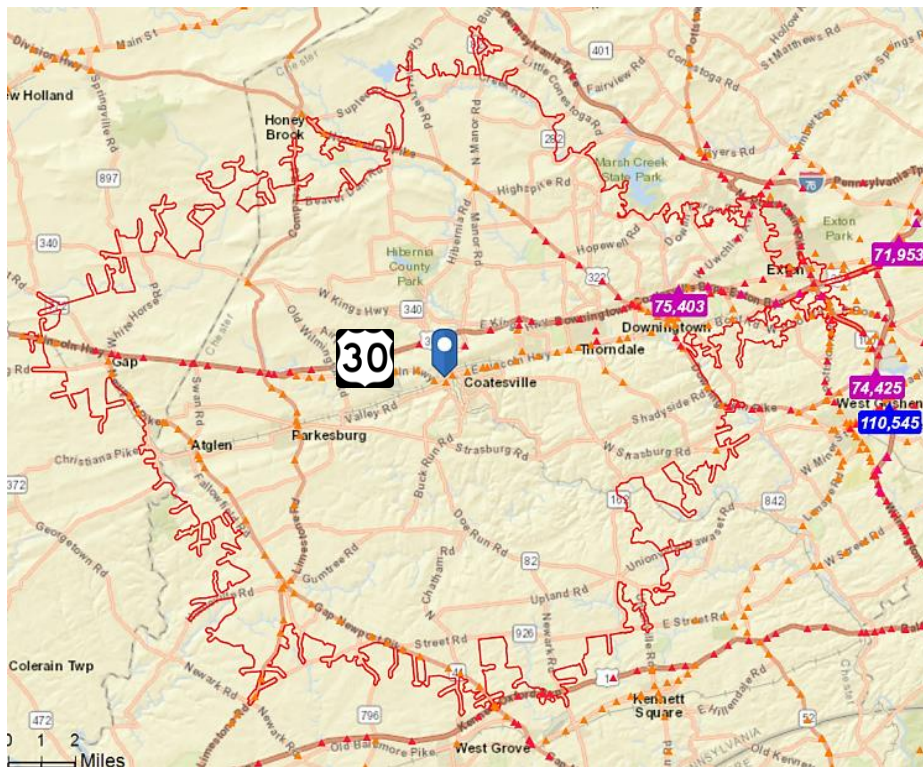
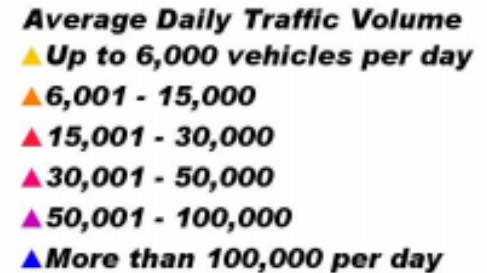
According to Esri, the study area's fast food and full-service restaurants are also largely located along West and East Lincoln Highway.



Source: Esri; 4ward Planning Inc., 2019

Traffic

The maps below illustrate average daily traffic volume within the study area and PMA, according to first-quarter data provided by Esri. Within the study area, average daily traffic volume is highest along U.S. Route 30 and the Lincoln Highway corridor.



Source: Kalibrate Technologies, Q1 2019; Esri; 4ward Planning Inc., 2019

Methodology: Retail Metric Assumptions

- 4ward Planning used various residential and commercial data sources to conduct a retail gap/leakage analysis within each study geography.
- Esri retail marketplace data was the primary source for information on existing retail demand and sales.
- Retail metrics for average sales per square foot and size by category was adapted from data provided by BizStats, an online retail data service, to reflect currently observed neighborhood-retail supply trends. Retail metric assumptions are also presented in the table below.
- Accordingly, 4ward Planning developed a rough percent-capture estimate for new commercial and/or mixed-use development demand within the study area.

Retail Category	Sales/SF	Median Size (SF)	Est. % Capture	Example Retailers
Grocery Stores	\$400	45,000	70%	Safeway, Whole Foods Market, Village Super Market
Specialty Food Stores	\$600	30,000	70%	The Fresh Market, Natural Grocers, Weis Markets
Beer, Wine & Liquor Stores	\$400	8,000	90%	Liquor Stores N.A.
Health & Personal Care Stores	\$1,000	17,000	90%	Rite Aid, Vitamin Shoppe, GNC
Restaurants/Eating Establishments	\$525	4,500	75%	Ruby Tuesday, Starbucks, Domino's Pizza
Drinking Establishments	\$500	2,500	80%	Brick House Tavern, Chili's Grill & Bar

Existing Retail Store Capture Estimates

Based on the retail metric assumptions outlined on the preceding page, the table below compares existing supportable square foot and store equivalent estimates by selected retail category for each geography. Retail estimates presented in **red** represent retail categories experiencing a “surplus” of retail sales (supply exceeds the area’s demand) while estimates in **green** represent retail categories experiencing a “leakage” of retail sales (where demand exceeds supply). Retail categories experiencing leakage represent potential opportunities for new retailers to enter the trade area or for existing retailers to extend their marketing outreach to accommodate the excess demand. Based on retail supply/demand analysis, there is existing net retail demand within the study area to support between 22,500 to 27,000 square feet or restaurant space (equivalent to between five and six restaurants based on the median-size store formats). If a new supermarket were to be developed in the area, it would have to be cited on a major arterial, such as Route 30. Further, retail development in the study area should be limited in scale and concentrated along the Route 30 corridor or near to the SEPTA train station, in order to take advantage of existing traffic volumes and employment clusters. These findings were confirmed by interviews with local real estate professionals.

Potential Retail Capture, 2019

	Study Area		20-Minute PMA		Chester County		Philadelphia MSA	
	Supportable SF	Store Equivalent	Supportable SF	Store Equivalent	Supportable SF	Store Equivalent	Supportable SF	Store Equivalent
Grocery Stores	49,375	1.1	(17,471)	(0.4)	54,677	1.2	1,891,687	42
Restaurants/Eating Establishments	25,465	5.7	102,263	22.7	591,180	131.4	1,162,157	258
Beer, Wine & Liquor Stores	4,479	0.6	(33,592)	(4.2)	(67,789)	(8.5)	(904,275)	(113)
Specialty Food Stores	2,477	0.1	(2,397)	(0.1)	(12,464)	(0.4)	(198,364)	(7)
Drinking Establishments	712	0.3	18,260	7.3	81,481	32.6	121,245	48
Health & Personal Care Stores	(3,182)	(0.2)	7,537	0.4	83,808	4.9	(99,222)	(6)
Total	79,326	7.5	74,601	25.8	730,893	161.2	1,973,229	223

Source: 4ward Planning Inc., 2019

Office

Key Findings: Office

58,370 square feet vacant of office space in submarket

According to first-quarter 2019 data provided by Avison Young, a global commercial real estate services company, there is approximately 1,051,900 square feet of office space located in the Outer Chester County submarket (generally representing the 20-minute PMA). Within the submarket, there is approximately 58,370 square feet of vacant office space (5.5 percent vacancy rate) and 80,000 square feet under construction. No new office space has been recently absorbed or leased. Little office inventory growth and relatively low office vacancy rates suggest a tight local office submarket.

Demand for 566,240 square feet of office space by 2029

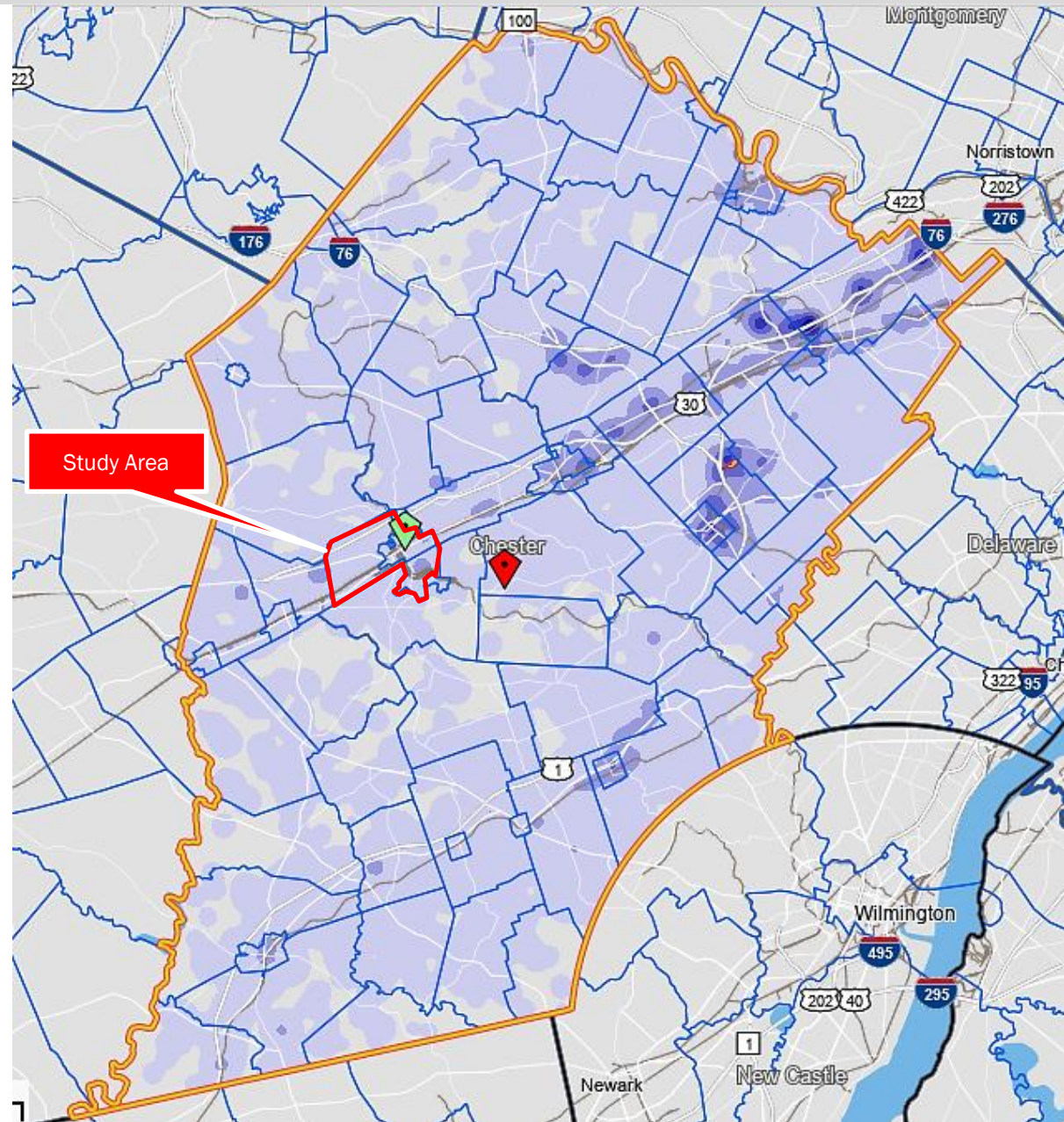
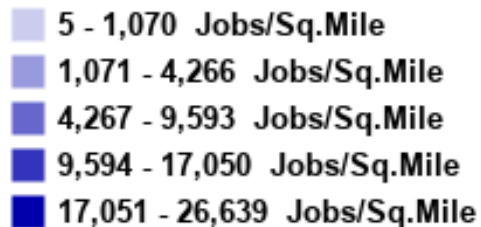
Based on projected net new office space demand, by 2029, there will be an estimated net new demand for approximately 566,240 square feet of office space in the 20-minute PMA, some of which could be accommodated within the study area. It should also be noted that net new positive demand does not necessarily indicate the need for newly developed office space, as some demand can be accommodated by existing vacant office and/or retail space – a suggestion confirmed by our interviews with real estate professionals.

Medical and professional office space exhibits the greatest demand

By 2029, there will be a net new demand for approximately 229,940 square feet of medical office space and 215,490 square feet of professional office space within the 20-minute PMA. Development in the study area should consider the demand by office space subtype within the PMA.

Employment Centers: Chester County

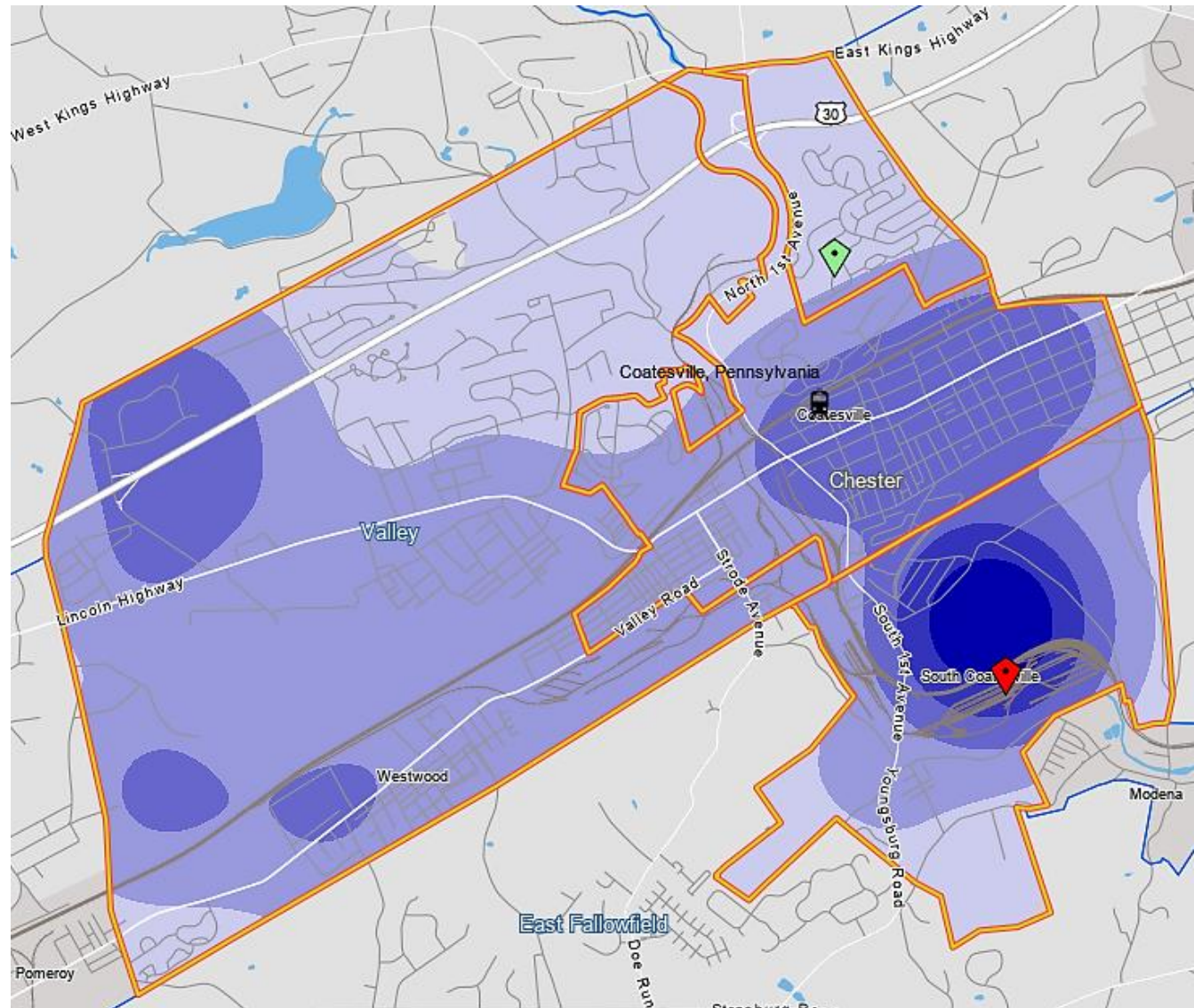
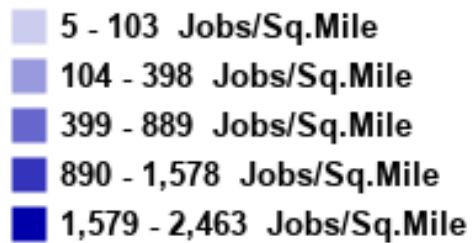
The map to the right illustrates employment centers within Chester County, according to 2017 data provided by the U.S. Census Bureau. Employment clusters within the County are largely concentrated in the communities located along the Keystone Corridor and SEPTA's Paoli/Thorndale Regional Rail line. SEPTA has recently announced that service would be extended back to Coatesville "in the near future," with the development of a new Coatesville station.



Source: U.S. Census Bureau, Center for Economic Studies, 2017

Employment Centers: Study Area

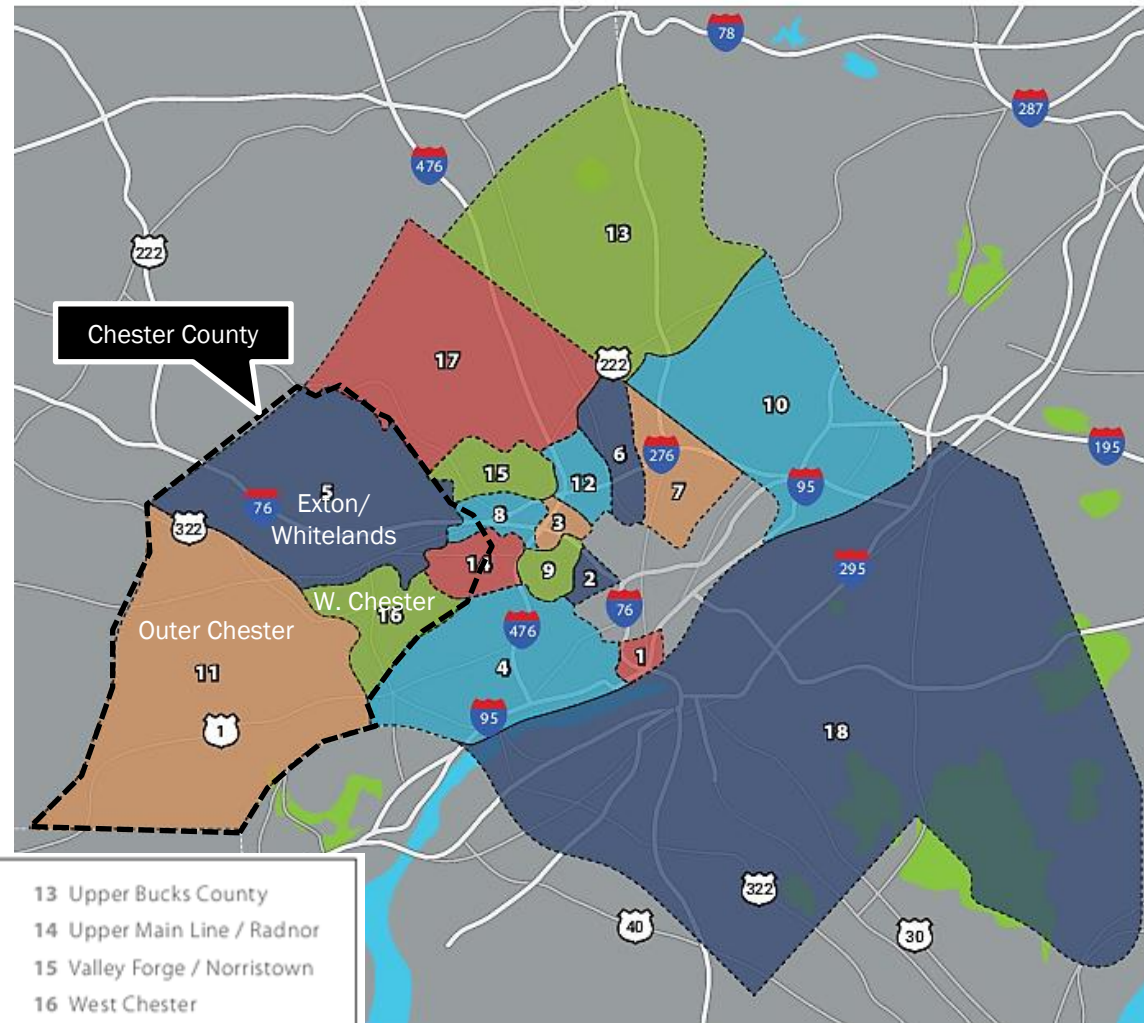
The largest employment cluster within the study area, with between 1,580 and 2,460 jobs per square mile, is located in South Coatesville. Much of this employment is associated with manufacturing and distribution warehousing activity.



Source: U.S. Census Bureau, Center for Economic Studies, 2017

Office Market Characteristics: Philadelphia

The map to the right illustrates the office submarkets within the Philadelphia MSA, according to Avison Young, a global commercial real estate services company. For purposes of analysis, office characteristics for the suburban Philadelphia submarket (excludes the Philadelphia City Center and southern New Jersey submarkets) is presented in more detail on the following page. As highlighted to the right, the Outer Chester submarket is assumed to generally represent the 20-minute PMA.



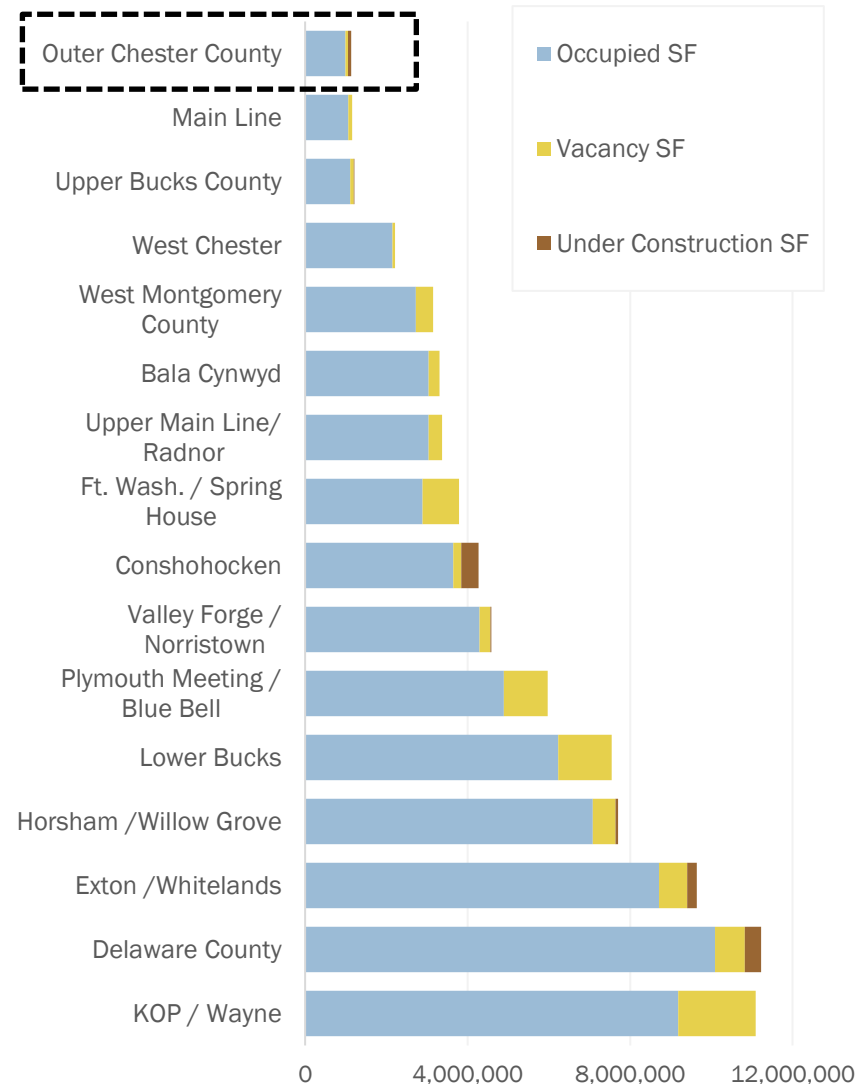
01 Philadelphia	07 Horsham / Willow Grove	13 Upper Bucks County
02 Bala Cynwyd	08 King of Prussia / Wayne	14 Upper Main Line / Radnor
03 Conshohocken	09 Main Line	15 Valley Forge / Norristown
04 Delaware County	10 Lower Bucks County	16 West Chester
05 Exton / Whitelands	11 Outer Chester County	17 West Montgomery County
06 Fort Washington / Spring House	12 Plymouth Meeting / Blue Bell	18 Southern New Jersey

Source: Avison Young, Philadelphia Office Market Report, Center City & Suburban Submarkets, 1Q 2019

Office Inventory: Suburban Philadelphia

According to first-quarter 2019 data provided by Avison Young (presented to the right and on the following pages), there is over 80.1 million square feet of office space within the suburban Philadelphia office submarkets, with approximately 1,051,900 square feet of this office space located in the Outer Chester County submarket (representing the smallest submarket with just two percent of the suburban Philadelphia office inventory). Within the submarket, there is approximately 58,370 square feet of vacant office space (5.5 percent vacancy rate) and 80,000 square feet under construction. No new office space has been recently absorbed or leased.

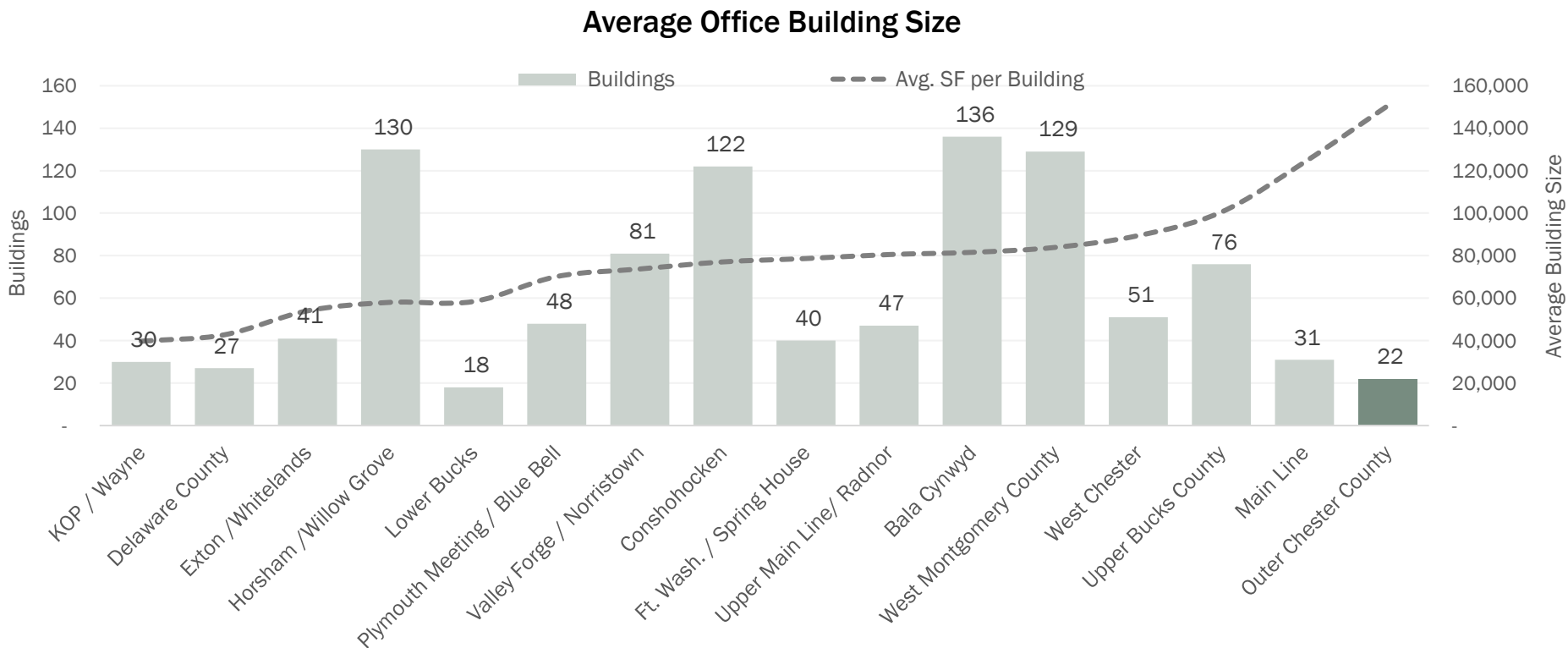
The relatively low share of office inventory within Chester County, coupled with relatively flat population and employment growth in the county, suggests office development, long-term, will be modest, at best.



Source: Avison Young, Philadelphia Office Market Report, Center City & Suburban Submarkets, 1Q 2019

Office Inventory: Suburban Philadelphia (continued)

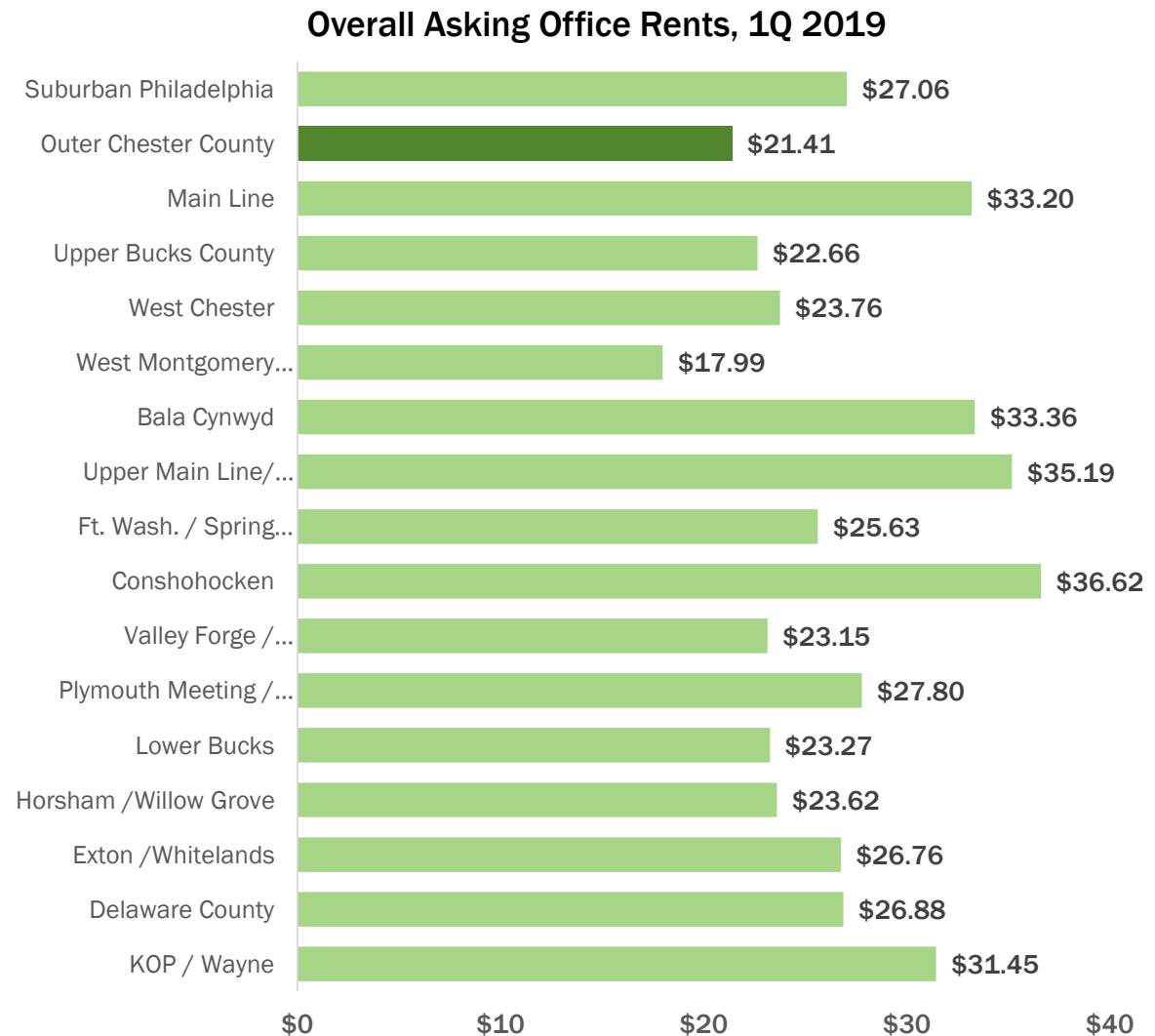
According to Avison Young, with just 20 office buildings containing 1.05 million square feet, the average office space building in the Outer Chester County submarket is approximately 150,430 square feet (the largest average building size within the suburban Philadelphia area). While smaller office buildings are very important to their communities (particularly for Class B & C clientele), much of the need for the re-use or redevelopment of existing office properties will likely focus on bigger office buildings, which are often located in large office parks.



Source: Avison Young, Philadelphia Office Market Report, Center City & Suburban Submarkets, 1Q 2019

Office Rents: Suburban Philadelphia

As of first-quarter 2019, average asking office rents for all classes of office space within the Outer Chester County submarket were \$21.41, compared to \$27.06 within the suburban Philadelphia submarket.

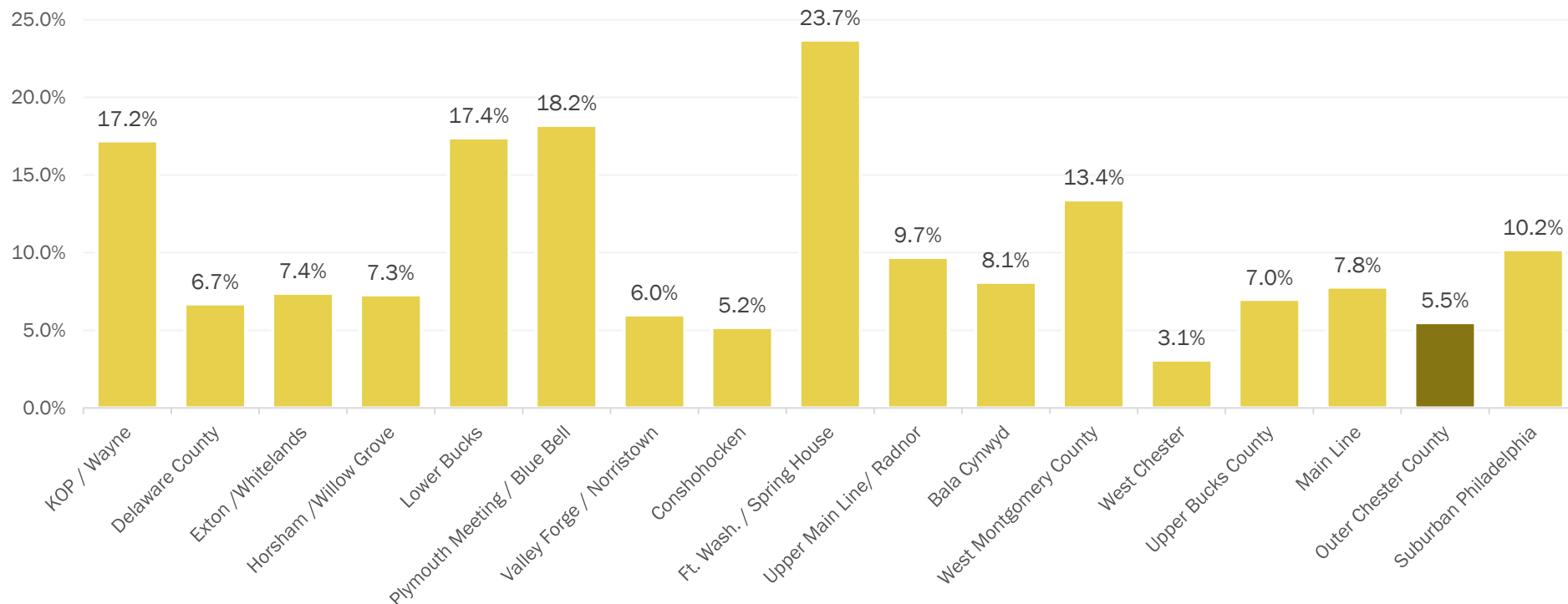


Source: Avison Young, Philadelphia Office Market Report, Center City & Suburban Submarkets, 1Q 2019

Office Vacancy: Suburban Philadelphia

As of first-quarter 2019, the suburban Philadelphia office market had an overall vacancy rate of 10.2 percent. With just 58,370 square feet of vacant office space, the Outer Chester County submarket had a relatively low office vacancy rate (5.5 percent) among the suburban Philadelphia submarkets. Little office inventory growth and relatively low office vacancy rates suggest a tight local office submarket. However, the relatively low vacancy rate within Chester County doesn't, necessarily, suggest any new inventory should be developed in the near-term.

Office Vacancy Rate, 1Q 2019



Source: Avison Young, Philadelphia Office Market Report, Center City & Suburban Submarkets, 1Q 2019

Office Market Characteristics: Suburban Philadelphia

Suburban Philadelphia Office Characteristics, First Quarter, 2019

Submarket	Buildings	Inventory SF	Vacancy SF Total	Vacancy Total	Net Absorption SF	Leasing Activity SF	Under Construction SF	Asking Rent Overall	Asking Rent Class A
KOP / Wayne	136	11,095,481	1,907,169	17.2%	-99,191	191,447	-	\$31.45	\$33.81
Delaware County	129	10,823,157	727,877	6.7%	-45,880	274,847	401,200	\$26.88	\$28.82
Exton /Whitelands	122	9,404,147	692,265	7.4%	10,931	79,941	240,000	\$26.76	\$27.89
Horsham /Willow Grove	76	7,638,031	556,272	7.3%	-58,442	53,933	67,470	\$23.62	\$23.71
Lower Bucks	130	7,547,834	1,316,803	17.4%	-81,804	26,376	-	\$23.27	\$25.71
Plymouth Meeting / Blue Bell	81	5,973,307	1,084,842	18.2%	24,800	126,642	-	\$27.80	\$28.14
Valley Forge / Norristown	51	4,561,712	271,892	6.0%	4,125	4,119	20,000	\$23.15	\$23.41
Conshohocken	31	3,843,393	199,931	5.2%	11,953	1,794	427,045	\$36.62	\$36.77
Ft. Wash. / Spring House	47	3,785,196	895,521	23.7%	-91,043	47,001	-	\$25.63	\$25.67
Upper Main Line/ Radnor	48	3,368,607	327,517	9.7%	-46,963	161,590	-	\$35.19	\$38.50
Bala Cynwyd	22	3,309,534	266,603	8.1%	-18,357	11,072	-	\$33.36	\$33.46
West Montgomery County	40	3,146,554	421,844	13.4%	-2,787	21,468	-	\$17.99	\$18.35
West Chester	41	2,216,417	68,568	3.1%	-1,648	7,030	-	\$23.76	\$23.39
Upper Bucks County	30	1,193,033	83,545	7.0%	-2,334	7,059	20,000	\$22.66	\$26.21
Main Line	27	1,155,167	89,861	7.8%	3,291	17,800	-	\$33.20	\$34.00
Outer Chester County	18	1,051,899	58,371	5.5%	-	-	80,000	\$21.41	-
Suburban Philadelphia	1,029	80,113,469	8,968,881	10.2%	-393,349	1,032,119	1,255,715	\$27.06	\$28.51

Source: Avison Young, Philadelphia Office Market Report, Center City & Suburban Submarkets, 1Q 2019

Methodology: Key Steps for Deriving Office Demand

Projecting 2029 Primary Jobs

To determine projected office space demand, primary jobs (the job an individual has which provides the greatest income) in the 20-minute PMA were projected through 2029, based on 2019 employment estimates provided by the Esri, and 2016 to 2026 employment-by-industry projections provided by the Pennsylvania Department of Labor and Industry.

Estimating the Number of Office Workers

A National Center for Real Estate Research study has estimated the percentage of employees in various industry sectors that typically work in office environments. Using these percentages, 4ward Planning estimated the number of capture-area employees that would likely require office space.

Determining Office Space Demand

Assuming a space requirement of 150 square feet per employee (a relatively conservative space requirement, in today's office market environment, regionally and nationally), the total demand for office space was estimated, based on the number of projected office workers for each year through 2029.

Office Supply/Demand: 20-Minute PMA, 2029

The table below depicts projected net new jobs, office workers, and office demand (by square footage) by industry for the 20-minute PMA. By 2029, there will be an estimated net new demand for approximately 566,240 square feet of office space, some of which could be accommodated within the study area. It should be noted that net new positive demand does not necessarily indicate the need for newly developed office space, as some demand can be accommodated by existing vacant office and/or retail space – a suggestion confirmed by our interviews with real estate professionals.

	New Jobs	New Office Workers	New Office Space Demand (SF)
Health Care and Social Assistance	3,196	1,533	229,940
Professional, Scientific, and Technical Services	816	727	109,000
Accommodation and Food Services	814	60	9,070
Educational Services	688	390	58,490
Finance and Insurance	637	614	92,120
Construction	633	123	18,520
Transportation and Warehousing	334	87	13,010
Administration & Support, Waste Management and Remediation	285	100	15,030
Other Services (except Public Administration)	239	96	14,370
Arts, Entertainment, and Recreation	207	35	5,290
Retail Trade	121	28	4,170
Wholesale Trade	89	51	7,580
Real Estate and Rental and Leasing	75	34	5,130
Agriculture, Forestry, Fishing and Hunting	117	16	2,410
Utilities	25	12	1,820
Agriculture, Forestry, Fishing and Hunting	117	16	2,410
Mining, Quarrying, and Oil and Gas Extraction	0	0	0
Information	(42)	(29)	(4,330)
Public Administration	(62)	(27)	(4,070)
Manufacturing	(307)	(91)	(13,720)
Total	7,982	3,775	566,240

Source: Esri; Pennsylvania Department of Labor and Industry; 4ward Planning Inc., 2019

Office Supply/Demand: 20-Minute PMA, 2029 (continued)

Office space demand varies by office subtype due to the nature of the businesses in those industries. For example, new office workers in the health care and social assistance sector (largest industry by net new office workers in the 20-minute PMA) may require medical office space, while new office workers in the professional, scientific, and technical services (PSTS) sector (second largest industry by net new office workers in the 20-minute PMA) may require professional office space. Development in the study area should consider the demand by office space subtype within the 20-minute PMA. For example, by 2029, there will be a net new demand for approximately 229,940 square feet of medical office space; 215,490 square feet of professional office space; and 54,420 square feet of institutional office space within the 20-minute PMA. Again, some of this net new demand could be satisfied by existing vacant office and retail space within the local region.

New Office Space Demand: 20-Minute PMA, 2019-2029

Office Subtypes	Industries	New Office Space Demand (SF)
Medical	Health Care and Social Assistance	229,940
Professional	Professional, Scientific, and Technical Services; Finance and Insurance, Management of Companies and Enterprises; Other Services	215,490
Institutional	Educational Services; Public Administration	54,420
Limited	Construction; Agriculture; Mining	23,340
Flex / Industrial	Transportation and Warehousing; Wholesale Trade	20,590
Commercial	Retail Trade, Accommodation and Food Services; Arts, Entertainment, and Recreation	18,530

Source: Esri; Pennsylvania Department of Labor and Industry; 4ward Planning Inc., 2019

Industrial

Key Findings: Industrial

9.3 million square feet of industrial space in Chester County

According to first-quarter 2019 data provided by Cushman & Wakefield, a global commercial real estate services company, Chester County had approximately 9.3 million square feet of industrial space (11 percent of the inventory located within the six-county suburban Philadelphia submarket). As of the first-quarter 2019, zero square feet of industrial space had been absorbed and zero square feet was under construction.

Relatively low average industrial rents

Average asking industrial rents within the submarket are lowest for manufacturing space (\$4.95 per square foot per year) and highest for office service/flex space (\$5.85 per square foot per year). In general, industrial rents in Chester County are relatively low, compared to those of other suburban Philadelphia submarkets.

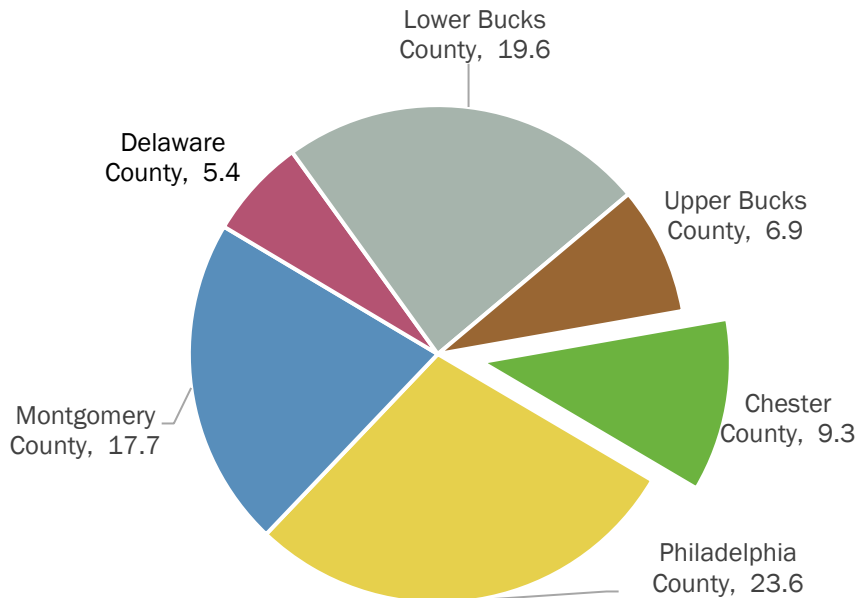
Relatively high industrial vacancy rates

As of first-quarter 2019, Chester County had the highest industrial vacancy rate (8.2 percent) among all of the suburban Philadelphia submarkets, equivalent to approximately 759,865 square feet of vacant industrial space. Relatively little industrial inventory growth, high industrial space vacancy rates, and low average industrial asking rents suggest there is weak demand for new industrial space in Chester County.

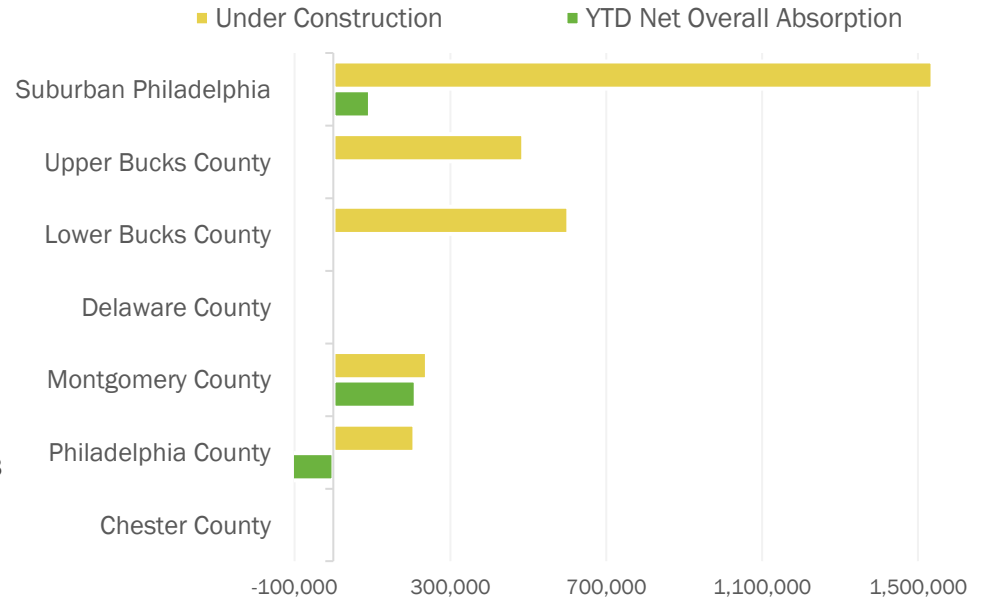
Industrial Inventory: Suburban Philadelphia

According to first-quarter 2019 data provided by Cushman & Wakefield, a global commercial real estate services company, Chester County had approximately 9.3 million square feet of industrial space (11 percent of the inventory located within the six-county suburban Philadelphia submarket). As of the first-quarter 2019, zero square feet of industrial space had been absorbed and zero square feet was under construction.

Suburban Philadelphia Industrial Inventory, 1Q 2019 (Million SF)



Industrial Construction and Absorption, 1Q 2019

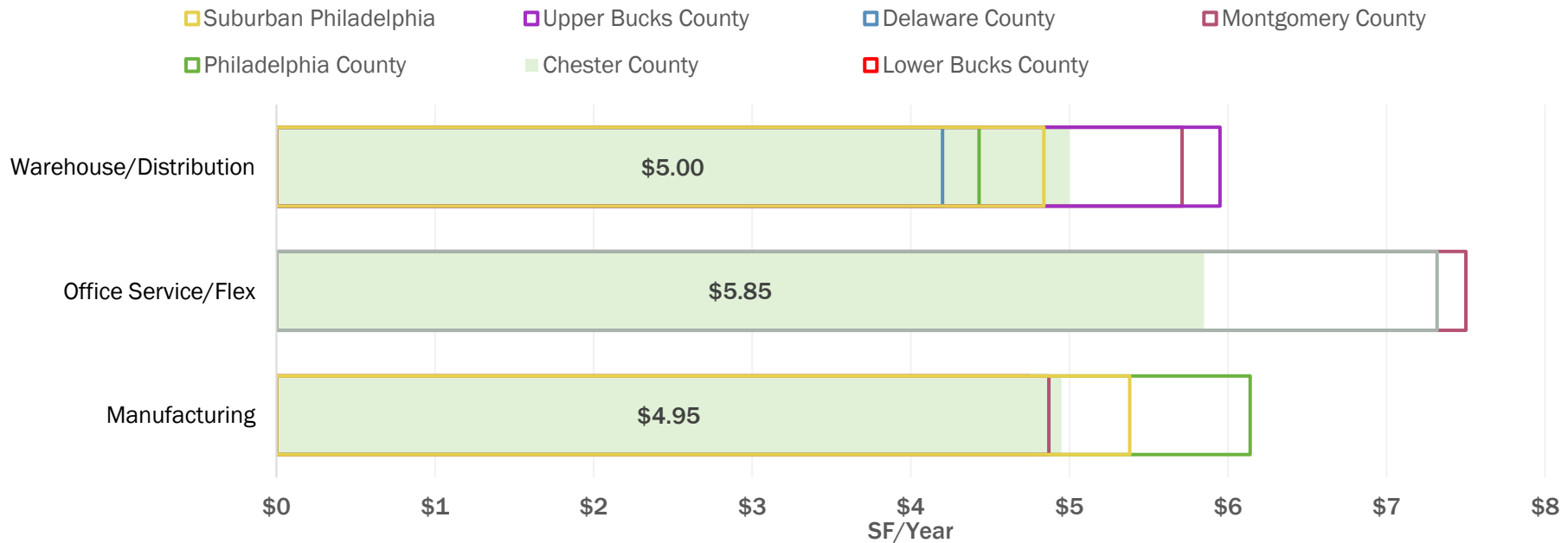


Source: Cushman & Wakefield, Philadelphia Industrial Marketbeat, 1Q 2019

Industrial Rents: Suburban Philadelphia

The data presented below compares average asking rents for county submarkets located within the suburban Philadelphia submarket, based on data provided by Cushman & Wakefield. As of first-quarter 2019, average asking industrial rents within the submarket are lowest for manufacturing space (\$4.95 per square foot per year) and highest for office service/flex space (\$5.85 per square foot per year). In general, industrial rents in Chester County are relatively low, compared to those of other suburban Philadelphia submarkets.

Overall Weighted Average Net Industrial Rents by Type (SF/Year)

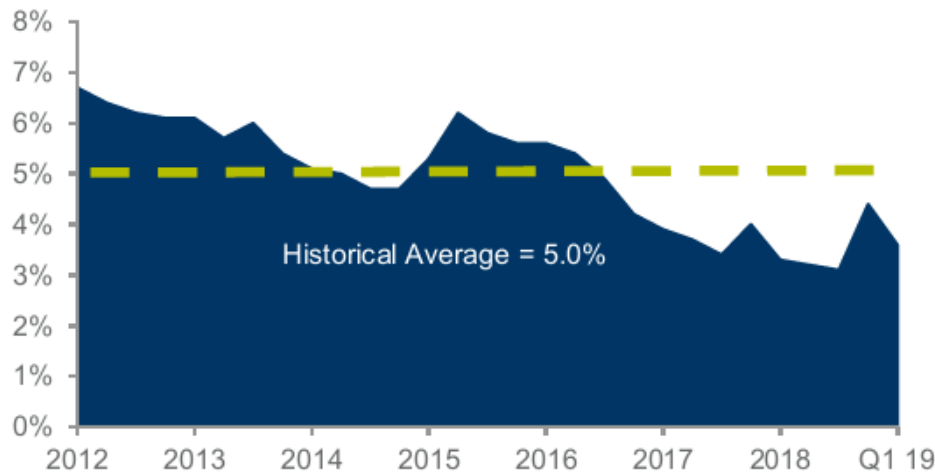


Source: Cushman & Wakefield, Philadelphia Industrial Marketbeat, 1Q 2019

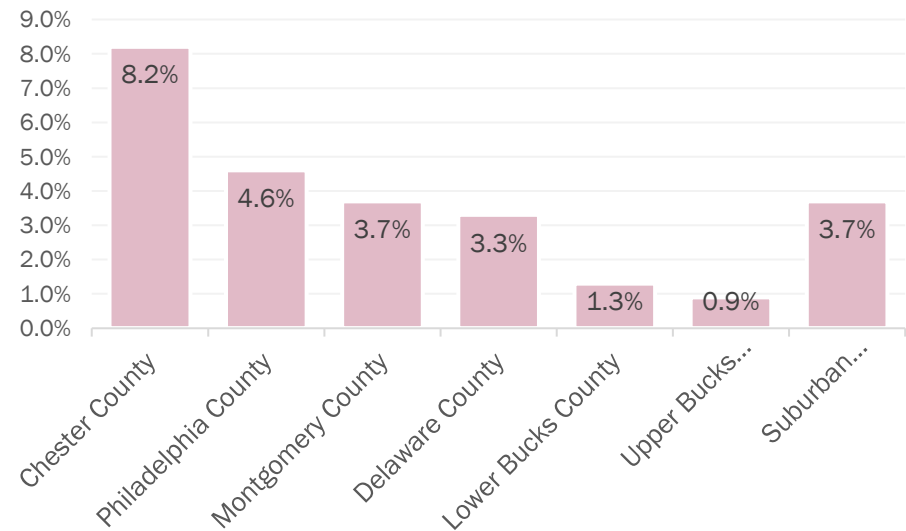
Industrial Vacancy: Philadelphia Metro

From 2012 to 2019, the Philadelphia industrial market has experienced an overall vacancy rate of five percent. As of first-quarter 2019, the Philadelphia industrial market had an overall vacancy rate of 4.6 percent. By way of comparison, Chester County had the highest industrial vacancy rate (8.2 percent) among all of the suburban Philadelphia submarkets, equivalent to approximately 759,865 square feet of vacant industrial space. Relatively little industrial inventory growth, high industrial space vacancy rates, and low average industrial asking rents suggest there is weak demand for new industrial space in Chester County.

Vacancy Trends: Philadelphia Metro



Industrial Vacancy Rate, 1Q 2019



Source: Cushman & Wakefield, Philadelphia Industrial Marketbeat, 1Q 2019

Industrial Market Characteristics: Suburban Philadelphia

Suburban Philadelphia Industrial Characteristics, First Quarter, 2019

Submarket	Buildings	Inventory (SF)	YTD Leasing Activity (SF)	Overall Vacancy Rate	YTD Net Absorption (SF)	Under Construction (SF)	Asking Weighted Avg. Net Rent		
							Manuf.	Office Service/ Flex	Warehouse/ Distr.
Philadelphia County	104	23,594,684	57,000	4.6%	-118,036	207,500	\$6.14	-	\$4.43
Lower Bucks County	90	19,633,737	67,200	1.3%	-	602,840	\$4.75	-	\$4.18
Upper Bucks County	40	6,864,446	-	0.9%	-	487,120	-	-	\$5.95
Montgomery County	74	17,657,270	402,200	3.7%	211,561	240,000	\$4.87	\$7.50	\$5.71
Chester County	55	9,266,641	-	8.2%	-	-	\$4.95	\$5.85	\$5.00
Delaware County	28	5,359,902	-	3.3%	-	-	-	-	\$4.20
Suburban Philadelphia	391	82,376,680	526,400	3.7%	93,525	1,537,460	\$5.38	\$7.32	\$4.84

Source: Cushman & Wakefield, Philadelphia Industrial Marketbeat, 1Q 2019

Economic Development Opportunities

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Key Findings: Economic Development Opportunities

City of Coatesville

Transit Oriented Development (TOD) will be critical to the revitalization of the central business district (CBD) and multi-family housing development, in particular, will support investment in new restaurants and retail. Personal service businesses (e.g., barber shops and salons, in particular), and affordable casual dining which can easily facilitate take-out service (e.g., pizza/Italian restaurants; Chinese restaurants; and diners), will be the types of enterprises that will find the greatest success early in the post pandemic recovery.

Valley Township

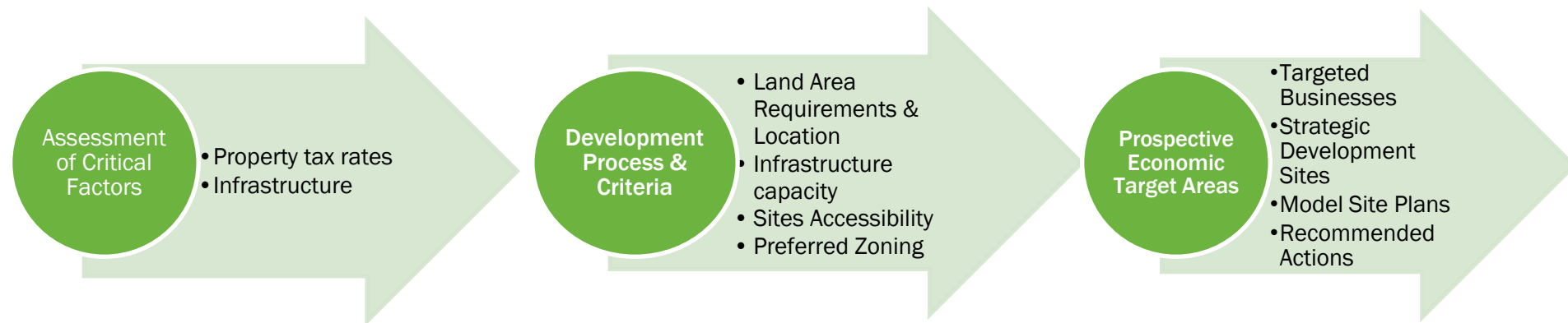
Light manufacturing and small-scale warehousing demand is likely to increase over the next several years, as a consequence of strategic business decisions (e.g., bringing critical supply manufacturing back to the U.S.) and altered consumer spending behavior (an increasing share of on-line shopping due to social distancing measures will, likely, influence a greater share of consumers to maintain on-line purchasing for everyday needs, long after lockdown measures have ceased).

Borough of South Coatesville

Destination recreation and entertainment can be a market viable economic development opportunity and co-exist with the heavy industrial facilities (ArcelorMittal) likely to remain in the borough, for some time.

Methodology: Economic Development Opportunities

This section begins with a general assessment of critical factors associated with economic development (e.g., comparison of real property tax rates within the local area and adequacy of existing utilities within each of the three study area municipalities). Specifically, the analysis examines the degree to which any of these factors may pose a challenge for attracting private investment in the near-term. While altering tax rates or increasing infrastructure capacity is not something that any of the three communities can easily make happen in the short-term, understanding these present factor conditions helps ensure that near-term strategic economic development decisions are realistically based. Next, this section offers insight on the criteria that businesses and developers consider important when considering an investment of capital. It is important for elected and appointed leadership within each of the three communities to become familiar with the development criteria, as it will facilitate a more expedited private investment process and better align the expectations of public and private sector partners. Based on key findings from the earlier performed market analyses, and in light of the pandemic related economic disruption and fallout likely to last for the next several years, prospective private sector economic development opportunities are identified for each of the three municipalities. Finally, strategic development sites and model site plans are presented to illustrate the private investment opportunities within each community, along with recommendations of key action steps needed to realize said investments.



Assessment of Critical Factors: Comparative Tax Rates & Infrastructure

Comparative Tax Rates: Nearby Municipalities

While business investors and developers consider a range of factors when deciding where to make investment – accessibility to employment center; highway access; presence and quality of infrastructure; household incomes; etc.), with some being more important than others, the real property tax rate of a location can be a deciding factor, should all other factors be relatively similar.

Accordingly, 4ward Planning examined real property tax rates (millage rates) for the three subject municipalities (Coatesville, South Coatesville and Valley Township) and, for comparison purposes, the millage rates of municipalities that are within an approximate five to six-mile radius of the subject municipalities. The objective being to identify significant millage rate disparities among the subject municipalities, in general, and nearby municipalities, in particular.

The above table illustrates a wide range in millage rates across the subject municipalities. The observed median millage rate is 3.550 (Valley Township), with millage rates in South Coatesville and Coatesville at 214-percent and 388-percent, respectively, greater than the median. Such a disparity could serve as a disincentive to new investment over the long-term.

2020 Municipal Millage Rates

<u>Municipality</u>	<u>Millage Rate</u>	
West Bradford Township	0.500	
West Caln	1.750	
Sadsbury Township	2.100	
Highland Township	2.300	
East Brandywine Township	2.920	
East Fallowfield Township	3.000	
Valley Township	3.550	➔ Median
West Brandywine Township	3.703	
Caln Township	4.058	
Modena Boro	6.400	
South Coatesville	7.600	➔ 214% Greater
Parksburg Boro	10.250	
Coatesville	13.759	➔ 388% Greater

Source: Chester County Tax Assessor, 2020

However, it should be noted that the city of Coatesville offers a LERTA tax incentive (10 years of exemption on qualified building improvements up to \$200,000) and a federal Opportunity Zone which incentivizes private equity with deferred or eliminated capital gains taxes.

Infrastructure: Availability and Quality

Successful community and economic development cannot take place if there is a deficiency in the availability and quality of essential infrastructure – sanitary sewer, public water, power lines and major arterial roadways. Utilizing infrastructure maps prepared by Chester County’s Planning Commission, 4ward Planning examined the presence of essential infrastructure assets within the multi-municipal study area (exhibited on the pages which follow this summary). We note the following observations, concerning each infrastructure asset category:

Sanitary Public Sewer – While the city of Coatesville enjoys extensive sanitary sewer coverage throughout its jurisdiction, mapping indicates that sanitary sewer within Valley Township is only available immediately off of both sides of Route 30, as well as in the northeast sections – effectively, the commercial and industrial areas of the township are covered. Mapping indicates sanitary sewer is available where it has concentrations of high-density housing (row homes), commercial and industrial developments. Given public sewer infrastructure adequately covers the key commercial

and industrial areas of all three municipalities, there shouldn’t be an issue in accommodating new or expanding businesses. Further, as the sewer systems within Coatesville and South Coatesville were designed at a time when the population and number of operating businesses were much greater than now exists, there shouldn’t be capacity limitation issues.

Public Water – As with sanitary sewer, mapping identifies Coatesville as having adequate coverage. Unlike its public sewer system, Valley Township exhibits limited public water availability along its main commercial corridor (Route 30). The lack of a robust public water infrastructure system throughout its principal commercial and industrial areas would likely preclude certain types of industry from establishing in Valley Township – for example, there are a number of manufactured products where water is a critical input in the process. While this does not suggest all manufacturing would be challenged to locate in Valley Township, it is an important fact to note.

Infrastructure: Availability and Quality (continued)

South Coatesville also exhibits few areas offering public water service, outside of those nearest to the city of Coatesville (germane to the point made above, the ArcelorMittal steel site appears to have public water access). The absence of public water infrastructure in areas of South Coatesville which are currently zoned for commercial or industrial development may be challenged to see any significant development, if the prospective user deems such infrastructure essential and neither the borough or the prospective user are able to finance its development.

Power Infrastructure – Mapping indicates that major power transmission lines serve the principal commercial and industrial areas of all three communities, with feeder power lines distributed throughout each of the jurisdictions. Based on the types of commercial and light industrial establishments currently operating within the study area, it is assumed that the existing power infrastructure is adequate to accommodate additional like business operations.

Arterial Roadways - U.S. Route 30 and U.S. Business Route 30 are the nearest major arterial roadways serving the three communities, with Business 30 directly coursing through Valley Township and the city of Coatesville. PA 82 (north-south), PA 340 (east-west) and PA 372 (east-west) round out the principal arterial roadways servicing the study area. As the closest interstate (I-76) is more than five-miles away, the study area would not be attractive for distribution warehousing, generally.

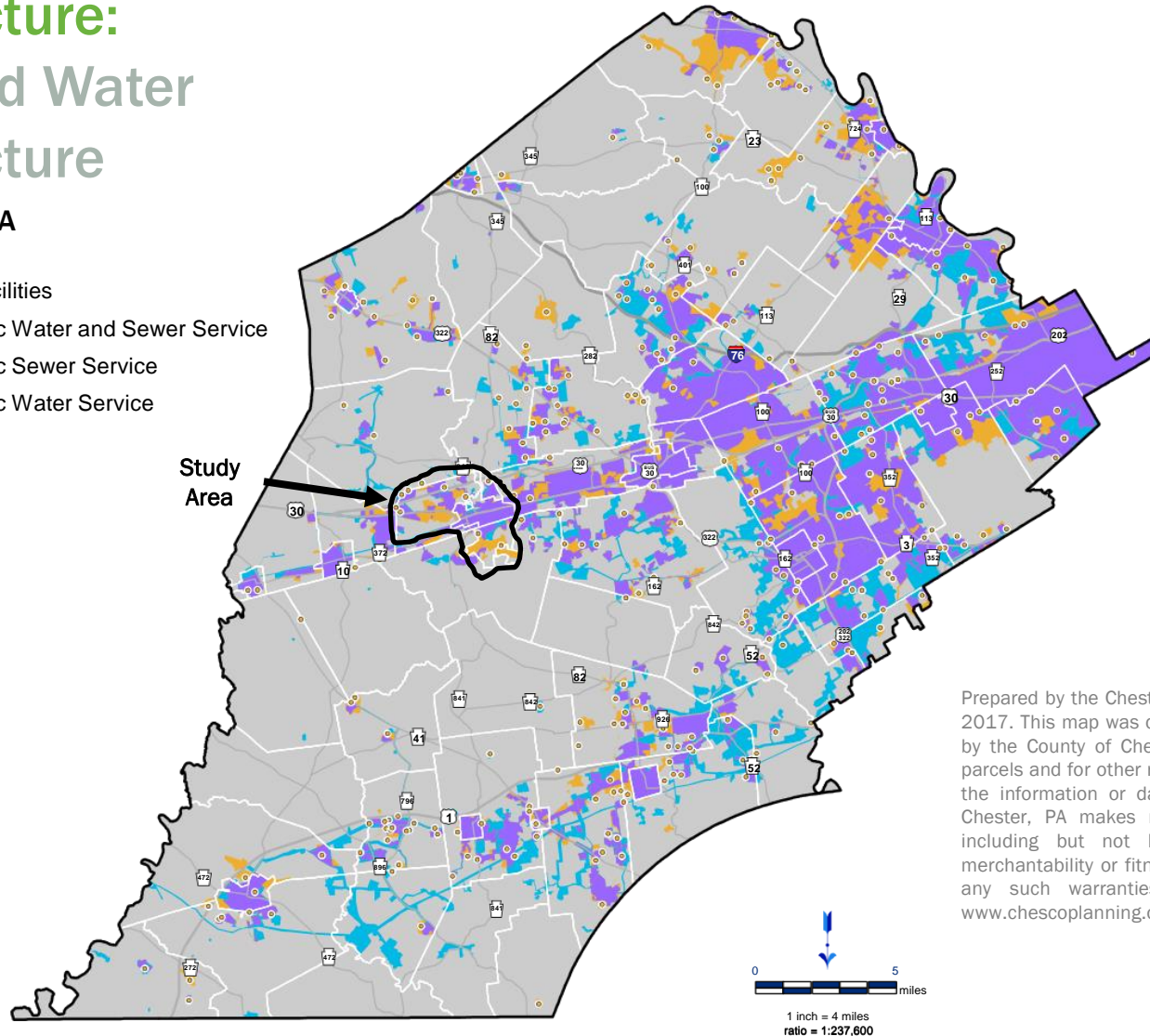
Infrastructure: Sewer and Water Infrastructure

Chester County, PA

- Wastewater Facilities
- Area With Public Water and Sewer Service
- Area With Public Sewer Service
- Area With Public Water Service

Major Roadways

- Interstate Road
- US Route
- State Route



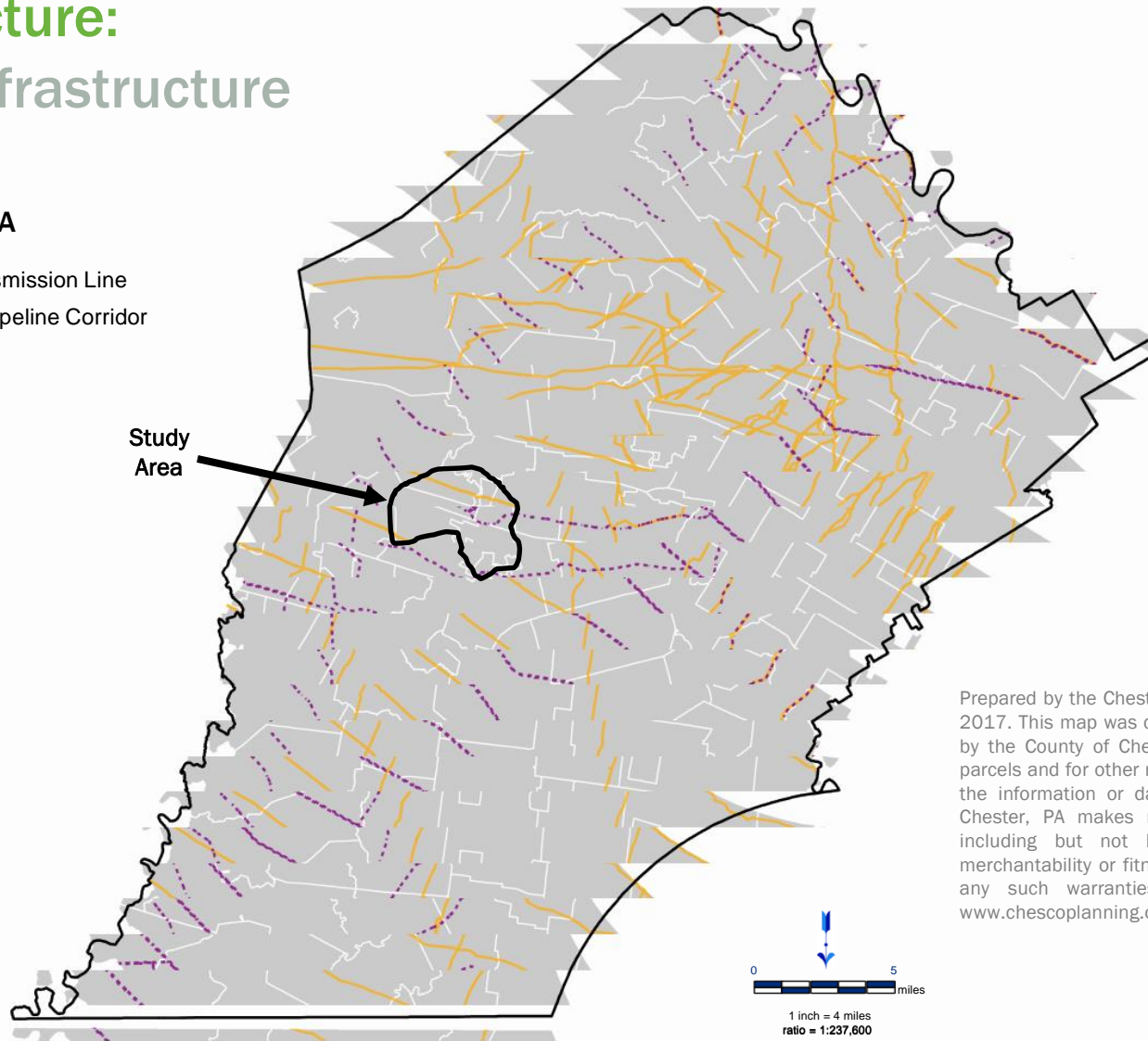
Prepared by the Chester County Planning Commission, 2017. This map was digitally compiled for internal use by the County of Chester, PA to provide an index to parcels and for other reference purposes. In regards to the information or data furnished herein, County of Chester, PA makes no representation of any kind, including but not limited to, the warranties of merchantability or fitness for a particular use, nor are any such warranties to be implied or inferred www.chescoplanning.org

Sources: Chester County Digital Land Base, Chester County Bureau of Land Records, 1997. Chester County GIS Department, GIS Consortium. 2006.

Infrastructure: Energy Infrastructure

Chester County, PA

- - - - - Overhead Transmission Line
- Transmission Pipeline Corridor



Prepared by the Chester County Planning Commission, 2017. This map was digitally compiled for internal use by the County of Chester, PA to provide an index to parcels and for other reference purposes. In regards to the information or data furnished herein, County of Chester, PA makes no representation of any kind, including but not limited to, the warranties of merchantability or fitness for a particular use, nor are any such warranties to be implied or inferred www.chescoplanning.org

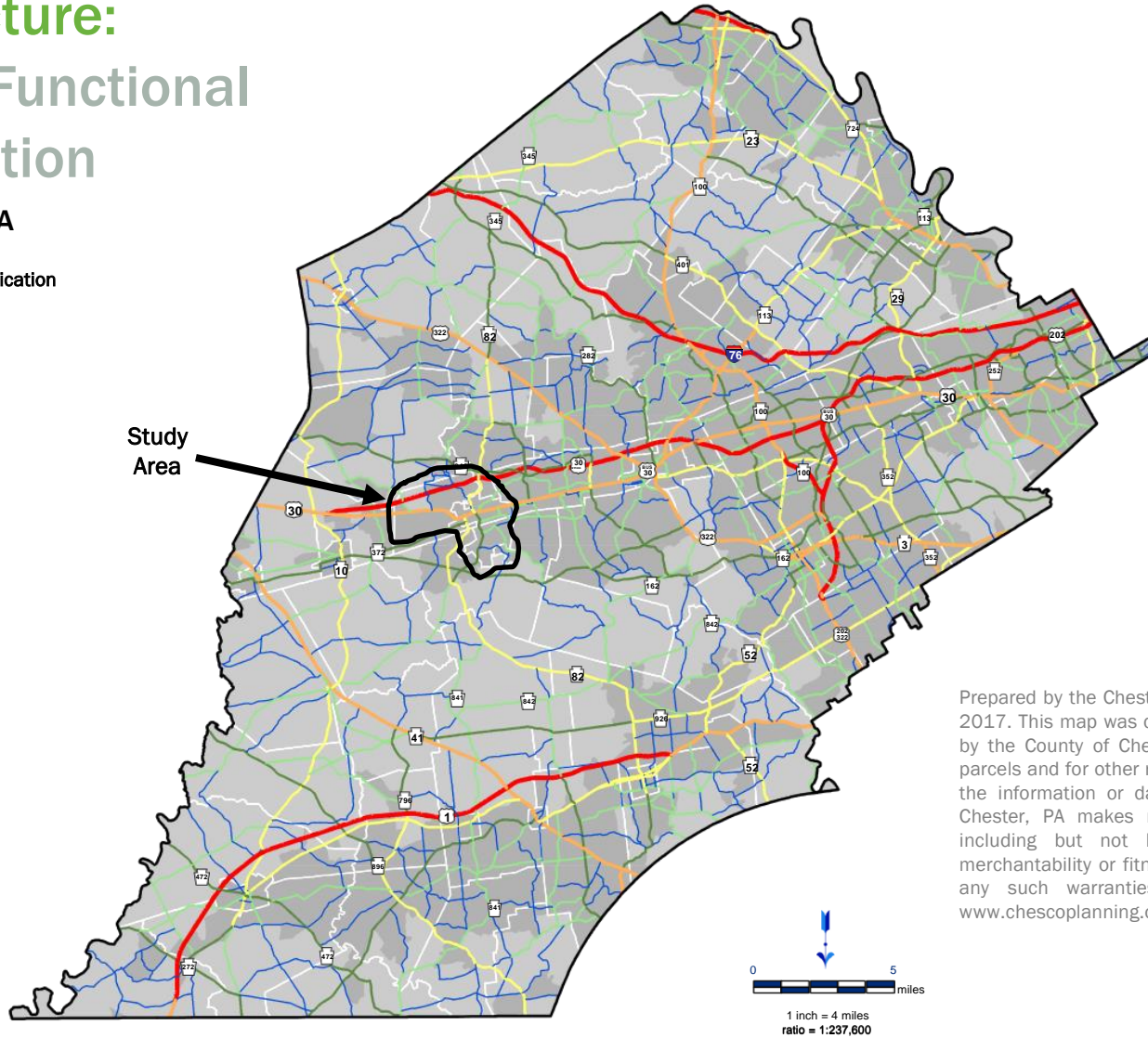
Sources: Chester County Digital Land Base, Chester County Bureau of Land Records, 1997. Chester County GIS Department, GIS Consortium. 2006.

Infrastructure: Highway Functional Classification

Chester County, PA

Highway Functional Classification

- Expressway
- Principal Arterial
- Major Arterial
- Major Collector
- Minor Collector
- Local Distributor
- Urbanized Areas



Prepared by the Chester County Planning Commission, 2017. This map was digitally compiled for internal use by the County of Chester, PA to provide an index to parcels and for other reference purposes. In regards to the information or data furnished herein, County of Chester, PA makes no representation of any kind, including but not limited to, the warranties of merchantability or fitness for a particular use, nor are any such warranties to be implied or inferred www.chescoplanning.org

Sources: Chester County Digital Land Base, Chester County Bureau of Land Records, 1997. Chester County GIS Department, GIS Consortium. 2006.

Development Process & Criteria

Development Process & Criteria

As development and redevelopment will become particularly challenging in the months and years ahead, due to what will be a significantly changed economic landscape, regionally and nationally, many business investors and developers will put great emphasis on findings sites which meet their site location criteria and require a minimal amount of time and resources to get through the zoning and construction approval processes. Below are minimal criteria which will need to be satisfied, in order to attract various types of new development and business investment to the three study area communities:

- **Parcel(s) meet desired land area requirements and location** – Having vacant land does not, in itself, induce private investment. Dependent upon the type and scale of development (e.g., a 10,000 s.f. specialty grocer will require sufficient land area for parking and deliveries; multi-family housing, generally, will not require as much land as single-family detached housing), land parcels may or may not be suitable for the type of development that is otherwise market supportable. Further, the old real estate adage, “location, location, location,” remains valid. There are areas within each municipality that may seem like an ideal location for certain land-uses (e.g., retail or professional office), but would be challenged to be financially feasible for one or more reasons – poor visibility from the local roadway or at far distances; isolated character of the site; lack of public water or sewer infrastructure. Consequently, sites which present themselves as good development or redevelopment opportunities must compliment an identified market supportable use (e.g., retail generally requires high traffic visibility; certain types of office uses do not (e.g., back office operations). Multi-family housing should be in close proximity to services and, ideally, afford to modes of transportation (e.g., auto and mass transit).

Development Process & Criteria (continued)

- **Sufficient infrastructure capacity** – As earlier identified, the presence of major infrastructure assets, such as public water and sewer, major or primary arterial roadways electrical power are essential to most private land investments. Areas which do not include all of the above will, likely, be challenged to attract private investment, particularly in the current economic environment where funding to underwrite such improvements will be extremely scarce. Therefore, with few exceptions (e.g., certain types of outdoor recreational land-uses), prospective market receptive land-uses should be directed to developable areas which feature essential in-place infrastructure. As earlier mentioned, the extent to which time and/or money is required to facilitate adequate infrastructure for the proposed use, may serve as a disincentive for the investment to move forward.
- **Sites accessibility through one or more transportation modes** – All prospective development or redevelopment sites should feature good roadway access (to include roads which are not in disrepair), at a minimum, and certain residential (e.g., multi-family or high-density housing) and commercial (professional office and entertainment related services) developments should, ideally, also be accessible through mass transit (such as commuter rail). While roadway connectivity is, generally, good through all three municipalities, only the city of Coatesville enjoys direct mass transit connectivity, through Amtrak service, only (note: daily SEPTA regional service is projected to be restored sometime over the next few years, once PennDOT constructs a new commuter rail station). Consequently, market receptive high-density housing and certain office and entertainment related land-use projects should be targeted to sites within a quarter- to no further than a half-mile from Coatesville Station.

Development Process & Criteria (continued)

- **Preferred zoning is in place or can be quickly legislated** – For most businesses and developers, now more than ever, time is money. Few if any prospective private investors will want to wait while local government facilitates as-of-right zoning or take up requests for variances, if needed. Indeed, in the economic environment post pandemic lock down, the competition for new private development from other municipal jurisdictions will be so fierce that investors will have little reason to wait on lengthy (and often costly) land-use law changes. Consequently, and based on a combination of the earlier identified market findings and strategic development recommendations shared later in this report, zoning which responds to market receptive and financially feasible land-uses must either be in place in advance of attracting private investment (the ideal situation) or can be quickly legislated after engaging with one or more private investors (taking not longer than two months).
- **Few developer penalties**– Often times, developers and business investors will have to spend money on activities which precede the typical vertical development process – prime examples include site remediation, demolition, land assemblage and tenant relocation. These activities are sometimes referred to as developer penalties, as they are extraordinary costs incurred by the development project prior to commencing conventional construction activities. In addition to increased costs, developer penalties also exact additional time which can prove fatal to a project where market timing is critical. Consequently, to the extent that the public sector can help mitigate developer penalties, such as through land assemblage, remediation and demolition, the attractiveness to private investors will be that much greater.

Prospective Economic Target Areas

Prospective Economic Target Areas



City of Coatesville: Targeted Business & Areas

Targeted Businesses: Contacting and Recruiting

Based on earlier identified market findings for the study area, field observations and the likely dynamics of the local and regional economies post pandemic related lockdowns, below, are recommendations for the types of economic development opportunities within the City of Coatesville, along with how to position existing properties and/or development sites for attracting private investment:

Among the three study area municipalities, Coatesville is the most urbanized and offers the best opportunity for mixed-use, walkable community development. Further, the re-introduction of SEPTA regional rail service (assumed to occur within the next three years) will be all the more critical to the economic fortunes of the city, in general, and its central business district (CBD), in particular.

Under normal economic conditions (e.g., the pre-pandemic world), the development of housing and retail would occur concurrently. However, the severe economic shock that the pandemic related shut down has produced since March of 2020, will make it all but impossible for many small retail and dining businesses to secure financing to open a new location – which is what the Coatesville needs. However, the financing challenge for entrepreneurs and business owners can be, somewhat, mitigated by an increase in high-density housing within Coatesville’s CBD – that is, new and existing households will still create demand for even a limited amount of retail and dining services.

This housing development (and associated zoning permitting it) should be within a quarter-mile distance of the future SEPTA rail station, be affordable to a mix of incomes (at least 20 percent of it being affordable to households earning 80 percent or less than Chester County’s area median income (AMI)), and be designed for small households – studio-, one- and two-bedroom apartments.

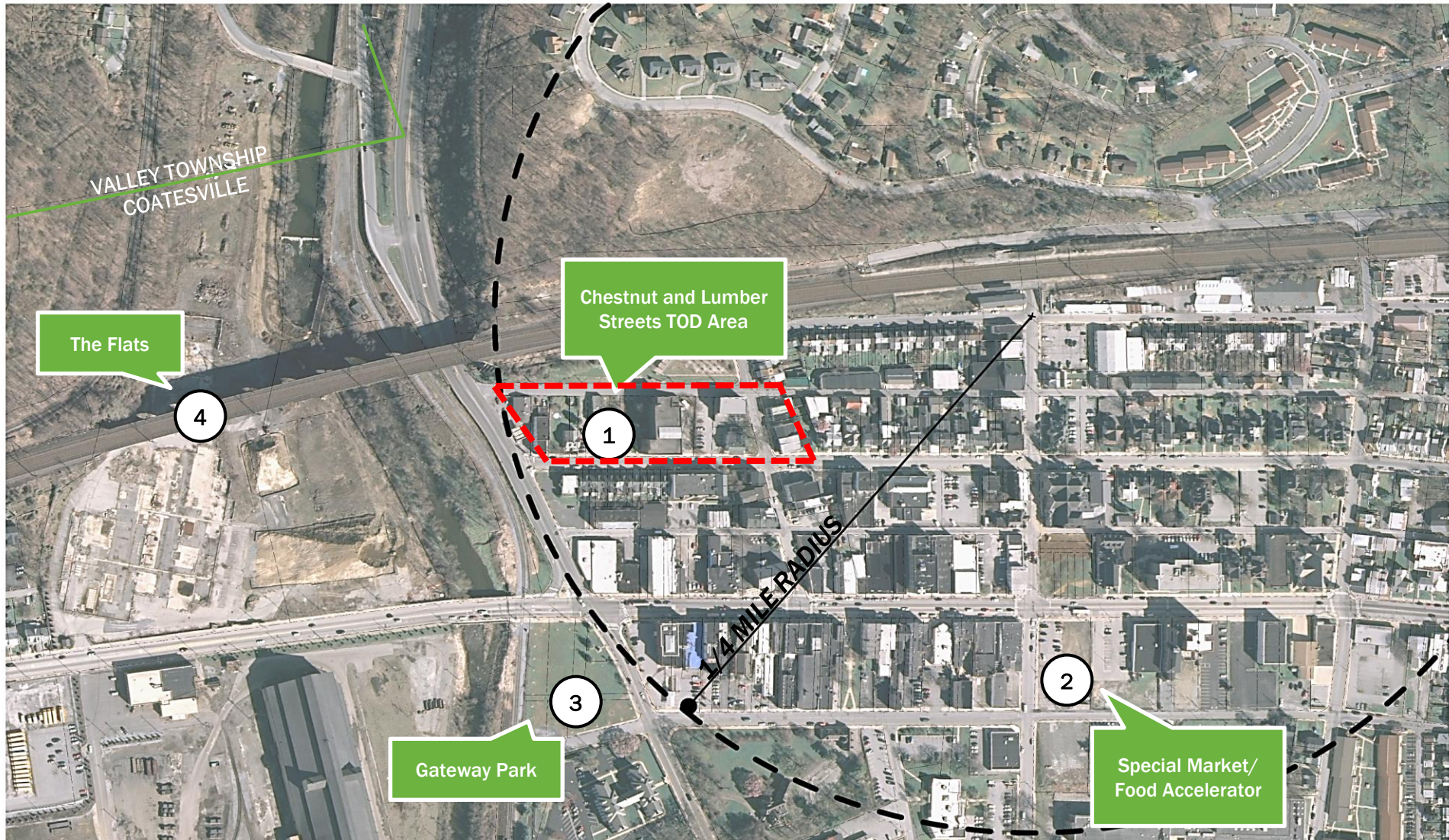
Targeted Businesses: Contacting and Recruiting (continued)

It should also be understood that due to economic fallout associated with the pandemic, there will be a sharp increase in the number of households seeking rental housing over the foreseeable future, due to a number of reasons (e.g., those who have lost employment and must sell their house; those seeking lower housing costs than what they may currently have as a homeowner; an increase in rental demand as a consequence of tighter mortgage lending standards). Consequently, the type of new high-density housing to be built should be rental or, possibly, rent to own. To the extent that the rental product is modest in its finishes (e.g., not a luxury apartment complex) and offers walking proximity to public transit, retail service and dining amenities, it should find strong demand in the post pandemic recovery.

Coatesville should focus its contacting recruitment efforts on experienced TOD developers, and existing local business owners and entrepreneurs who are already familiar with the study area and consumers and, likely, have local banking relationships. Coatesville should also make the investment evaluation process as frictionless as possible, by sharing market data (although, as of this writing, a portion of this data has since become obsolescent (household expenditures and industry employment, for example)), property availability and specifications, and the zoning and permitting process.

The types of businesses that will likely do best in the early part of the economic recovery are personal service businesses (e.g., barber shops and salons, in particular), and affordable casual dining which can easily facilitate take-out service (e.g., pizza/Italian restaurants; Chinese restaurants; and diners).

Coatesville: Target Areas



Target Area 1: Chestnut and Lumber Streets TOD Area

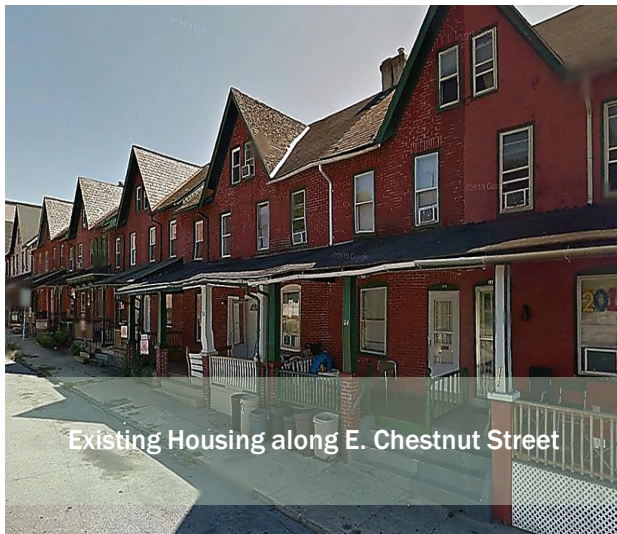
Target Area 1: Chestnut and Lumber Streets TOD Area



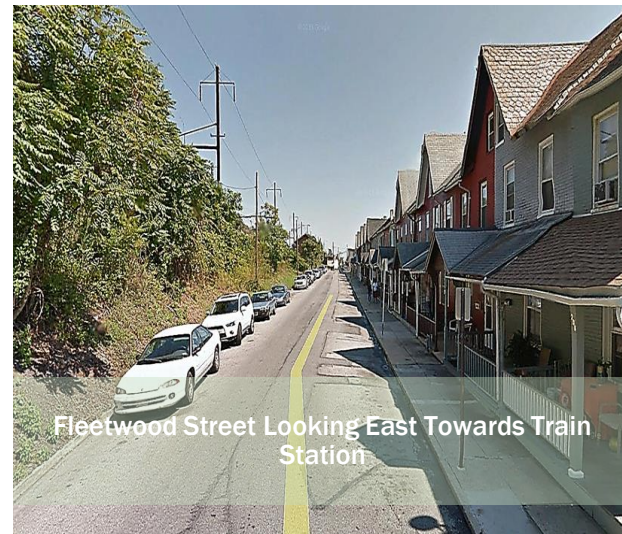
View of Midway Arts Center from Lincoln Highway



Midway Arts Center



Existing Housing along E. Chestnut Street

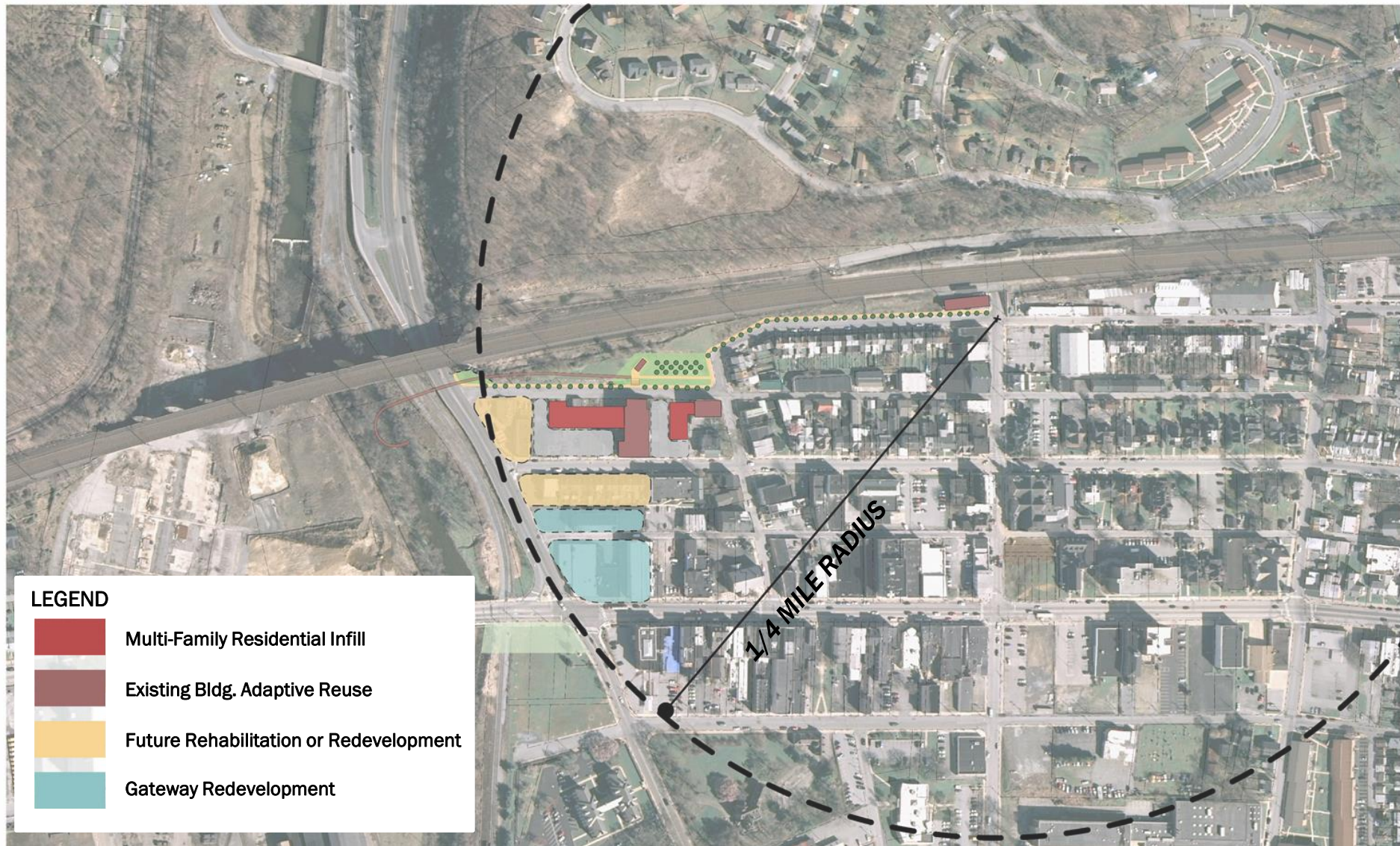


Fleetwood Street Looking East Towards Train Station

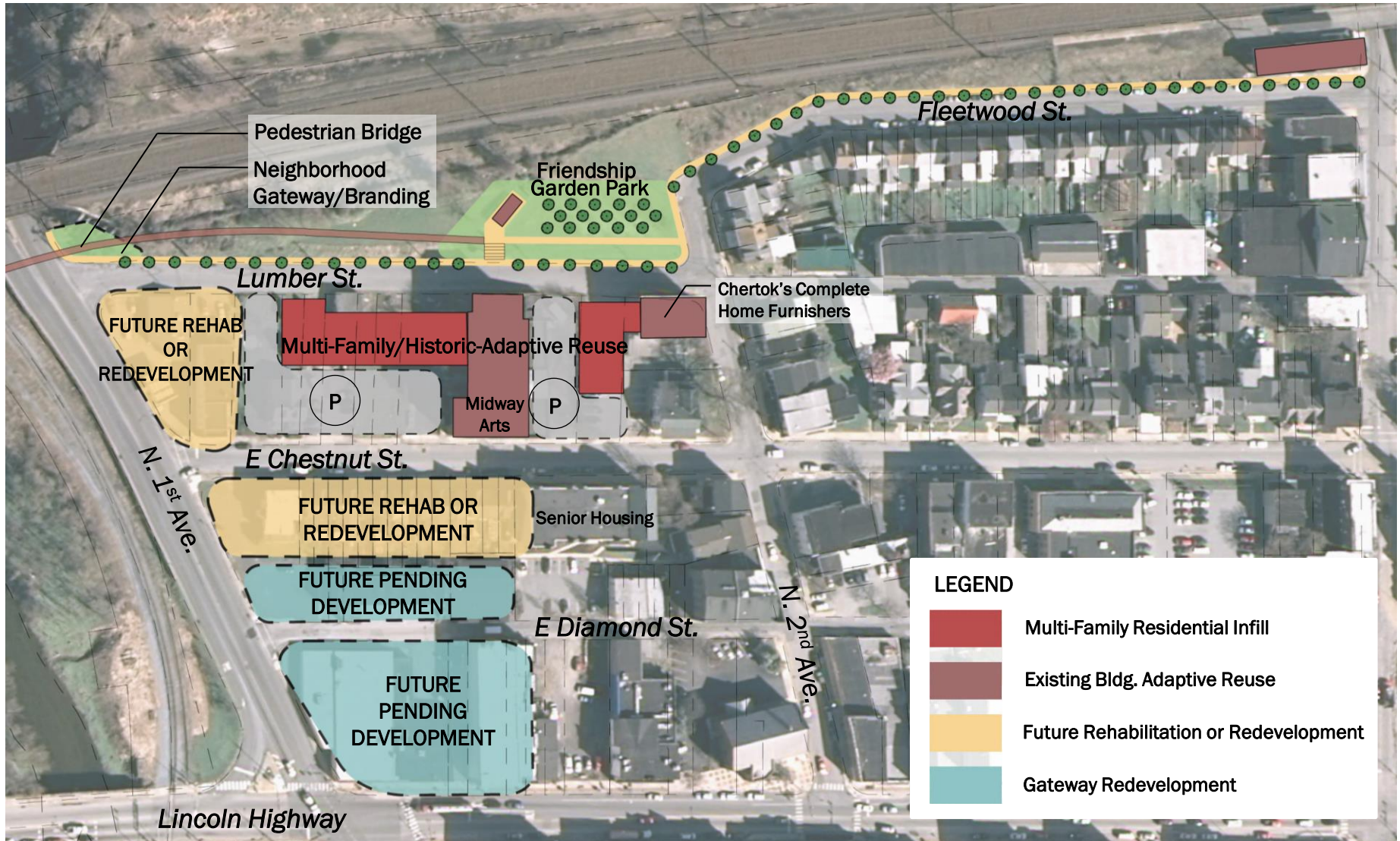
Target Area 1: Chestnut and Lumber Streets TOD Area



Target Area 1: Concept Plan for Infill Housing Redevelopment - TOD Area



Target Area 1: Concept Plan – Infill Housing Redevelopment



Target Area 1: Recommendations

ACTION

- **PROMOTE TOD ORIENTED HOUSING IN AN URBAN FORMAT**
 - Focus on housing with an emphasis on high-quality infill and upgrades to existing attached housing stock. Housing should include a variety of unit types, supporting amenities, and capitalize on unique architectural characteristics of the neighborhood.

RATIONALE

- With the City's emphasis on capital investment to the passenger rail station the opportunities for dramatically increased transit-oriented development (TOD) exist. In order to capitalize on this opportunity, the density and quality of the housing stock should be increased, especially with ¼-mile walking radius of the train station. Opportunities exist to construct new multi-family infill, adaptively reuse former industrial buildings (particularly those not requiring extensive environmental abatement activities), and rehab existing single-family attached housing along Lumber and Chestnuts Streets. Investment should be concentrated in full-block projects, as much as possible, to provide the maximum amount of economic impact on investments.

RESPONSIBLE ACTOR(S)

- The City should work with local developers and key property owners to promote multi-family housing redevelopment. The city should explore rehab programs that incentivizes existing housing rehabilitation, potential tax incentives (such as historic district establishment, residential façade program/guidelines, etc.)

Target Area 1: Recommendations

ACTION

- **CONTINUE COMPLETE STREET UPGRADES WITHIN THE TOD AREA**

- Continue to upgrade multi-modal transportation improvements that connect to the train station and to Lincoln Highway. Specifically, focus on upgrading Lumber Street and Fleetwood Street as a “complete street,” to include sidewalks, pedestrian-oriented lighting, and street trees on both sides. The City should develop a Capital Improvement Plan (CIP) that allocates matching funds (e.g., bonding, TIF, CDBG) to pursue PennDOT/CFA Multi-Modal and U.S. DOT BUILD grants for TOD-wide upgrades.

RATIONALE

- The City has undertaken improvements along the N. 2nd Street Corridor to improve the pedestrian connection to the existing Amtrak and future train SEPTA/Amtrak station. These improvements should be continued to branch out into the residential blocks within the ¼-mile TOD capture area.

RESPONSIBLE ACTOR(S)

- The City should take the lead as a funding applicant in partnerships with Chester County and DVRPC.

Target Area 1: Recommendations

ACTION

- **EXPLORE THE FEASIBILITY OF A TRAIL CONNECTION FLYOVER FROM THE BRANDYWINE CREEK GREENWAY TO THE TRAIN STATION/TOD AREA**
 - The City and the Chester County Planning Commission should pursue trail planning funding to undertake an engineering feasibility and probable cost analysis of creating a multi-use trail connection between the train station and the “Flats” area.

RATIONALE

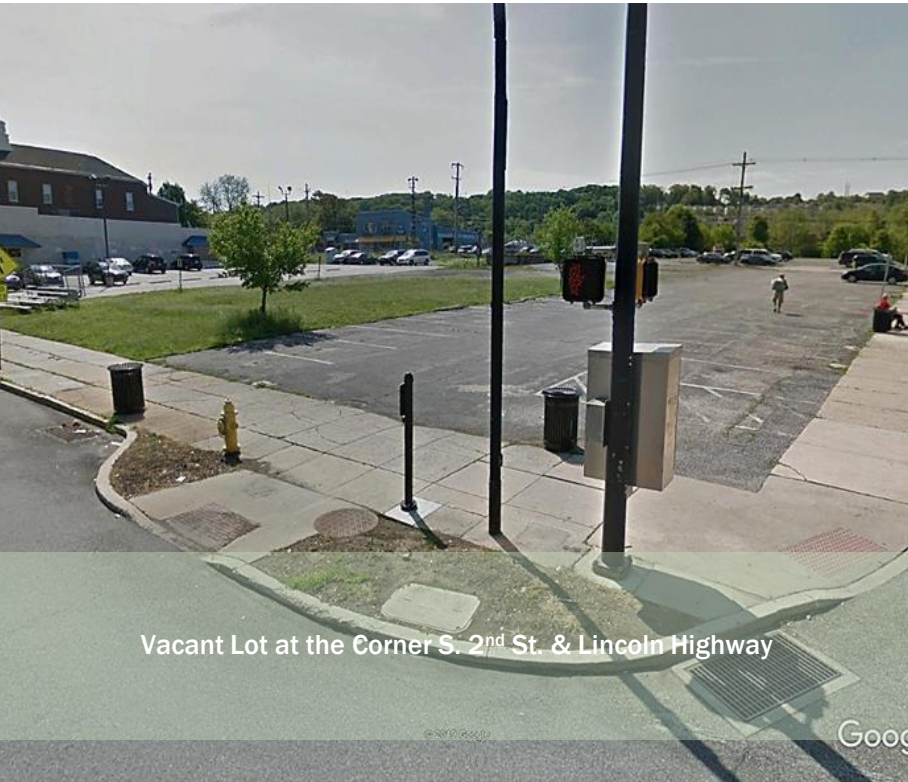
- The Flats Area (Target Area 3) is just beyond the 1/4 -mile TOD capture area if a direction pedestrian/bicycle could be achieved. A direct connection via an elevated trail bridge over N. 1st Avenue, the rail line, and Brandywine that connected Friendship Garden Park with the multi-use path on the west side of Brandywine Creek would provide this connection and also be an amenity that would make housing with Target Area 1 more attractive.

RESPONSIBLE ACTOR(S)

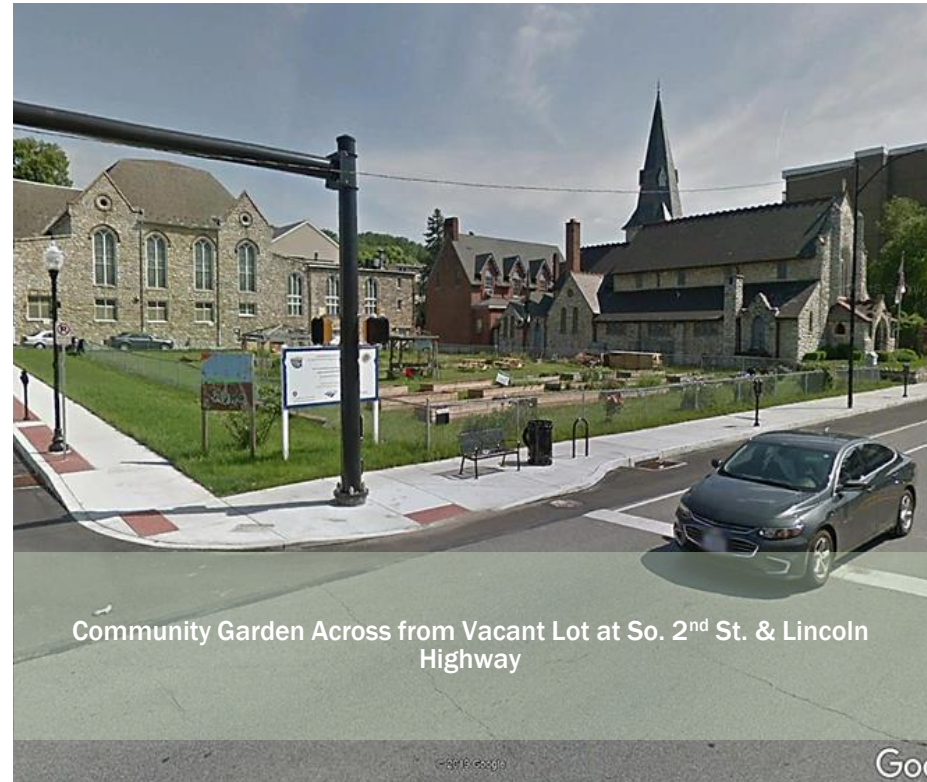
- The City should initiate discussions/partnerships with Chester County and DVRPC to identify funding opportunities to undertake a feasibility study of the connection, including source such as DCNR C2P2, DCED GTRP, and DVRPC TCDI.

Target Area 2: Special Market/Food Accelerator

Target Area 2: Special Market/Food Accelerator

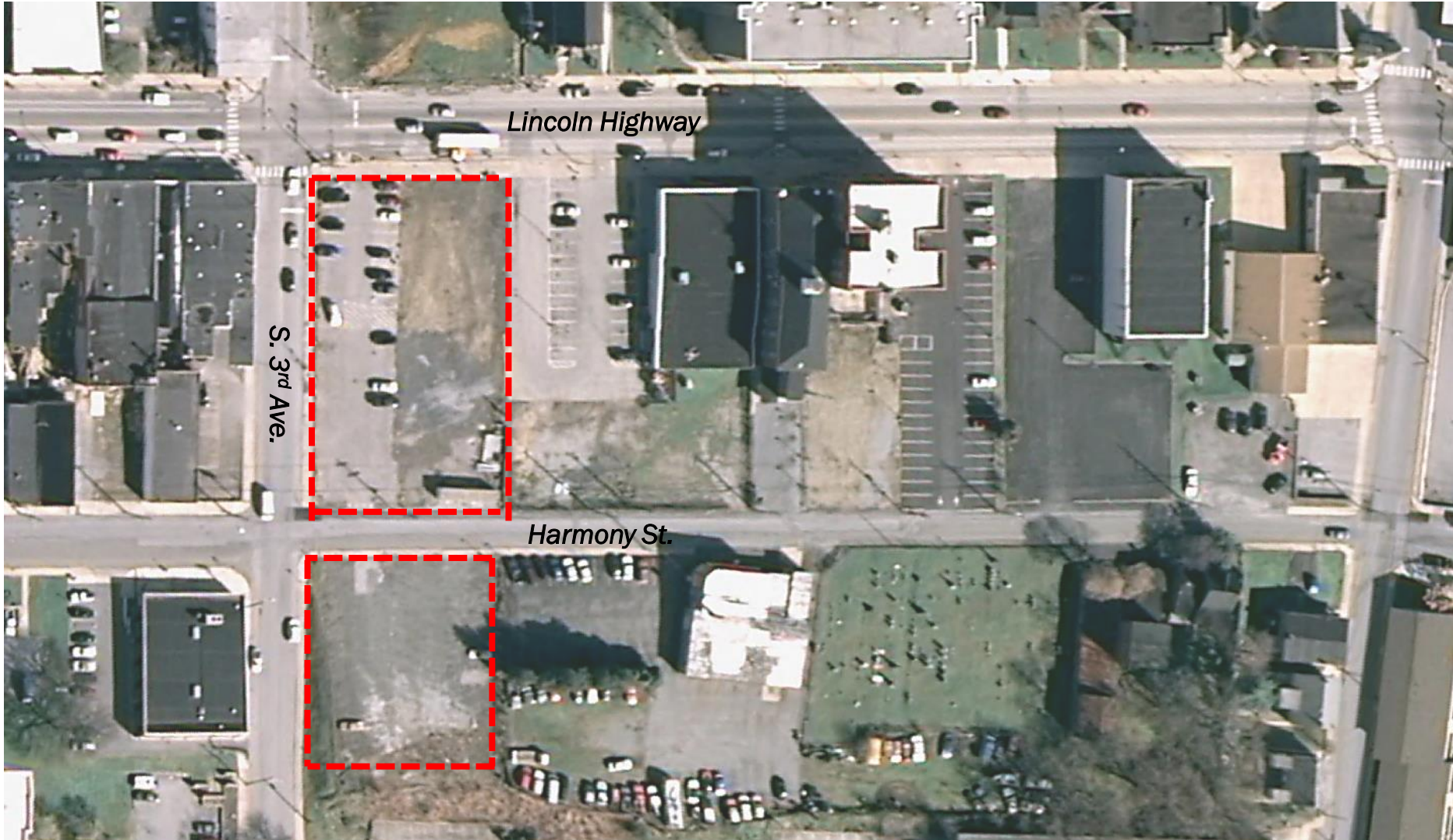


Vacant Lot at the Corner S. 2nd St. & Lincoln Highway

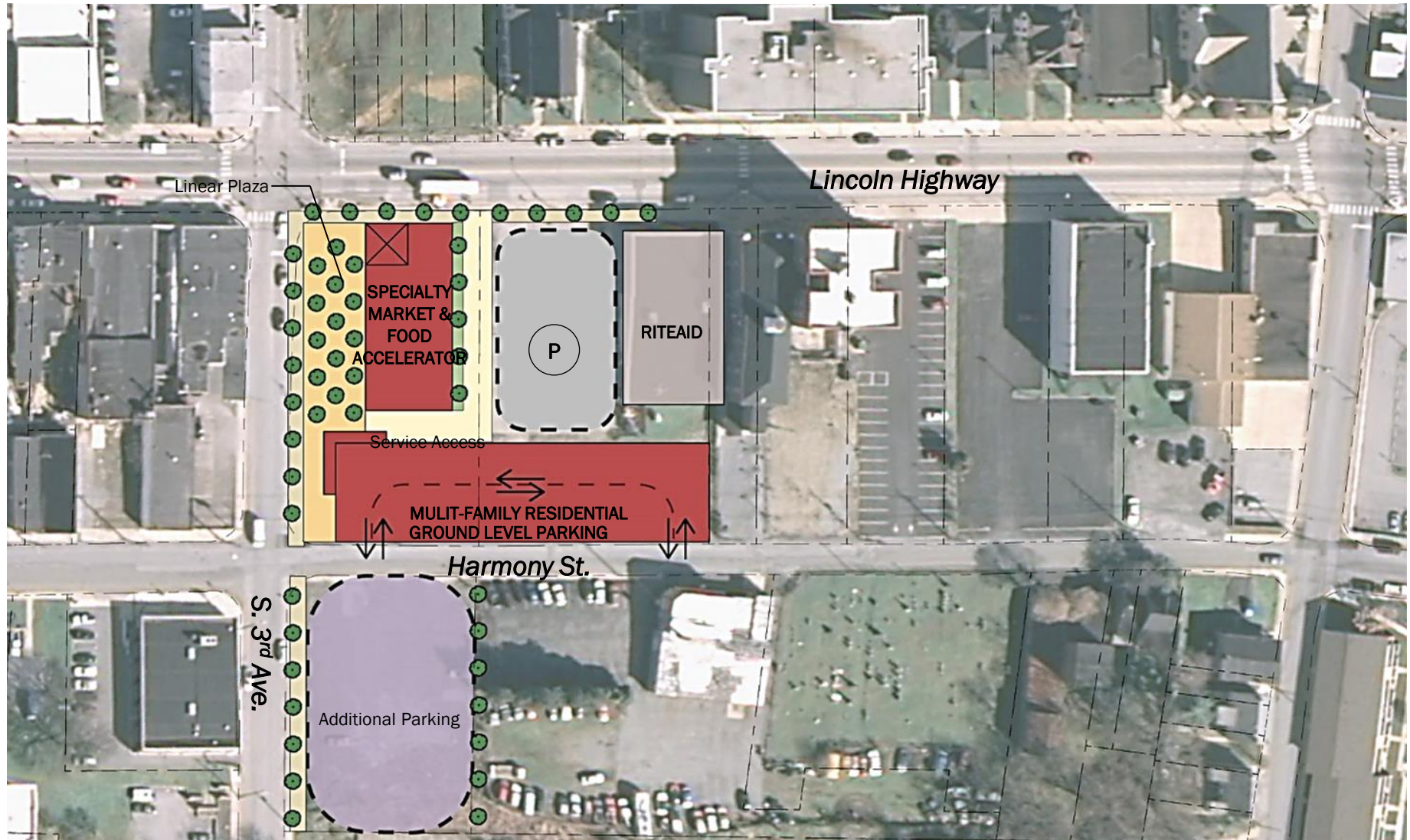


Community Garden Across from Vacant Lot at So. 2nd St. & Lincoln Highway

Target Area 2: Special Market/Food Accelerator



Target Area 2: Concept Plan – Specialty Market/Food Accelerator & Multi-Family Housing



Target Area 2: Recommendations

ACTION

- **PROMOTE MIXED-USE DEVELOPMENT WITH A FOOD-BASED ANCHOR AT A KEY LINCOLN HIGHWAY CORNER**

- The City is focused on attracting new retail to the Lincoln Highway Corridor as the next step of its NPP initiative. In addition to retaining and attracting new business to occupy existing buildings, it should consider developing a food-based anchor that complements other uses along the corridor. The project could include multi-family residential along the rear of the site, with commercial uses in a separate facility along the Lincoln Highway frontage, surrounding a well-designed outdoor public space on the corner. Residential would likely be phased first, to generate additional retail demand.

RATIONALE

- The 100 and 200 blocks of Lincoln Highway have a traditional main street development character. The 300 block has significant vacant parcels and limited retail, with the exception of a chain pharmacy. The southeast corner of the 2nd Avenue intersection represents an opportunity to introduce a modern-format retail development that also is sidewalk and pedestrian-oriented, while also providing off-street parking in the side and rear yards.

RESPONSIBLE ACTOR(S)

- The City should work through its 2nd Century Alliance, Chester County, and the Chester County Economic Development Foundation to develop a P3 strategy to attract private investment.

Target Area 3: Gateway Park

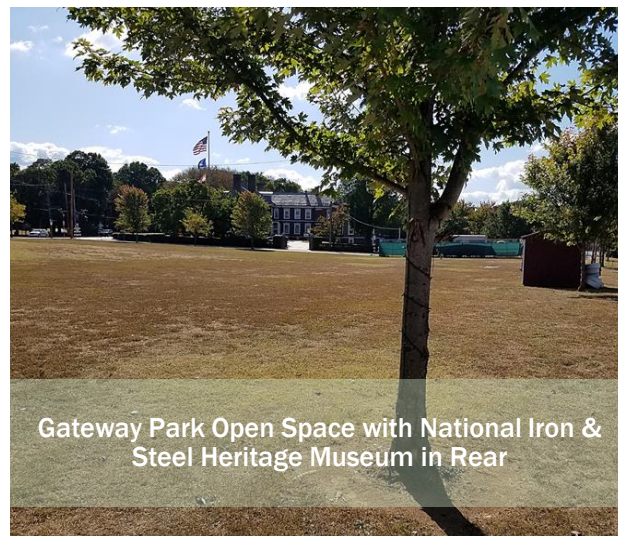
Target Area 3: Gateway Park



View of Gateway Park



Existing Gateway Park Frontage

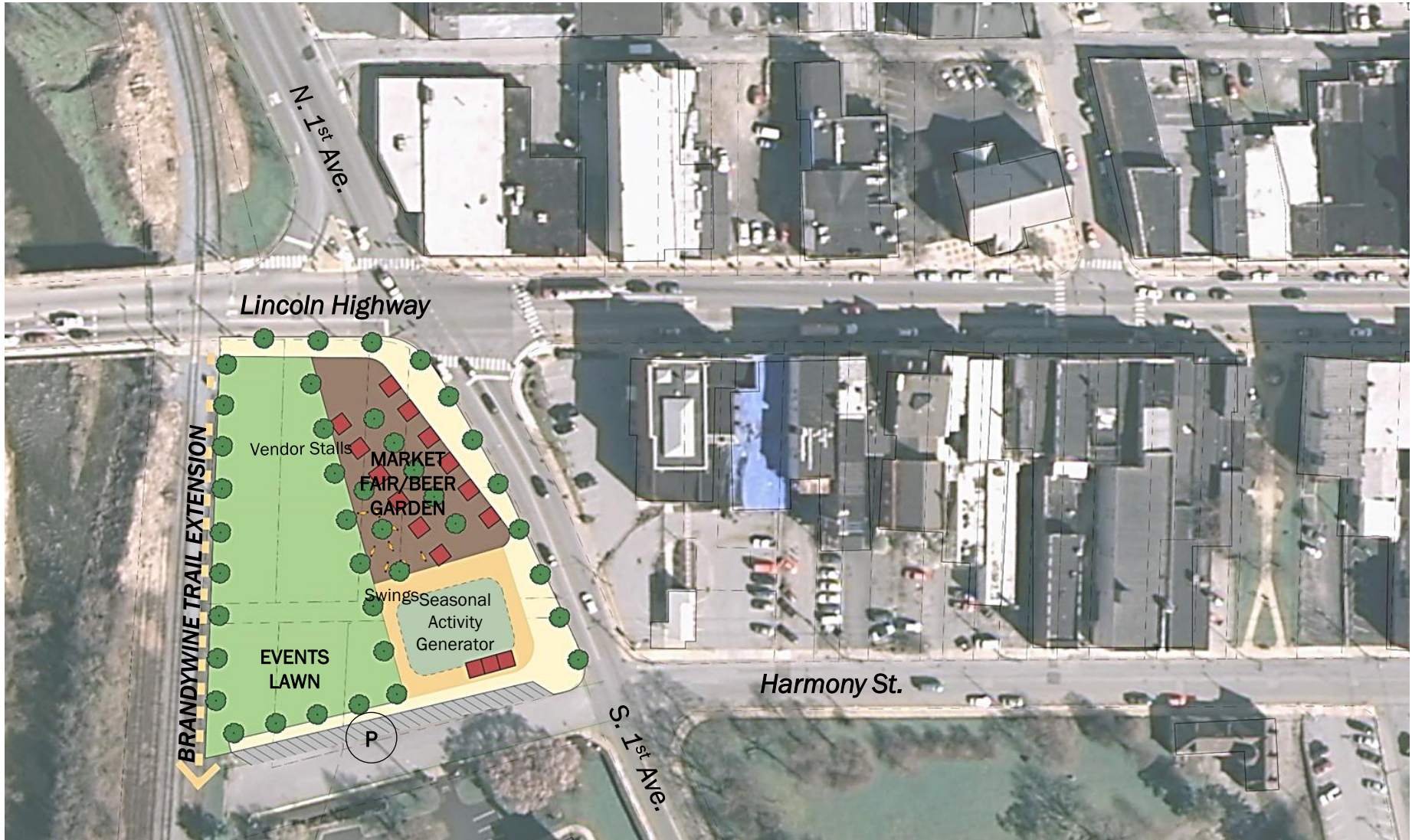


Gateway Park Open Space with National Iron & Steel Heritage Museum in Rear

Target Area 3: Gateway Park



Target Area 3: Concept Plan – Seasonal Events and Public Space



Target Area 3: Recommendations

ACTION

• ADDRESS POTENTIAL ENVIRONMENTAL CONDITIONS

- The City should undertake a Phase I Environmental Site Assessment (ESA) performed to an AAI standard, consistent with U.S. EPA and PADEP requirements. Depending on findings, a remedial strategy which links the intended reuse plan with any potential site remediation may be required. Based on the findings of the ESA and the fact that the site is intended for a commercial-oriented form of public gathering space, the C-2 zoning should likely remain in place, depending on PADEP regulatory guidance.

RATIONALE

- This former steel production site has a deed restriction limiting its use, “...only as an open-space park for recreation, it being the intent that no improvements shall be constructed on the property other than such improvements as may be incidental to the foregoing use....” Its historical use does raise potential environmental concerns for it to safely meet PADEP residential use standards required for recreational use.

RESPONSIBLE ACTOR(S)

- The City should contact U.S. EPA Region 3’s Brownfields program officer to request direct Technical Assistance to undertake a Phase I ESA for the site. The City, possibly in partnership with Chester County, should pursue a Community-Wide or Coalition Brownfields Assessment grant to support environmental assessment and site-specific reuse/remedial planning for this and other key brownfields sites in the community.

Target Area 3: Recommendations

ACTION

- **UTILIZE THIS HIGH-VISIBILITY PUBLIC SPACE TO FOSTER GREATER ACTIVITY THROUGH POP-UP AND INTERIM USE EVENTS**
 - The City should undertake a few broad-brush improvements that makes this space much more inviting for pop-events, seasonal festivals, and other thematic activities that generate significant foot traffic. Actions required include determining an operational partner to organize and promote events, operate and manage the space, and oversee simple site improvements.

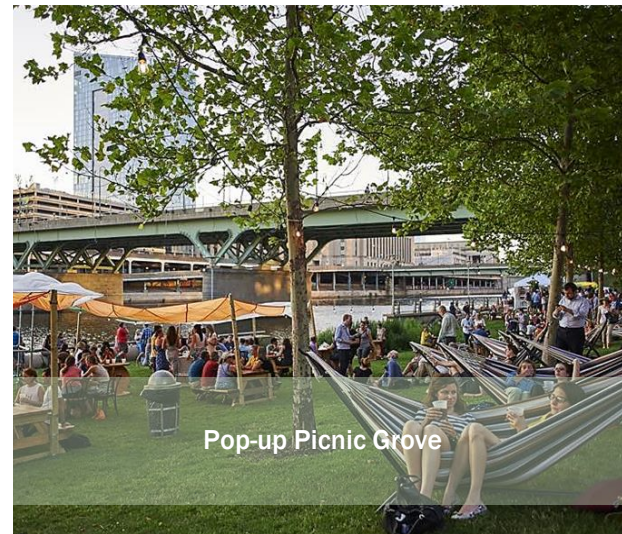
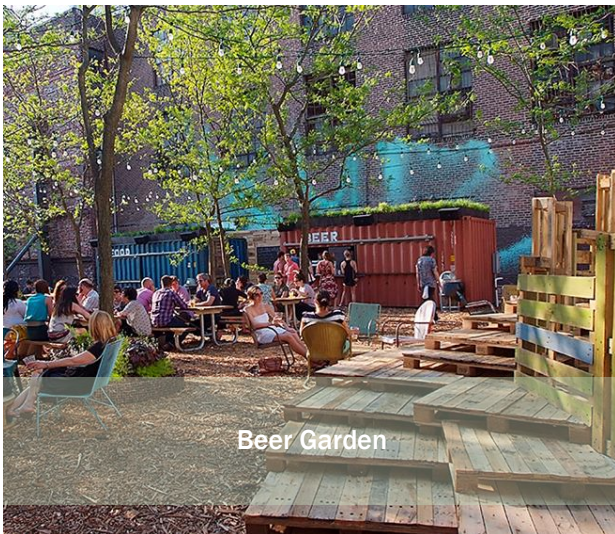
RATIONALE

- This strategically located public space can serve as a venue to stimulate greater foot-traffic downtown and a low-barrier of entry location for new food and retail uses not ready to scale-up to a permanent retail location. Creating a hip/funky events space that links various recreational/social programming activities with commercial enterprises, especially food-based, can support the city's efforts to foster new economic vitality along Lincoln Highway in the downtown. Programmed events also have the added benefit of drawing in prospective consumers from further distances than the traditional retail/restaurant market area – increasing the likelihood of economic spillover on existing local retail and service businesses.

RESPONSIBLE ACTOR(S)

- The City should work with Chester County and the Brandywine Health Foundation/Natural Lands Trust's Greening Coatesville to develop a low-cost interim public space plant for this space that can be deployed quickly. DCNR C2P2 funds could support planning.

Target Area 3: Precedent Images



Target Area 4: The Flats

Target Area 4: The Flats



Lincoln Highway Vehicular Access



Brandywine Creek Trail & Splash Pad



Brandywine Creek Trail

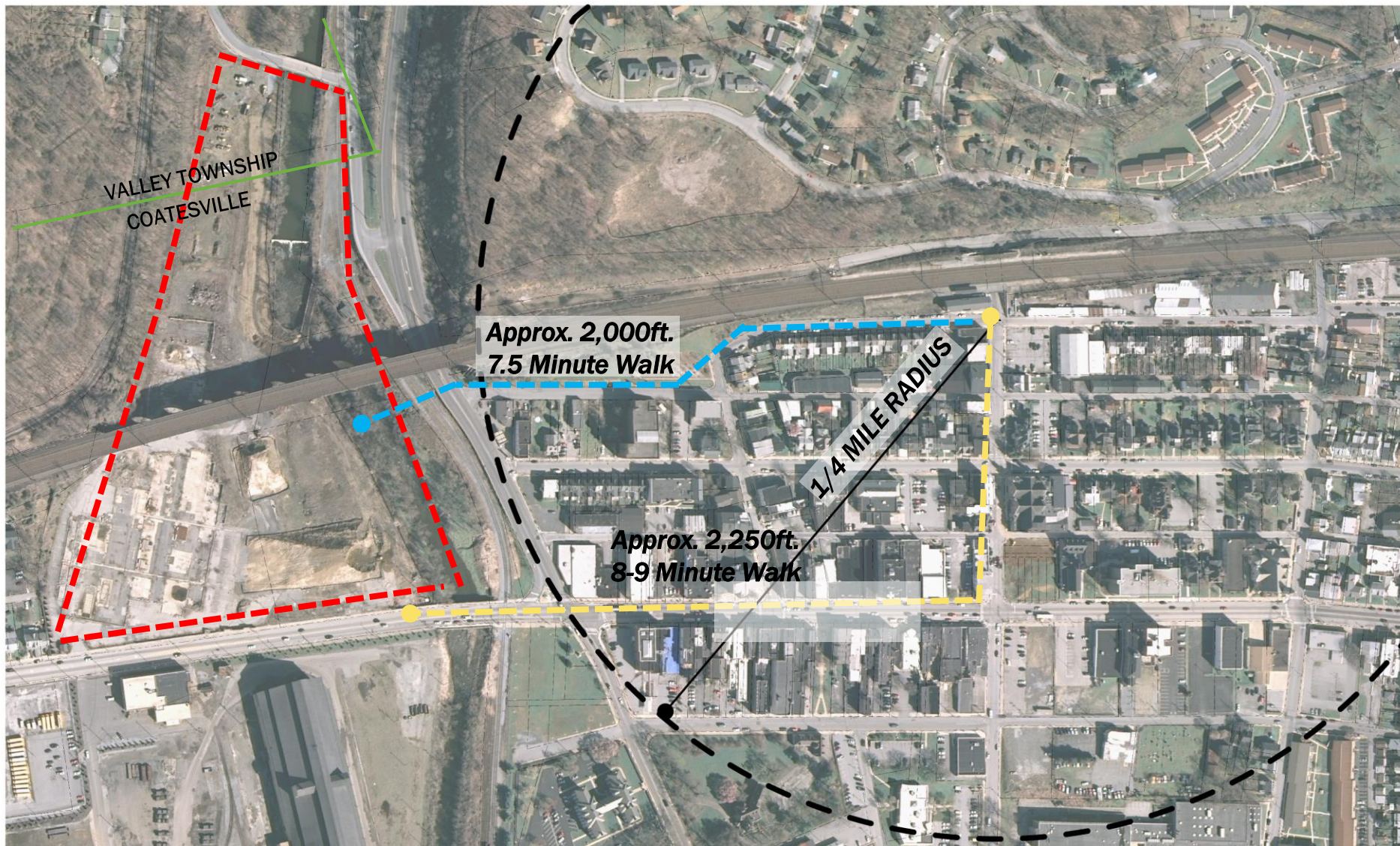


Norfolk Southern (ex PRR) Stone Viaduct

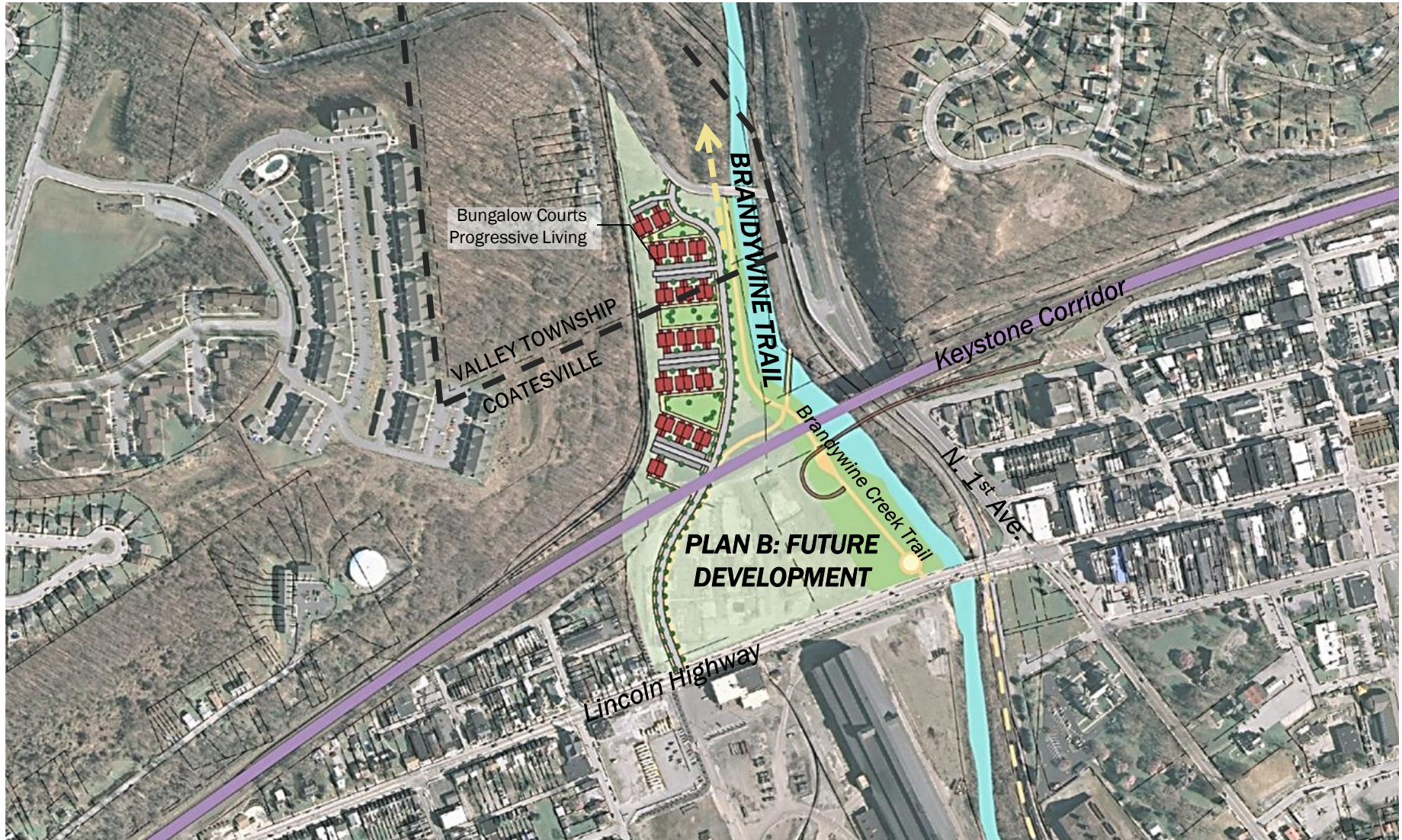
Target Area 4: The Flats



Target Area 4: The Flats



Target Area 4: Concept Plan – Life Planning and Future Community



Target Area 4: Recommendations

ACTION

• **PROMOTE 55+ HOUSING IN A CLUSTERED FORMAT**

- The portions of the Flats located north of the railroad viaduct is well-suited for residential development. The city's Flats Redevelopment Overlay zoning district provides the ability for traditional neighborhood format development to occur. In order to capitalize on the area's full development potential, the city should work with Valley Township to refine its zoning, which currently includes a Conservation zoning district on former industrial portions of the area, as well as the existing residential along Brick Row. A refinement of the zoning might consider creating a conservation setback from the Brandywine Creek that also includes the rail and parcel located north of E. Glencrest Road that are currently zoned R-1 Residential, to provide consistent protection along the creek, while allowing limited development to occur.

RATIONALE

- The opportunity to provide modern, single-level living in a park-like environment would allow the city to serve and attract the 55+ demographic that desires to remain in the Coatesville area and live in modern, barrier-free housing with a traditional neighborhood character. The market study earlier performed, along with discussions with local developers, suggest there is a strong market for this type of housing.

RESPONSIBLE ACTOR(S)

- The City of Coatesville, Valley Township, and Chester County should evaluate the zoning of the area to create a cohesive land development natural resource conservation protection strategy for the entire area that creates seamless development patterns across municipal lines.

Valley Township: Targeted Business & Areas

Targeted Businesses: Contacting and Recruiting

Of the three study area municipalities, Valley Township is most suburban in character and, consequently, features economic development opportunities which are auto-dependent (e.g., commercial shopping center which is not easily accessible by pedestrians or bicyclists and a light industry area which can only be accessed by a motor vehicle).

The market study earlier performed (which was conducted pre pandemic) identified relatively modest demand for commercial retail, office and light industrial uses within the area. While demand for retail and commercial office within the suburban confines of Valley Township is likely wane, further demand for flex and light industrial space in Valley Township well may increase for the following reasons:

- The pandemic has exposed the U.S.'s overreliance on foreign manufacturing and distribution networks for critical supplies (with medical supplies being most prominent). There is now a rising chorus among a diverse group of political and business leaders to bring that production and distribution network back to the U.S.
- The population lockdown related to the pandemic has had the consequence of dramatically increasing on-line retail purchases for a variety of consumer goods.
- This increased on-line purchasing activity is not likely to abate any time soon, as social distancing measures remain in effect for the foreseeable future and the reticence of consumers to shop in brick-and-mortar retail stores, due contamination fears, remains high.

Consequently, Valley Township should focus its business contacting and recruitment efforts on light assembly and small-scale warehousing and distribution facilities.

Targeted Businesses: Contacting and Recruiting (continued)

In particular, Valley Township should coordinate its efforts with the existing developers/operators of its two business parks (Airport Industrial and Highlands Corporate Center) to actively market developable land and leasable building space to existing light assembly and small warehousing companies within a 100-mile radius (the thinking being that many of these businesses will want to either relocate or establish an expanded footprint within an area they are generally familiar and where existing suppliers and employees may still be retained).

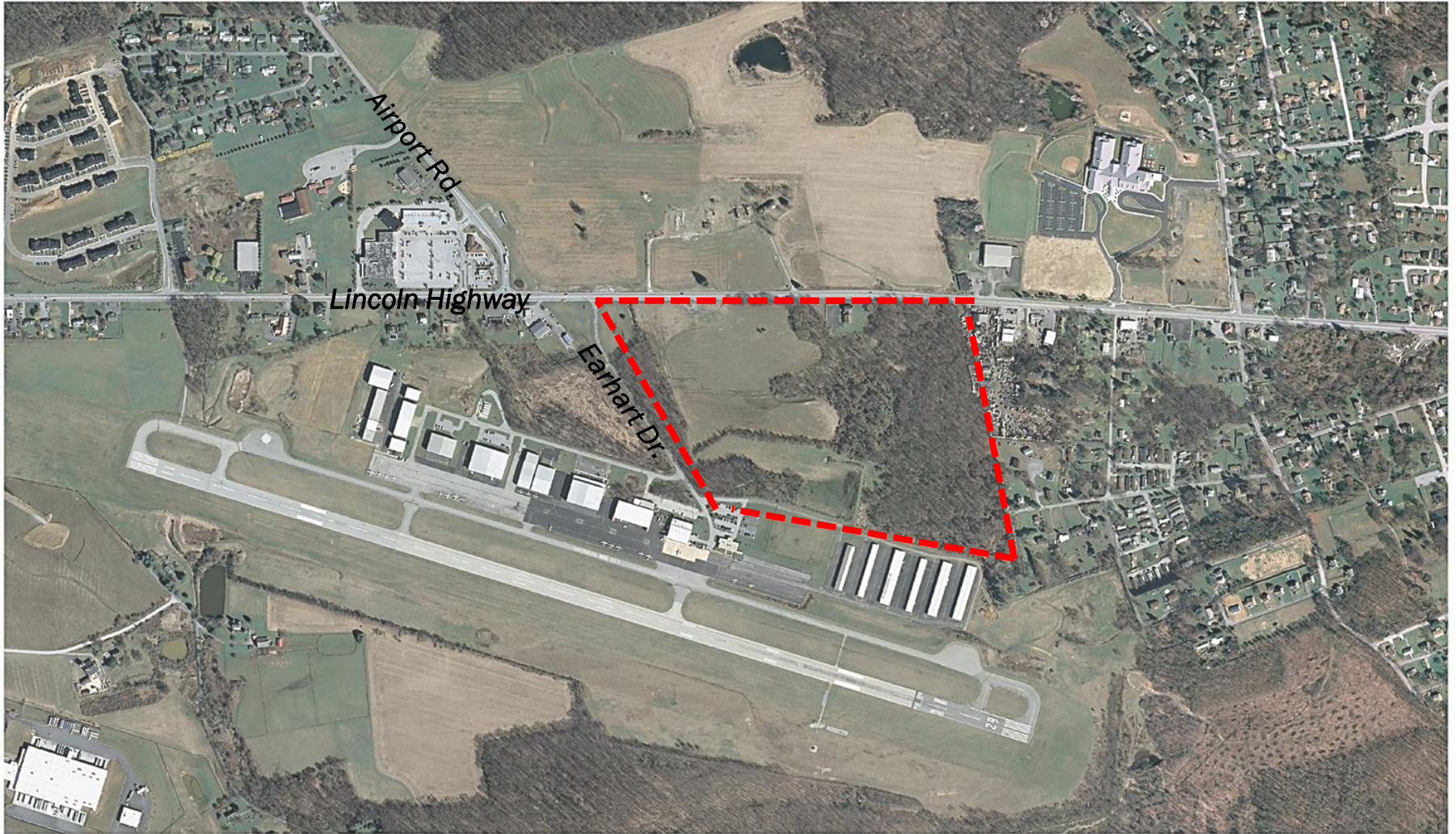
The marketing effort employed will need to demonstrate a competitive operating advantage via land, labor and tax cost metrics (e.g., juxtapose these key cost metrics to those of the locations where targeted light assembly and small warehousing businesses exist).

A one-page brochure, jointly conceived with existing developers/operators of the two business parks will include a map identifying the regional location of the parks and their arterial access and distance from major metropolitan areas (in both miles and time). Further, any special incentive programs offered (such as the Local Economic Revitalization Tax Assistance or LERTA) will also need to be highlighted, with sufficient explanation as to what types of development projects qualify.

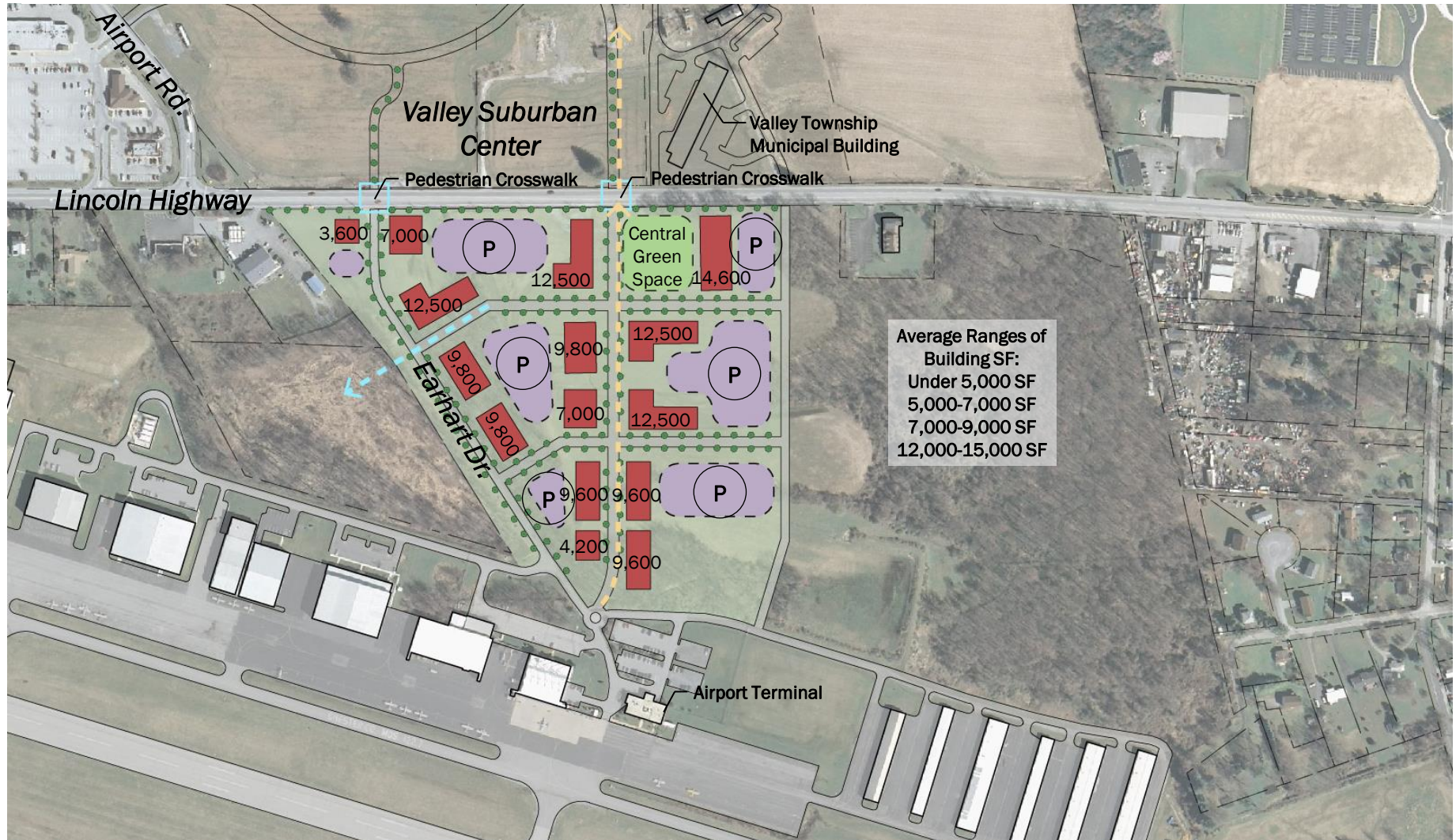
In addition to the aforementioned light assembly and flex office space, Valley Township has opportunity to accommodate “age-targeted” housing within its borders (housing which is marketed to households 55 and older, but without restrictive covenants). Earlier market findings, as well as conversations with local developers, indicate this housing typology would be well received – particularly if the housing is small in scale and affordable.

Target Area 5: Valley Township – Lincoln Highway and Earhart Drive

Target Area 5: Valley Township – Lincoln Highway and Earhart Drive



Target Area 5: Concept Plan – Suburban Center/Corporate Business Campus



Target Area 5: Recommendations

ACTION

- **CREATE A PLANNED SUBURBAN CENTER/CORPORATE BUSINESS CAMPUS MASTER PLAN THAT SUPPORTS THE TOWNSHIP'S SUBURBAN CENTER STRATEGY**
 - The Township should work with the Chester County Area Airport Authority to undertake and adopt a master development plan which includes potential development lots, street layout, trails, and open space; the development plan will support the creation of a cohesive development plan for the entire development area between the terminal, Earhart Drive and W. Lincoln Highway, ensuring consistent multi-modal transportation connection across and along Lincoln Highway.

RATIONALE

- The Township has planned for the creation of the central suburban center, which includes a mix of commercial, retail, office, housing, schools, parks, and civic uses such as the municipal complex, primarily north of the W. Lincoln Highway. The undeveloped land on the south side of the roadway, adjacent to the airport is well-suited to support additional office and light manufacturing uses that are consistent with the current Planned Development Zone (PD) District zoning for the area.

RESPONSIBLE ACTOR(S)

- Valley Township, in partnership with Chester County, should approach the Airport Authority to initiate discussions to develop a cohesive master development plan that support the community's and the authority's goals for the area.

South Coatesville: Targeted Business & Areas

Targeted Businesses: Contacting and Recruiting

Among the three study area municipalities, South Coatesville faces, perhaps, the greatest challenge for business recruitment, due a number of factors:

- ArcelorMittal, the international steel and mining company, occupies large areas of industrial areas within the borough (according to its website, the company's operations consume nearly 960 acres of land 3.5 million square feet of building space, some of which is located in adjacent Coatesville). While some of its operations are idled and will not be brought back on-line, the company hasn't disclosed any plans as to when it might be willing to sell this property for another productive use (and a use which meets whatever use covenants are likely to be in place);
- Where there is, seemingly, developable land area in South Coatesville (the central and southeastern sections of the borough), neither developers nor tenants of conventional retail or professional office uses would find these areas market receptive or financially viable – retail works best where it has good visibility to well travelled roadways (which is not the case in the developable areas of South Coatesville) and today's office space users want immediate (if not walkable) accessibility to retail and dining services (again, this would not be the case in the developable areas of South Coatesville);
- As identified within the section of the report addressing infrastructure availability and quality, these seemingly developable areas of South Coatesville offer limited accessibility to both public water and sewer. This is not to say that public water and sewer extensions to a given parcel couldn't be accomplished; it is a question of the economics of doing so, based on the type and scale of development to be served.

Targeted Businesses: Contacting and Recruiting (continued)

- **Outdoor BMX (Bicycle Motocross) center** – Outdoor BMX is a non-motorized sport which caters to professional and amateurs, alike. Further, and according to a 2017 report commissioned by the Outdoor Foundation, the sport of BMX realized a 43.2 percent increase in riders from 2013 to 2016 (2.2 million to 3.1 million riders, nationally). The sport has been the fastest growing outdoor participant activity among all outdoor activities, according to the report. And, like NASCAR, it has a very large and loyal fan base which travels great distances to watch the events – and they represent a good deal of discretionary spending power when they travel.

South Coatesville will need to start its inquiry for identifying one or more BMX track developers and business operators through USA BMX (usabmx.com). The borough will need to share the regional demographic metrics and findings identified in the market analysis section of this report, along with information pertaining to the available land area suitable for the layout of an outdoor track (see the following section of this report); it will also want guidance on the types of assistance local government (whether through zoning or permitting) has provided to successfully established BMX facilities in other parts of the country.

Finally, conversations with regional area bicycle shops (particularly those which sell and service mountain and BMX bikes) will need to be held to determine their level of interest in either investing or promoting the development of a BMX facility in South Coatesville.

In addition to an outdoor BMX track, other outdoor opportunities include the following: a pump track, paintball/speedball, zip line/high ropes, and simulated rock climbing walls.

Targeted Businesses: Contacting and Recruiting (continued)

- **Hydroponic Farming** – Hydroponic farming, unlike traditional vegetable farming, does not require vast acres of land or soil but, instead, relies upon relatively small indoor facilities to grow plants vertically and within water filled trays. As the indoor facility is windowless, light is provided via powerful LEDs. This technique has been in existence for hundreds of years, but has become a wider practiced technique over the past 20 years – particularly as food insecurity issues have increased around the world. While not particularly labor intensive, hydroponic farming does offer opportunities to small entrepreneurs to establish a business requiring modest upfront capital requirements and to sell their product (a variety of produce) to businesses and households, alike.

Further, hydroponic farming could be coupled with a seasonal, outdoor dining operation (a twist on farm to table, where produce from the operation is prepared for onsite consumption), which could also include unrelated but complementary food such as brick-oven pizza (outdoor equipment). Picnic tables and areas encouraging patrons to lay blanket would also be provided.

Finally, a partnership could also be formed with the local vineyards, creating an agritourism opportunity which attracts visitors from up to 90 minutes away.

Borough officials will need to initiate their recruitment effort by inviting representatives from the hydroponic industry and container farming industry ([Hydroponic Society of America](#)); [Association of Vertical Farming](#) and host information sessions for local entrepreneurs and area lenders (it is of vital importance that local small business lenders also understand the market and operational dynamics of hydroponic farming). Also, contact should be made with the mushroom industry located in southern Chester County and the American Mushroom Industry (www.americanmushroom.org).

Targeted Businesses: Contacting and Recruiting (continued)

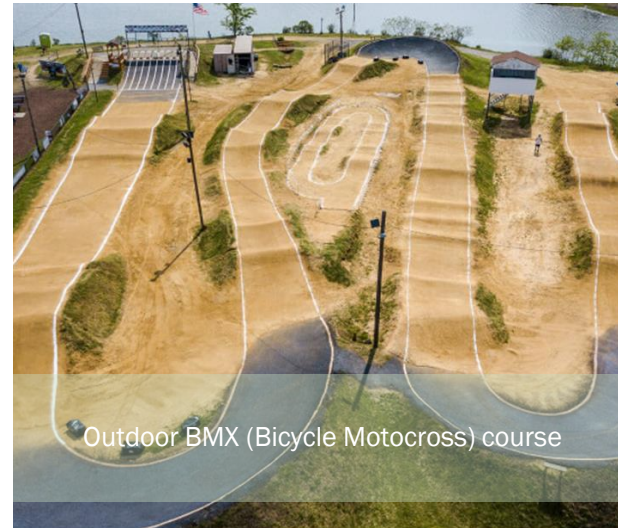
- **Drive-in Movie Theatre** – While the heyday of drive-in movie theatres has long since past (according to the United Drive-In Theatre Owners Association (UDITOA), the 1950s and 60s were the peak years for drive-in theatre attendance), there has been a resurgence in demand for these entertainment venues, owing to the nostalgia of a bygone era. That it is likely that social distancing measures related to the current pandemic could last for several years after lockdown measures ease, suggests traditional movie houses and cineplexes will struggle to attract the large audiences they previously enjoyed; consequently, drive-in theatre business could satisfy the public's demand for big screen entertainment, while doing so in a manner which keeps its patrons safe.

Based on information supplied by the UDITOA, land area from two to ten acres is required to establish a single screen drive in theatre and the area chosen should be flat and have little surrounding artificial light sources (e.g., not be located near shopping centers, office parks or other well lit commercial areas).

Further, today's drive-in theatres utilize electronic signals transferred through car radios, phones or tablets to broadcast sound, so there isn't need for the type metal fixed area speakers that once defined the drive-in theatre experience (another benefit in the post pandemic world).

South Coatesville will need to start its business recruitment by first reaching out to the UDITOA (www.uditoo.org) and identifying how it can promote its location to current or prospective drive-in movie theatre operators. The borough will also need to share the market analysis metrics and findings from this report with UDITOA representatives, in order to better inform their recommendations.

Target Area 6: Precedent Images

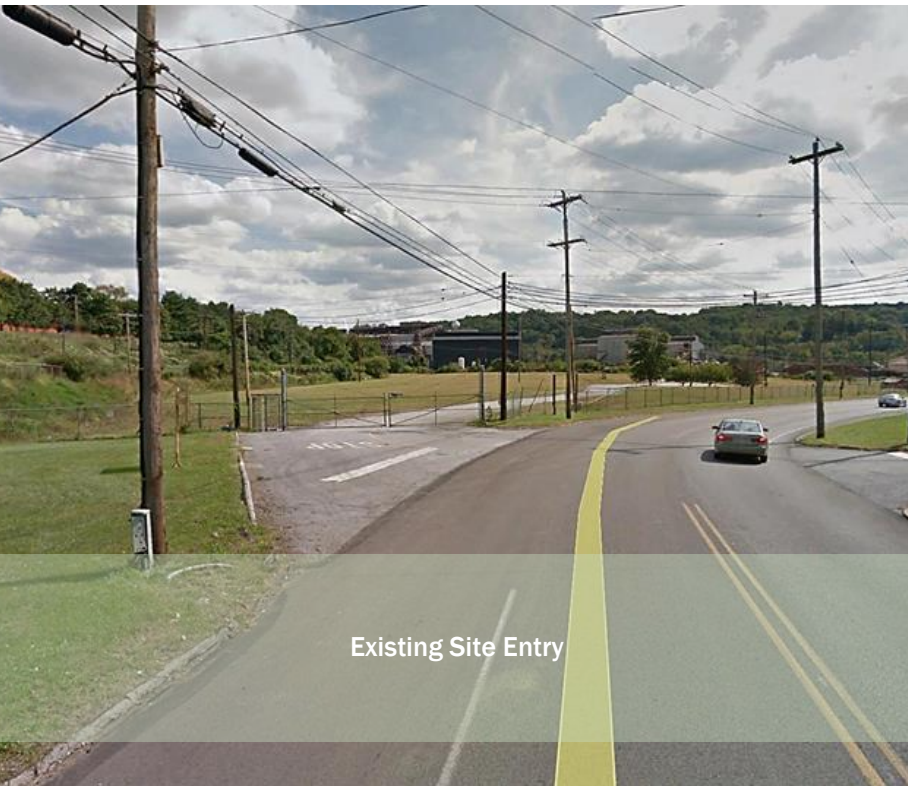


Target Area 6:
South Coatesville Borough – South 1st Ave.

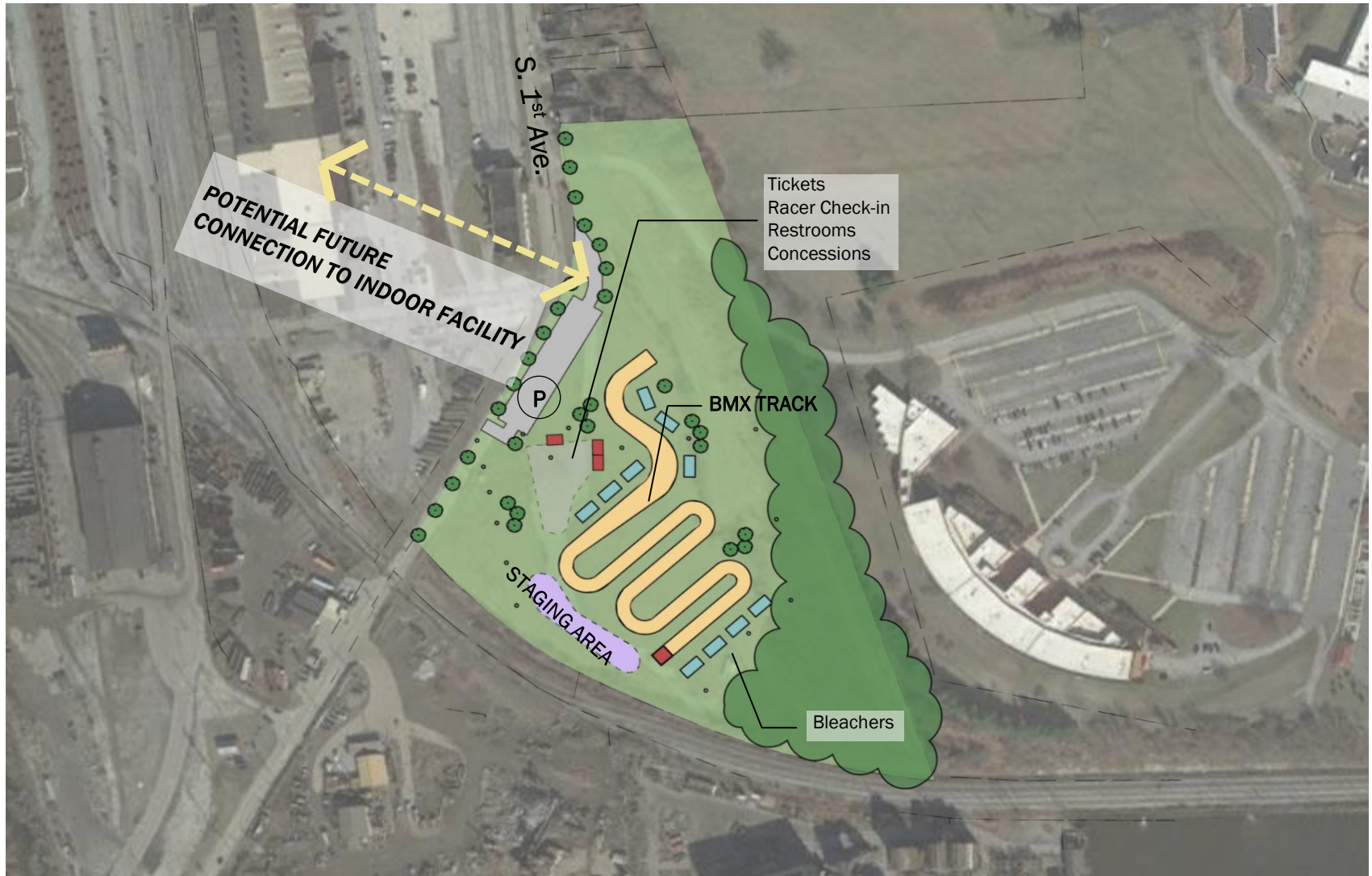
Target Area 6: South Coatesville Borough – South 1st Ave.



Target Area 6: South Coatesville Borough – South 1st Ave.



Target Area 6: Concept Plan - BMX Racing Track and Private Operated Public Recreation



Target Area 6: Recommendations

ACTION

- **MARKET KEY VACANT SITES FOR DESTINATION-ORIENTED RECREATIONAL USES**
 - The Borough should coordinate with the Greening Coatesville initiative to tap into to technical support including initiation discussions with Arcelor Mittal (owners of key properties) and to explore potential private recreation operators.

RATIONALE

- The Borough's location and parcels potentially available for reuse represent an opportunity to fulfill local and regional needs for destination-oriented recreation. Special facilities will draw visitors from a large geographic area and support local businesses catering to food, lodging, retail, etc. While this study shows a concept site plan for a BMX facility, the Borough should also explore the siting of a drive-in movie theatre, as earlier identified in this section.

RESPONSIBLE ACTOR(S)

- The Borough should work in partnership with Chester County and the Brandywine Health Foundation/Natural Lands Trust's Greening Coatesville initiative tap into to technical support to negotiations and market sites to potential specialty recreation operators. DCNR C2P2 funds could support feasibility planning.

Target Area 6: Recommendations

ACTION

• ADDRESS POTENTIAL ENVIRONMENTAL CONDITIONS

- Depending on the site(s) selected, any post-industrial properties will require environmental due diligence if property ownership changes. The Borough should support the undertaking of Phase I Environmental Site Assessments (ESA) performed to AAI standards consistent with U.S. EPA and PADEP requirements. Depending on findings, a remedial strategy which links the intended reuse plan with any potential site remediation may be needed. Depending on the findings of the ESA and the fact that the sites are likely zoned non-residential, commercial-oriented zoning should likely remain in place and aligned to site-specific end uses instead of generic public space.

RATIONALE

- Any properties associated with the steel manufacturing will necessitate proper environmental due diligence to protect the purchaser and to sites can achieve PADEP regulatory compliance for the desired end use.

RESPONSIBLE ACTOR(S)

- The Borough should contact U.S. EPA Region 3's Brownfields program officer to request direct Technical Assistance to undertake a Phase I ESA for sites considered for reuse and/or acquisition. The Borough should partnership with the County, to pursue a Community-Wide or Coalition Brownfields Assessment grant to support environmental assessment and site-specific reuse/remedial planning for these and other key brownfields sites in the community.

Target Area 6: Recommendations

ACTION

- **UPGRADE SOUTH 1ST AVENUE AS A MULTI-MODAL BOROUGH GATEWAY**
 - The Borough should work with Chester County, the City of Coatesville, and other regional partners to advance funding allocations and grant applications as the top recommendation of the 2018 Mill Trail Bicycle and Pedestrian Facilities Plan; and to support the upgrade of S. 1st Avenue as a critical multi-modal connection to support the borough's overall revitalization and site reuse efforts.

RATIONALE

- The Borough's 2010 Community Revitalization Plan and the 2018 Mill Trail (aka Brandywine Trail) Bicycle and Pedestrian Facilities Plan, both identify the S. 1st Avenue Corridor as critically important to improving transportation connectivity and economic development opportunities for the Borough. This includes an on-road segment of the overall trail network that would travel along portions of S. 1st Avenue, connecting the borough to downtown Coatesville, as well as other regional recreational resources.

RESPONSIBLE ACTOR(S)

- The Borough should actively participate or convey the Mill Trail Study Advisory Committee in order to promote the partnerships needed to advance regional "matching" funding allocations for engineering and construction grant application.

APPENDIX

Recent Reports and Studies Reviewed: Relevant Findings

Title	Author	Year	Study Area	Relevant Study Area Findings
Five-Year Action Plan, 2017-2021	Coatesville 2 nd Century Alliance	2019	Coatesville City	<p>Adopted five goals, and supporting objectives and action steps:</p> <ol style="list-style-type: none"> 1. Create a vibrant commercial corridor 2. Inspire investor confidence & build a business-friendly atmosphere 3. Build strong, stable residential neighborhoods 4. Improve the overall quality of life 5. Communicate the City's positive attributes & competitive advantages
Chester Valley Trail West Feasibility Study/Master Plan	Chester County Planning Commission	2018	8 municipalities along trail, including Coatesville City	<ul style="list-style-type: none"> • Segment 4: Coatesville includes 1.7 miles of existing split mode bike trail • Business Route 30 determined best alignment through the City • Outlines \$190,300 in short- and long-term improvements
Valley Township Open Space, Recreation, and Environmental Resources Plan	Valley Township	2019	Valley Township	<ul style="list-style-type: none"> • Township has a need for 38.1 additional acres of open space, which will rise to 68.8 acres by 2025 • Highest Priority Recommendations: <ul style="list-style-type: none"> • Partner with School District to develop active recreation • Acquire and develop land dedicated from Valley Suburban Center • Develop Loop Trail to Connect Community Recreation Areas • Prepare Township-Wide Trails Master Plan
Landscapes: Chester County Comp Plan	Chester County Planning Commission	2018	Chester County	<ul style="list-style-type: none"> • Study area municipalities located in urban and suburban growth areas suitable for redevelopment • Study area contains the Lukens Historic District • River Walk Brandywine Creek Trail in Coatesville is a recreational asset • Proposed Coatesville train station improvements will connect residents and businesses with opportunities
Chester Valley Trail West Feasibility Study/ Master Plan	Chester County Planning Commission	2018	8 municipalities along trail, including Coatesville City	<ul style="list-style-type: none"> • Segment 4: Coatesville includes 1.7 miles of existing split mode bike trail • Business Route 30 determined best alignment through the City • Outlines \$190,300 in short- and long-term improvements
Reinventing Office Parks for the 21st Century	Chester County Board of Commissioners	2017	Chester County	<ul style="list-style-type: none"> • Recent national employment trends point toward office users downsizing, frequently locating in more urban and walkable areas. • Need to revitalize the appearance and configuration of existing office parks

Recent Reports and Studies Reviewed: Relevant Findings

Title	Author	Year	Study Area	Relevant Study Area Findings
Coatesville Growing Greater: Neighborhood Revitalization Strategy	Chester County Economic Dev. Foundation & Coatesville Area Partners for Progress	2017	Coatesville City	<ul style="list-style-type: none"> 10-year vision and five-year implementation goals, including strategies organized in four major categories: Resident Engagement; Jobs/Economic Opportunity; Youth Empowerment; and Community Safety
The City of Coatesville Parks 2021	Natural Lands Trust	2016	Coatesville City	<ul style="list-style-type: none"> City of Coatesville's parkland deficit ranges from 68 to 92 acres and many facilities are aging and deteriorating Brandywine Creek Trail - may be opportunities to expand trail connections to the north
Coatesville Train Study Market Study	C.J. Law & Associates, LLC	2014	Downtown Coatesville and Train Station	<ul style="list-style-type: none"> Demand for 200 to 300 units near Coatesville station Demand for 30,000 SF of restaurant-anchored retail development Need for destination community facilities Need for flexible zoning to allow mixed-use
VISTA 2024: Chester County's Econ Dev. Strategy	Vista 2025	2014	Chester County	<ul style="list-style-type: none"> Implement a "city economic strategy" to promote and support the revitalization of Coatesville. <ul style="list-style-type: none"> Develop programs/incentives to attract new, high density downtown investment Identify new options for increasing the City's capacity to support new economic development. Implement a "Main Street" program. Implement a "transit office campus" development at Coatesville train station
Comp Plan Addendum: Land Use Element	City of Coatesville Comp Plan Task Force	2013	Coatesville City	<p>Goals and objectives:</p> <ul style="list-style-type: none"> Build on strengths Rediscover Coatesville through downtown revitalization Revitalize train station Creative Incentives for economic development & business growth Promote community development Attract major corporate ventures (Lincoln University Campus, Grocer, Velodrome, Movie Theater)
Economic Development Strategy	City of Coatesville	2011	Coatesville City	<p>City-wide recommendations:</p> <ul style="list-style-type: none"> Reduce crime to encourage development Lower taxes to attract residents and spur development Consider "brand" marketing program to attract businesses Rent city-owned buildings Better enforce code violations to improve appearance of buildings
Comp Plan	Valley Township Board of Supervisors	2003	Valley Township	<p>Economic development objectives:</p> <ul style="list-style-type: none"> Retain and expand existing businesses to preserve tax base and provide employment Attract targeted growth industries to complement business expansion and retention Encourage economic development activities that are consistent with land-use goals

Interviews Summary: Real Estate Professionals

After compiling a list of 12 local real estate professionals, 4ward Planning reached out by telephone or email, requesting interviews regarding residential and commercial real estate trends in the tri-municipal area. Where no responses were received, second and sometimes third rounds of follow-up emails and phone calls were made to each prospective contact. This series of attempts resulted in six interviews with knowledgeable professionals (listed at the end of this section) willing to share their perspectives on the study area. In addition to their supportive commentary found throughout the real estate trends analysis, the following salient, subjective feedback was offered:

Challenges:

- The study area's greatest deterrents to economic growth are negative perceptions of its school district and area safety.
- Although the cost of living and housing prices are relatively low, local taxes and transfer taxes, particularly in the City of Coatesville, are too high, deterring prospective homeowners and businesses.
- There is a "cycle of lower-rent housing," particularly in the City of Coatesville, in which renters are not able to participate in or are not aware of homeownership opportunities.

Strengths:

- The study area's thriving neighboring municipalities can be used as resources, offering insight on healthy economic development strategies.
- The study area's proximity to Philadelphia and attractive countryside setting make its economic rejuvenation more feasible.
- The study area's relatively low cost of living and housing prices could be attractive to prospective residents.

Interviews Summary: Real Estate Professionals (continued)

Opportunities:

- The current lack of zoning code consistency has made the process frustrating, confusing, and expensive for potential investors and developers. A standard of code and zoning rulebook should be created, making the study area much more business-friendly.
- Business incentives would be effective in encouraging economic activity.
- Making improvements (e.g., street improvements, enforcement of the sign ordinance) to the gateways into the study area would create a warmer welcome to potential residents and businesses.
- The housing typology most in demand in the study area is “active adult community” units for those ages 55 and older. Many such buyers would be relocating from places such as Philadelphia or Delaware and are no longer concerned about finding the right school system.
- Educating low-moderate-income renters in Coatesville about financial literacy and programs such as Chester County’s First Time Home Buyer Program, which is intended to assist such individuals in purchasing their first homes in Chester County, would be a positive step in strengthening the study area’s residential community and its economic mobility.
- Coatesville has an opportunity to shed the stigma that has plagued its name for many years. The study area municipalities should begin brainstorming about a public perception campaign founded on improved communication, organization, and a shared vision.

Interviews Summary: Contacts

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Glossary of Terms

Employment by Industry: The industry is the type of activity that occurs at a person's place of work. Industries are classified through the North American Industry Classification System (NAICS), the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

Empty-Nester Household: A household in which one or more parents live after the children have left home, typically represented by ages 55 through 74.

Family: A family is a group of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people are considered members of one family.

Growth Rates: The chart below outlines how 4ward Planning defines growth rates. For example, flat growth reflects an annualized rate of change between -0.75 and 0.75 percent.

Strong Positive Growth	Greater than	1.50%		annually
Modest Positive Growth	Between	1.50%	and 0.75%	annually
Flat Growth	Between	0.75%	and -0.75%	annually
Modest Negative Growth	Between	-0.75%	and -1.50%	annually
Strong Negative Growth	Less than	-1.50%		annually

Household: A household consists of all the people who occupy a housing unit. A house, apartment, or other group of rooms or a single room, is regarded as a housing unit when occupied or intended for occupancy as a separate living quarter. The count of households excludes group quarters and institutions.

Household Population: Household population, as compared to total population, excludes persons living in dormitories, penal facilities, hospitals, and other institutional settings.

Non-Family Household: A non-family household consists of a householder living alone (a one-person household) or a householder sharing the home exclusively with people to whom he/she is not related.

Primary Job: According to the U.S. Census, a primary job refers to the job an individual has which provides the greatest income. If an individual is employed by a single job, this would be considered a primary job. If an individual is employed at multiple jobs, including part-time employment, the job that provides the greatest income would be considered a primary job.



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