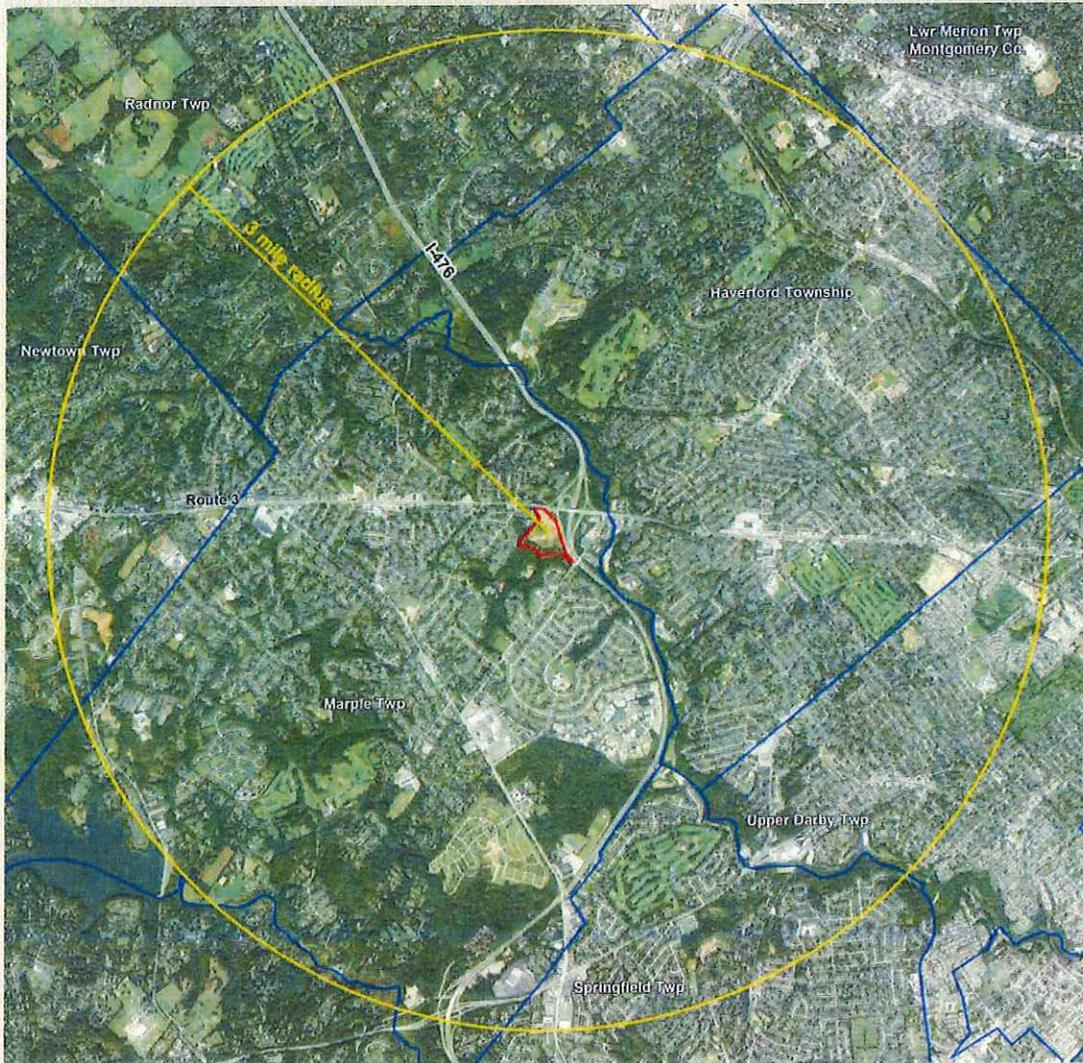
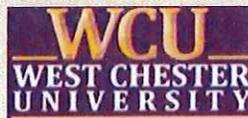


Market Study

Marple Associates' Langford Run Road Mixed-Use Development Marple Township – Delaware County, PA



SUBMITTED BY:

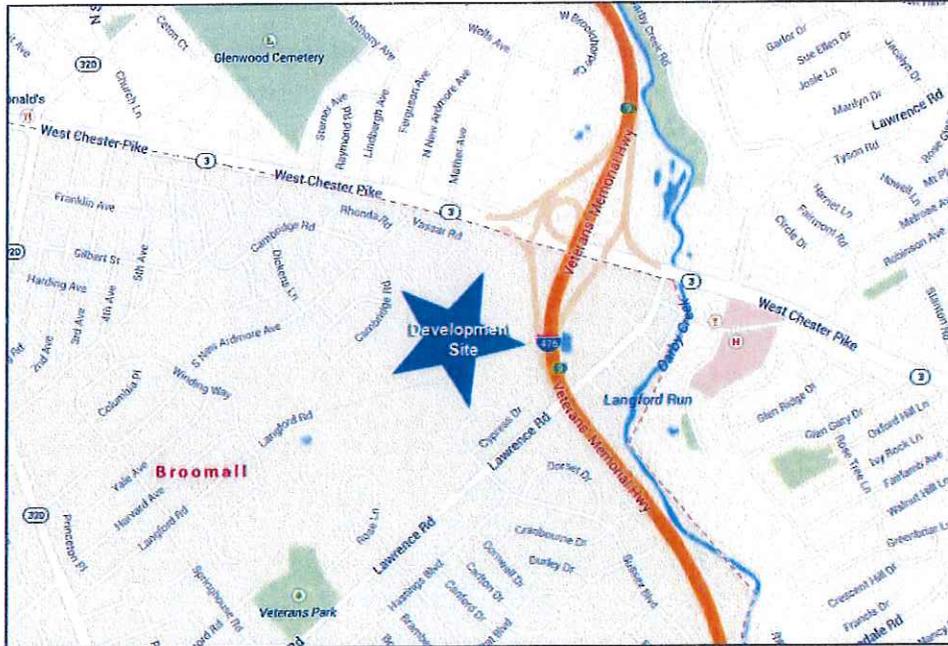


MARCH 10, 2015

1. INTRODUCTION and PROJECT OVERVIEW

Marple Associates intends to develop a new mixed-use development in Marple Township, Delaware County, PA. The Langford Run Road Development (Project) is located on a vacant 66.86 acre site on the southwest corner of the Route 3 (West Chester Pike) and I-476 (Blue Route) interchange.

PROJECT LOCATION



The proposed building program includes:

- 218,673 square feet of retail commercial (parcel A), including:
 - Grocery store anchor;
 - Health and fitness center;
 - General Retail;
 - Professional Offices (limited);
 - Convenience store with fuel pumps; and a
 - Fast casual restaurant;
- A 108-room, 55,000 square foot hotel with restaurant (parcel C), and
- 147 townhomes (parcel B).

PROJECT TRACT BY PARCEL



Per the Marple Township Zoning Ordinance, Section 300-140, "Application for Amendments by Citizens" the following are required in the case of a nonresidential rezoning request:

- A. The applicant's name and address and his representative and the interest of every person represented in the application.
- B. A plan showing the extent of the area to be rezoned, if applicable, including streets bounding and intersecting the area, existing land use and zoning classification of the area and abutting districts and photographs of the area to be rezoned and abutting areas.
- C. A statement of the circumstances in the area and abutting areas and any other factors on which the applicant relies as reasons for supporting the proposed amendment.

D. The approximate time schedule for the beginning and completion of the proposed development in the area, if applicable.

E. A site plan to scale, indicating the locations of structures, uses, areas for off-street parking and loading, if applicable.

F. Information about the market area to be served by the proposed development if a commercial use, including population, effective demand for proposed business facilities, and other information describing the relationship of the proposed development to the needs of the market area.

This Market Study is intended to address Section 300-140(F), regarding “market area information”. As the rezoning request is limited to Parcel A, this market study focuses solely on the commercial uses proposed on Parcel A: a grocery store chain, a health and fitness center, general retail, fast casual restaurant, and convenience with fuel.

2. REPORT OVERVIEW

A real estate market study is a tool for assessing the supply and demand for particular land uses. On the demand side, the study defines a market or “trade area” for the proposed uses and analyzes it in terms of population, housing, income, consumer patterns, and projected growth. On the supply side, more specific studies look at competition in the market area, how the products compare to those proposed, and total sales potential. This study focuses on Total Sales Potential for potential products and services that may be offered within the Langford Run Road development.

Municipalities use market analyses to evaluate development proposals and their impact on local markets. Such reports provide information to municipal decision-makers and are not considered the sole basis for a development approval or disapproval.

This market analysis relies on geographically-based computer models produced by ESRI, an international supplier of Geographic Information Systems (GIS). ESRI’s Business Analyst© software provides comprehensive demographic, lifestyle segmentation, consumer spending, and business data for a variety of geographic levels in the United States. These models are based upon an assortment of public and proprietary data sources, including the U.S. Census, American Community Survey (ACS), and ESRI’s private market research.

Using the ESRI database, West Chester University’s GIS Laboratory in the Department of Geography and Planning produced the following reports:

- A **Market Profile** report focusing on the demographic data for persons, households, income, and consumer spending patterns within the trade areas for 2013, along with projections for the same variables over a five-year period from 2013 to 2018. The

market profile provides a Spending Potential Index (SPI) which represents the amount spent on particular products relative to the national average.

- A **Retail Market Potential** report that measures the likelihood of the adults living in households in the trade area to exhibit certain consumer behaviors. This retail market profile provides a Market Potential Index (MPI). This index measures the likelihood of households in the market area to exhibit certain consumption patterns relative to the national average.
- A **Sales Potential Map** depicting the location of proposed potential use, competitors, and the demand for a particular product or service within the trade area, shown by Census Block Groups.

The full copy of the ESRI data reports can be found in the Appendix.

3. TRADE AREA

A trade area is the geographic area from which a retailer expects to generate the majority of its customers. Trade areas vary widely by business model, competition, density of households, and consumer behavior. The International Council of Shopping Centers (ICSC) determines trade area as part of its classification of Shopping Centers. The proposed Langford Run Road shopping center best fits the “Large Neighborhood Center” category which is characterized as a center ranging from 125,000 to 400,000 square feet on a minimum of 10 acres and one to two anchors, including a supermarket. The ICSC has determined that such a center has a typical trade area of 3 to 6 miles.¹

For purposes of this report, we have converted miles into approximate “drive times”, accounting, in part, for actual conditions. For example, along the Route 3 corridor, six miles to the east will typically take much longer than 6 miles to the west, and thus consumers in that area are less likely to patronize the proposed center. Drive time, therefore, may be considered a more realistic assessment of potential consumers and trade areas.

Trade area maps with Total Sales Potential for potential uses are included in Section 6.

¹ *U.S. Shopping-Center Classification and Characteristics*, International Council of shopping Centers. (August 2014)

4. MARKET PROFILE

A. 5 to 10 Minute Drive Time (3-Mile) Trade Area

Within the three mile trade area, there were 56,090 people and 21,106 households per the 2010 Census. The Business Analyst model estimated that there were an additional 636 people and 324 households in 2013. Looking forward, the Business Analyst model projects an additional 1,497 people and 568 households in 2018. These numbers may be conservative, as the Langford Run Road project includes 147 households, in addition to what may be proposed on the Don Guanella site on Route 320, as well as other development outside of Marple Township but still in the trade area.

In terms of income, the average household income in 2013 is estimated to be just over \$102,000, with a per capita income of \$38,948. The model anticipates an above average growth in income by 2018. Even if this estimated growth in income does not fully come to bear, a growing population, growing wages, and decreasing unemployment rate would indicate a greater demand for the products and services.

Table 1: Estimates of Population, Household, Income, and Home Value: 3 Mile Trade Area

	2000	2010	Estimate 2013	Forecast 2018	Change, 2013-2018	
					Change (#)	Change (%)
Population	56,627	56,090	56,726	57,649	923	1.6%
Households	21,063	21,106	21,428	21,820	392	1.8%
Median Household Income			\$83,321	\$96,714	\$13,393	16.0%
Average HH Income			\$102,369	\$117,486	\$15,117	14.7%
Per Capita Income			\$38,948	\$44,740	\$5,792	14.8%
Average Home Value			\$336,880	\$368,709	\$31,829	9.4%

Spending Patterns across a broad spectrum of budget categories for this Trade Area are shown in Table 2. The Table depicts total spent by all households in the Trade Area, the average spent per household, and the Spending Potential Index (SPI). The **Spending Potential Index** measures the amount spent in the trade area as compared to a national average of 100. For example, the SPI of 135 for Food At Home means that households within the Trade Area spend 35% more than the national average on food at home.

Table 2. Consumer Spending Patterns: 3 Mile Trade Area



Market Profile

Drive Time Areas 2
Marple Township
Drive Distance: 3 miles

Prepared By Business Analyst Desktop

Latitude 39.975931
Longitude -75.143832

Top 3 Tapestry Segments

- 1.
- 2.
- 3.

0 - 3 miles
Pleasant-Ville
Wealthy Seaboard Suburbs
City Lights

2013 Consumer Spending

Apparel & Services: Total \$	\$46,148,453
Average Spent	\$2,153.65
Spending Potential Index	95
Computers & Accessories: Total \$	\$7,760,388
Average Spent	\$362.16
Spending Potential Index	146
Education: Total \$	\$51,713,247
Average Spent	\$2,413.35
Spending Potential Index	165
Entertainment/Recreation: Total \$	\$102,500,124
Average Spent	\$4,783.47
Spending Potential Index	147
Food at Home: Total \$	\$145,347,288
Average Spent	\$6,783.05
Spending Potential Index	135
Food Away from Home: Total \$	\$95,293,692
Average Spent	\$4,447.16
Spending Potential Index	139
Health Care: Total \$	\$135,307,228
Average Spent	\$6,314.51
Spending Potential Index	142
HH Furnishings & Equipment: Total \$	\$48,117,757
Average Spent	\$2,245.56
Spending Potential Index	125
Investments: Total \$	\$83,637,225
Average Spent	\$3,903.17
Spending Potential Index	188
Retail Goods: Total \$	\$683,613,908
Average Spent	\$31,902.83
Spending Potential Index	132
Shelter: Total \$	\$527,065,610
Average Spent	\$24,597.05
Spending Potential Index	151
TV/Video/Audio: Total \$	\$36,795,821
Average Spent	\$1,717.18
Spending Potential Index	133
Travel: Total \$	\$61,350,340
Average Spent	\$2,863.09
Spending Potential Index	156
Vehicle Maintenance & Repairs: Total \$	\$33,019,932
Average Spent	\$1,540.97
Spending Potential Index	141

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2010 and 2011 Consumer Expenditure Surveys, Bureau of Labor Statistics, Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

B. Market Profile: 15 Minute Drive Time (Approx. 6-Mile) Trade Area

Within the 15-minute drive time Trade Area, there were an estimated 420,822 people and 160,158 households in 2013. Looking forward, the Business Analyst model projects an additional 1,497 people and 568 households in 2018.

In terms of income, the average household income in 2013 is estimated to be just over \$102,000, with a per capita income of \$38,948. The model anticipates an above average growth in household income by 2018 for this same market area.

Table 3. Estimates of Population, Household, & Income: 6-Mile Trade Area

	2000	2010	Estimate 2013	Forecast 2018	Change, 2013-2018	
					Change (#)	Change (%)
Population	421,018	418,109	420,822	426,186	5,364	1.2%
Households	159,799	158,742	160,158	162,440	2282	1.4%
Median Household Income			\$70,656	\$84,681	\$14,025	19.8%
Average HH Income			\$99,921	\$117,399	\$17,478	17.4%
Per Capita Income			\$38,842	\$45,558	\$6,716	17.2%
Average Home Value			\$359,881	\$404,616	\$44,735	12.4%

Table 4. Consumer Spending Patterns: 6-Mile Trade Area



Market Profile

Marple Township
Drive Time: 15 minutes

Prepared By Business Analyst Desktop

Latitude: 39.976931
Longitude: -75.343834

Top 3 Tapestry Segments

- 1.
- 2.
- 3.

0 - 15 minutes
Pleasant-Ville
Urban Rows
Wealthy Seaboard Suburbs

2013 Consumer Spending

Apparel & Services: Total \$	\$345,024,071
Average Spent	\$2,154.27
Spending Potential Index	95
Computers & Accessories: Total \$	\$57,164,957
Average Spent	\$356.93
Spending Potential Index	144
Education: Total \$	\$372,653,742
Average Spent	\$2,326.79
Spending Potential Index	159
Entertainment/Recreation: Total \$	\$744,585,028
Average Spent	\$4,649.07
Spending Potential Index	143
Food at Home: Total \$	\$1,083,073,467
Average Spent	\$6,762.53
Spending Potential Index	134
Food Away from Home: Total \$	\$711,132,223
Average Spent	\$4,440.19
Spending Potential Index	139
Health Care: Total \$	\$966,912,997
Average Spent	\$6,037.24
Spending Potential Index	136
HH Furnishings & Equipment: Total \$	\$353,340,252
Average Spent	\$2,206.20
Spending Potential Index	122
Investments: Total \$	\$589,005,204
Average Spent	\$3,677.65
Spending Potential Index	177
Retail Goods: Total \$	\$5,013,221,338
Average Spent	\$31,301.72
Spending Potential Index	130
Shelter: Total \$	\$3,840,564,060
Average Spent	\$23,979.85
Spending Potential Index	148
TV/Video/Audio: Total \$	\$276,604,390
Average Spent	\$1,727.07
Spending Potential Index	134
Travel: Total \$	\$435,190,331
Average Spent	\$2,717.26
Spending Potential Index	148
Vehicle Maintenance & Repairs: Total \$	\$241,183,057
Average Spent	\$1,505.91
Spending Potential Index	138

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2010 and 2011 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

5. MARKET RETAIL POTENTIAL FOR POTENTIAL USES

Retail Potential is measured as the percent of adults who currently use a product or service and how this compares to the national average, or the Market Potential Index. The Market Potential Index (MPI) compare the likelihood of adults in the Trade Area to go to the gym, as compared to a national average of 100. Therefore, an MPI of 135 means that consumers within the Trade Area are 35% more likely to purchase a product or service than the national average.

The following tables highlight the Market Potential for several uses that could potentially be part of the proposed development. The Market Potential for all uses is measured within the 15-minute drive time trade area, unless otherwise noted. Full copies of the report can be found in the Appendix.

Table 5. Market Potential: Grocery Items

Grocery Items	% of Adults/Households	Market Potential Index
Used Beef in last 6 months	69.4%	97
Used Chicken/Turkey- last 6 months	81.4%	101
Use fish/seafood in last 6 months	58.9	106
Use fresh fruit/vegetable in last 6 months	89.3%	102
Used fresh milk in last 6 months	89.7	100
Used organic food in last 6 months	23.7	125

Table 6. Market Potential: Fitness Center

Fitness Center	% of Adults/Households	Market Potential Index
Exercise at Home 2+ times per week	29.2%	107
Exercise at a club 2+ times per week	17.1%	130

Table 7. Market Potential: Fast Casual Restaurant

Fast Casual Restaurant	% of Adults/Households	Market Potential Index
Dined out in last 12 months	50.1%	109
Went to fast food restaurant in last 6 months	89.7%	99
Went to fast food/drive-in restaurant 9+ times/mo	37.1%	92
Went to fast food/drive-in restaurant in last 6 months: take-out/walk-in	21.6%	110

Table 8. Market Potential: Convenience/Gas Station

Convenience/Gas Station	% of Adults/Households	Market Potential Index
Shopped at a Convenience store in last 6 months	59%	97
Spent <\$20 at a Convenience store in last 30 days	9.6%	117
Spent \$21 - 39 at a Convenience store in last 30 days	10.0%	109
Spent \$40 - 50 at a Convenience store in last 30 days	8.1%	106
Bought gasoline in last 6 months	87.8%	103
Bought gasoline at a convenience store in last 30 days	25.7%	74

Table 9. Market Potential: Apparel

Apparel	% of Adults/Households	Market Potential Index
Bought shoes in last 12 months	55.6	101
Bought costume jewelry in last 12 months	22.5	112
Bought fine jewelry in last 12 months	21.7	109
Bought a watch in last 12 months	12.1	106

Table 10. Market Potential: Miscellaneous

Miscellaneous	% of Adults/Households	Market Potential Index
Have a smart phone	40.2	110
Have an iphone	13.8	118
Attended a movie in last 6 months	65.8	108

6. TOTAL SALES POTENTIAL

This section provides a Total Sales Potential Map for each of the following potential uses and a use specific trade area:

- grocery store with a 3 Miles/10-minute trade area,
- fitness center with a 15-minute trade area,
- fast casual restaurant with a 5 minute trade area, and
- convenience store with fuel pumps with a 5-minute trade area.

This map provides the total calculated sales broken down by Census Block Groups within the Trade Area.

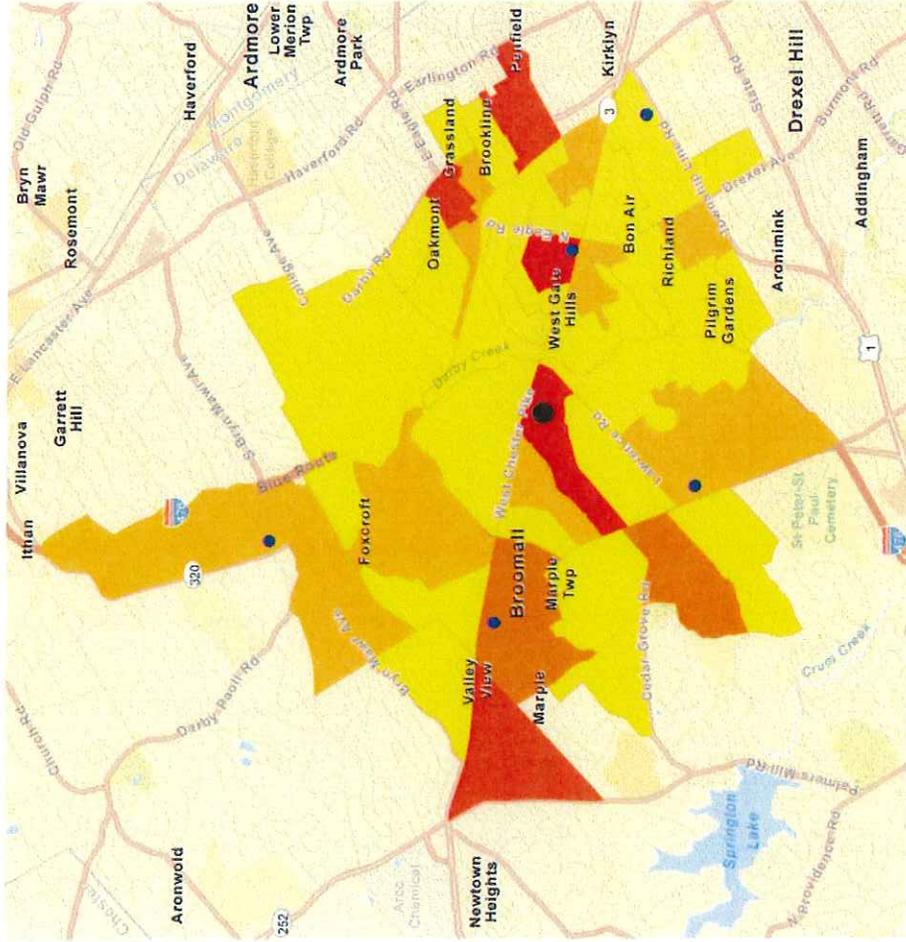
A. Sales Potential: Grocery Store

As calculated by Business Analyst, the total sales potential for grocery products within the Trade Area is \$84,076,868. The following map depicts the total grocery sales potential by Block Groups, as well as the location of competitors as of 2013 update. The map shows that the block group where the Langford Run Road development is proposed has an estimated Sales Potential of more than \$10,717,340.²

Competitors depicted were drawn from the ESRI database and crosschecked with a Google search. Smaller, specialty retailers were removed from the list, so that what remains are large grocery store chains similar in nature to that proposed. "Category killers", such as super Walmart and Target would be considered competitors, but do not exist within the Trade Area.

² Sales potential is based on ESRI proprietary projections that consider a number of underlying factors in the economy. If the projection proves to overestimate the growth in household income, then the sales potential will be decreased.

Grocery Store Sales Potential 3 Miles Drive Time



Data Source: ESRI Business Analyst 2013

Legend

- Proposed Grocery Store
- Grocery Competitors

Grocery Store Sales Potential
Total Sales Potential = \$84,076,868.11

Lightest Yellow	\$0.00 - \$118,884.74
Yellow	\$118,884.75 - \$462,294.22
Orange	\$462,294.23 - \$2,383,538.75
Red-Orange	\$2,383,538.76 - \$10,717,340.77
Red	\$10,717,340.78 - \$30,987,217.48

B. Total Sales Potential: Fitness Center

As calculated by Business Analyst, the total sales potential for fitness center services within the Trade Area is \$31,950,006. The Sales Potential Map on the following page translates market potential into a geographic breakdown of potential sales by block group.

While competition in the Trade Area appears to be high, the opportunity to provide a diverse or specialized product could draw potential sales from other competitors, as well as attract consumers from a greater distance. Competitors shown include all sizes and varieties of fitness center, including chains such as Curves and Planet Fitness, to YMCAs, specialized yoga and karate studios, and gymnastics and training centers. Unlike in the food market, where the smaller retailers may decrease some specific area of business from a grocery store (i.e., ethnic foods or seafood), but ultimately do not compete with the grocery store on all aspects, specialized fitness and recreational activities can be considered direct competitors with a fitness center. Most consumers do not have dual memberships to such facilities.

C. Total Sales Potential: Fast Casual Restaurant and Convenience/Fueling Station

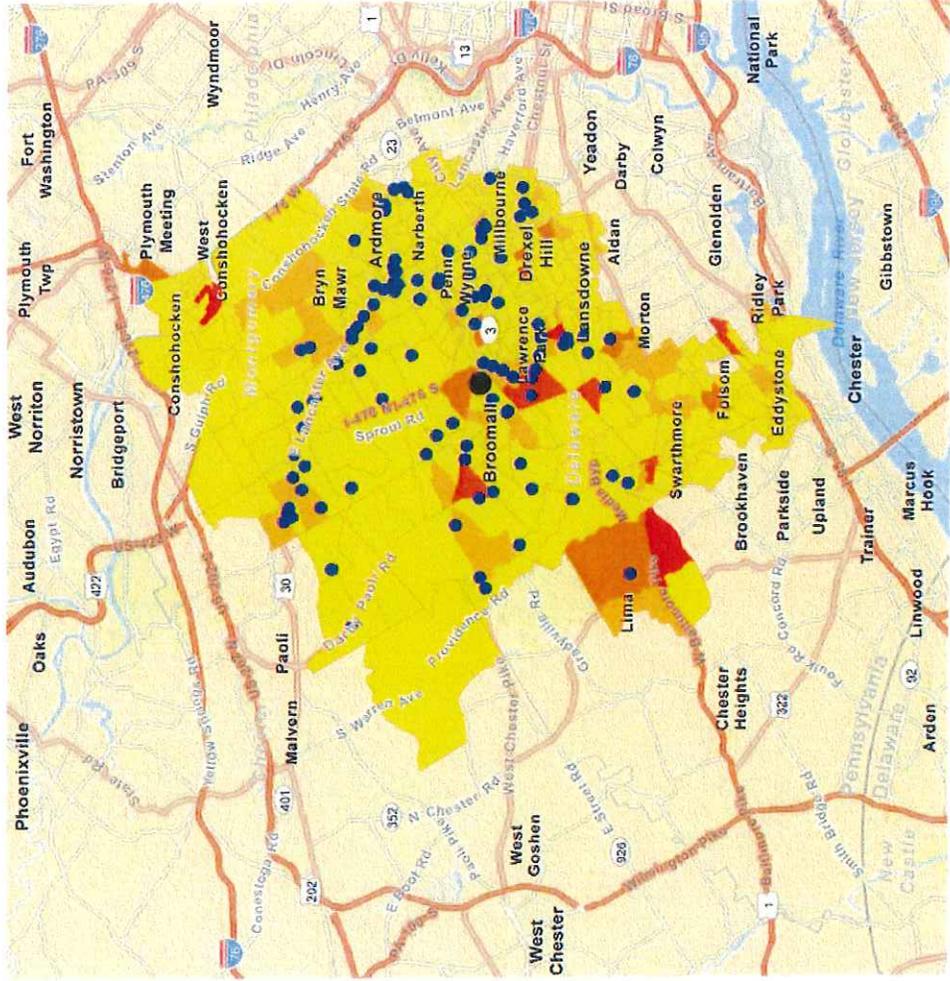
Fast Casual Restaurants are an emerging trend between fast food restaurants and casual, sit down restaurants. As they are a newer category within the restaurant world, data specific to this type of restaurant is limited in the current ESRI database. We therefore used the data for “casual restaurant”.

Similarly, as ESRI data is based upon product category, we used the sales potential data specific to “fuel” as a guide to the market demand for the convenience store with fuel pumps.

The Total Sales Potential Map on pages 16 and 17, show:

- A total Sales Potential of \$1,705,323 for the casual restaurant, with the highest potential range of \$204,071 to \$365,233 being found in the Block Groups where the proposed Langford Run Road development is located; and
- A total (Fuel) Sales Potential of \$5,488,850 for the convenience store with fuel. Similarly, the block groups where the proposed shopping center is located show the highest potential sales, ranging from \$639,904 to \$4,159,442.

Fitness Center Sales Potential 15 Minutes Drive Time



Data Source: ESRI Business Analyst 2013

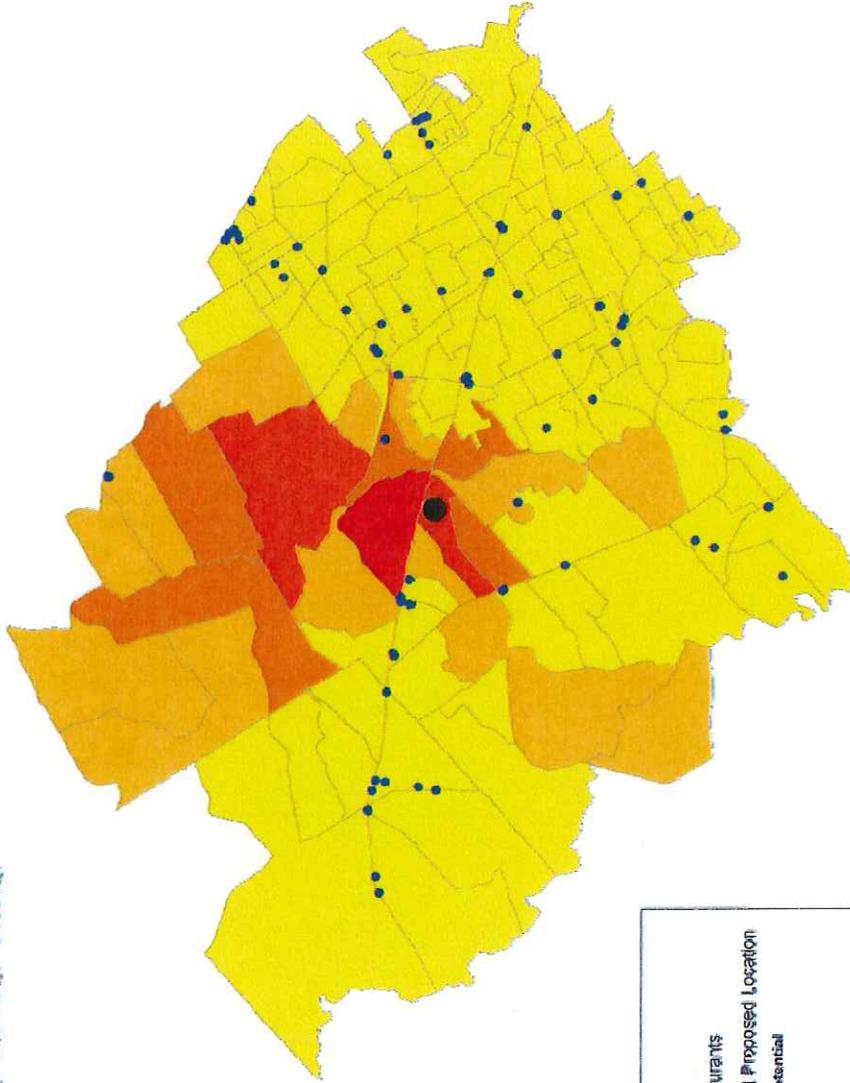
Legend

- Fitness Center Proposed Location
- Fitness Center Competitors

Fitness Center Sales Potential
Total Sales Potential = \$371,950,006.26

Lightest Yellow	\$0.00 - \$53,405.30
Yellow	\$53,405.31 - \$287,655.82
Orange	\$287,655.83 - \$686,997.97
Red-Orange	\$686,997.98 - \$1,546,603.78
Red	\$1,546,603.79 - \$6,402,036.99

Casual Restaurant Sales Potential 5 Minutes Drive Time



Legend

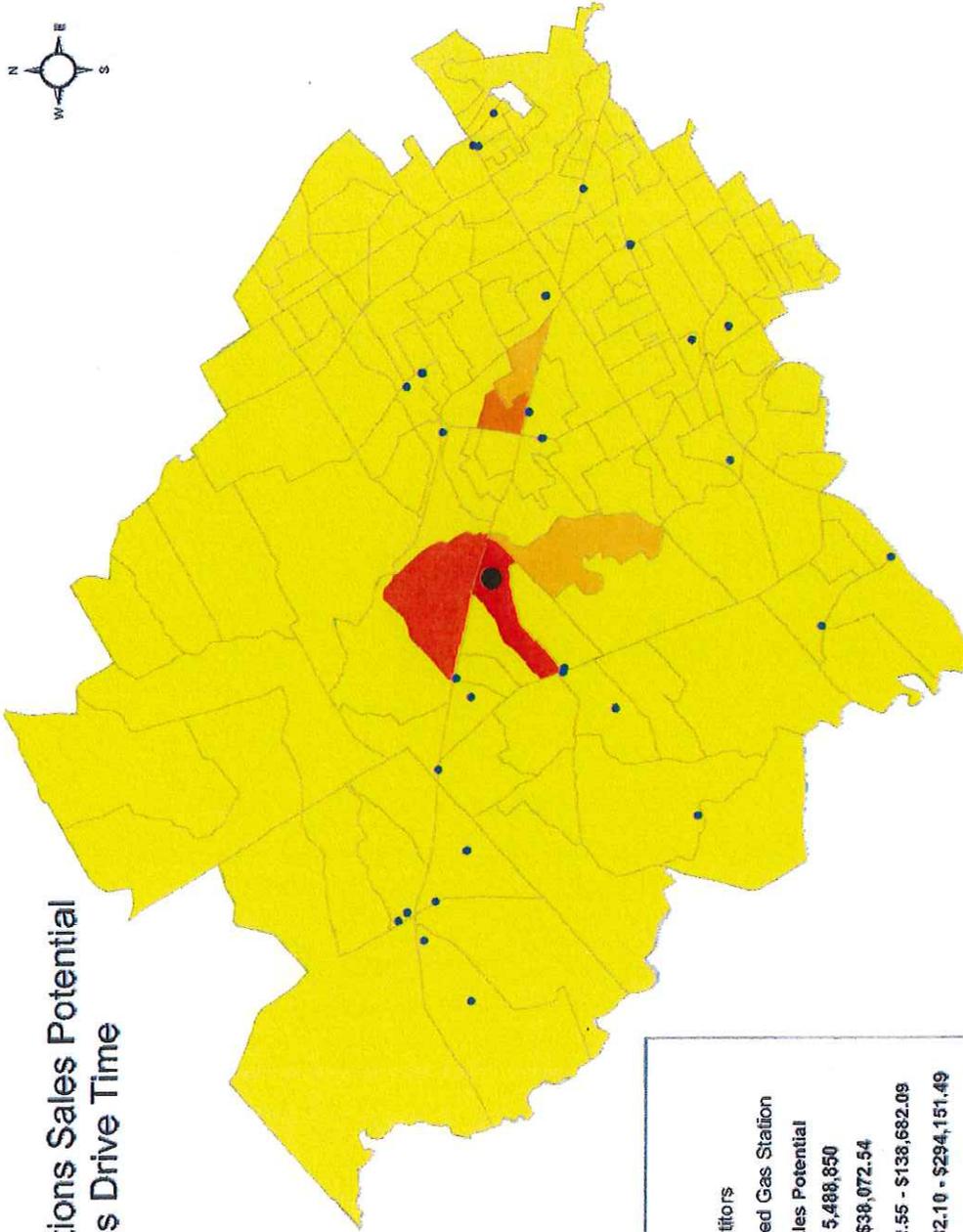
- Competitive Restaurants
- Casual Restaurant Proposed Location

Casual Restaurant Sales Potential
Total Sales = \$ 1,705,322

Yellow	\$0.00 - \$13,878.93
Light Orange	\$13,878.94 - \$41,012.56
Orange	\$41,012.57 - \$98,251.79
Dark Orange	\$98,251.80 - \$204,071.23
Red	\$204,071.24 - \$365,233.45

0 0.75 1.5 3 4.5 6 Miles
Data Source: ESRI Business Analyst 2014

Gas Stations Sales Potential 5 Minutes Drive Time



Legend

- Competitors
- Proposed Gas Station

Gas Station Sales Potential
Total Sales = \$ 5,488,850

Yellow	\$0.00 - \$38,072.54
Light Orange	\$38,072.55 - \$138,682.09
Orange	\$138,682.10 - \$294,151.49
Dark Orange	\$294,151.50 - \$639,904.37
Red	\$639,904.38 - \$4,159,442.13

7. CONCLUSION

This Market Study highlights data drawn from ESRI's Business Analyst model regarding the Trade Areas, Market Profiles, and Market Potential for each of the three primary uses proposed at the Langford Run Road Development, for which rezoning is requested. From the data shown there are several conclusions that can be drawn regarding these uses:

- The Trade Areas are expected to continue to grow in terms of population, total households, and average household income over the next five years.
- The Trade Areas are anticipated to experience above average growth in household income in the coming years. While the numbers projected appear ambitious, any growth in both population and income represents an increased demand for services.
- The consumer buying patterns in each Trade Areas exhibit a tendency to participate in a variety of services and products (food at home, organic grocery items, exercise at a club, and purchasing gas from a convenience store) that is greater than the national average, sometimes by as much as 30%.
- The Sales Potential for grocery stores is strong in general, and particular strong within the immediate block groups surrounding the proposed site.
- The Sales Potential for the fitness center is stronger in the block groups adjoining the site, and along the outskirts of the 15-minute drive-time radius.
- The Sales Potential for the Fast Casual Restaurant is most robust in the block groups to the north of the development site.

Overall, therefore, the proposed retail uses for which rezoning is requested represents highly viable tax ratables that will be a benefit to Marple Township.

APPENDIX

Complete Market Profile: 5 to10 Minute Drive Time

Complete Retail Market Potential: 5 to10 Minute Drive Time

Complete Market Profile 15-Minute Drive Time

Complete Retail Market Profile: 15-Minute Drive Time

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