2 Analysis: Downtown Today

Downtown Context

Downtown State College is located in the south central part of Centre County, not far from the geographic center of the State of Pennsylvania. Downtown State College is at the junction of State Routes 322 and 26 and is bordered to the north by the Pennsylvania State University's University Park campus. The heart of downtown is defined by the intersection of Allen Street and College Avenue which is also the historic gateway to the Penn State campus (see *Exhibit 1: Downtown Context and Study Area,* opposite page).

Historical Overview

Stage College can trace its origins to the 1850's when the Pennsylvania State Agricultural Society started the "Farmer's High School" on approximately 200 acres of land near the community of Centre Furnace. The school's first address was Boalsburg, Pa. until 1860 when a post office was opened in Old Main. In 1862 the name of the school was changed to the "Agricultural College of Pennsylvania" and it continued to grow. By this time, a small hamlet grew up around the school and consisted of farms, houses and a hotel where the Hotel State College is currently located at College Avenue and Allen Street. State College continued to grow as it attracted people to work at the college or provide services and was incorporated as a borough in 1896. As it grew, surrounding farms were subdivided into lots and sold. The Borough's first zoning ordinance was passed in 1927.

Today, the population is approximately 42,000.

Penn State, an illustrated history, Michael Bezilla

Background Materials Review

Numerous background materials were provided to the planning and design team to inform the master planning process. These materials included strategic planning, planning and design documents related to Borough Council, the Centre Region, Downtown, Neighborhoods, West End/ Urban Village, Penn State University, design guidelines, Arts Festival, parking and transportation among others. A complete list of background materials is included in Appendix B.

Summary of Stakeholder Input

During the August 20-24, 2012 and November 5-8, 2012 work sessions in State College, the planning and design team met with numerous stakeholders to garner input on downtown – its assets, challenges and opportunities. The team augmented this input with reconnaissance and professional observations. Stakeholders continued to provide additional input via the Borough's website following both work sessions. Throughout the week and during the following weeks with input via the Borough's website, the team heard and observed several reoccurring themes regarding downtown State College today; these are summarized below and further detailed in Appendix A.

Stakeholder Meetings and Interviews

Uses and Activities

Stakeholders have identified many positive uses and

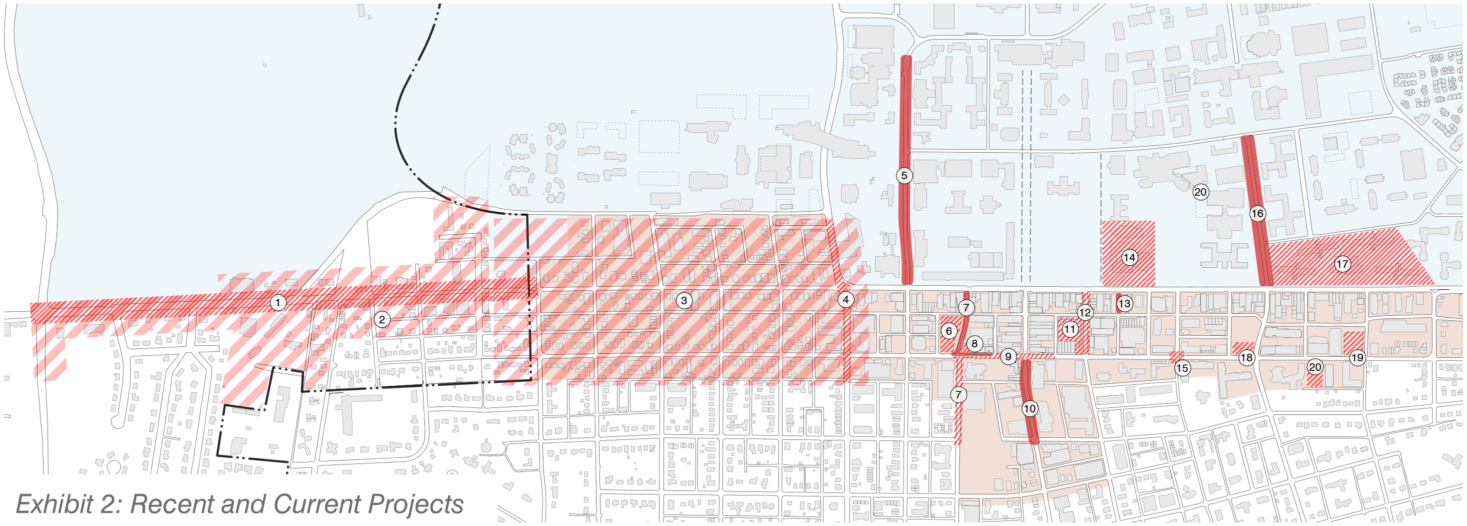


Exhibit 2: Recent and Current Projects

Recent (Completed) Project

Current Project

1. *West College Ave Streetscape*
2. *Ferguson Twp. Terraced Streetscape District*
3. *West End Plan*
4. *Atherton Corridor Improvements*
5. *Burrowes St. Master Plan*
6. *Fraser Centre*
7. *Fraser St. Streetscape*
8. *Fraser Corner Study*
9. *Beaver Ave. Streetscape*
10. *Allen St. Streetscape*
11. *Pugh St. Garage Replacement*
12. *Pugh St. Concept*
13. *Centennial Alley*
14. *Henderson Plan*
15. *Locust St. Bulb-Outs*
16. *Shortlidge Rd. Improvements*
17. *South Halls Plan*
18. *Hillel Student Center*
19. *New Student Housing*
20. *LDS Worship/ Gospel Study Center*

activities in downtown and suggest that there is an opportunity to build upon the many projects already completed or underway (see *Exhibit 2: Recent and Current Projects*). There is a general desire to have a greater variety of uses and events that appeal to a broad range of people including young professionals, families and seniors in addition to the student population.

Development and Community Sustainability

Stakeholders recognize that Penn State University is the economic engine for State College as the Borough is 70% students and downtown is very appealing for visitors and returning alumni who have fond memories of the community. However, there is a strong desire to balance downtown with a variety of housing and businesses that would attract young professionals, seniors and the local visitors.

The Downtown Retail Market Report indicates that Downtown State College has a strong local, regional and visitor pull attracting customers from each of these market segments. There is an opportunity gap of retail sales outlined in the Retail Market Report that indicates additional local demand for certain store types. Furthermore, more diverse housing options in downtown alongside additional office uses would reinforce the district as a multi-faceted destination resulting in a more sustainable community.

Design and Placemaking

There was a significant amount of discussion with stakeholders regarding Downtown State College with regard to design and placemaking. Overall impressions of downtown are generally positive; however, stakeholders have indicated many opportunities for improvement to make it a “great place” and that these improvements are critical if there is a desire for downtown to appeal to more than simply the student population. Improvements need to consider higher quality architectural design as well as higher quality streetscapes. College Avenue, Beaver Avenue, the 100 block of Allen Street and Calder Way were identified as the streets with the most potential for enhancements.

Mobility

Downtown State College continues to emerge as a multi-modal community where transportation needs are by way of car, bus, bicycle and pedestrian modes of travel. In particular, the quintessential town-gown relationship between the University and downtown results in a community with high levels of pedestrian activity on the streets. Generally, stakeholders see this as an asset and something many downtowns strive. But it is also as a constraint when considering narrow sidewalks, limited gathering areas and potential for pedestrian vehicular conflicts. The Borough desires to trend toward a "park once" downtown where workers and visitors park in the garages then travel by foot to accommodate most of their downtown business. As with many communities, there are perceptions (on the part of local residents rather than visitors) that downtown does not have adequate parking.

Branding
Many stakeholders have identified that there is a need for a strong downtown brand; one that celebrates the quintessential "town gown" college town environment as well as downtown's connection to the surrounding natural amenities. The downtown brand needs to be something that Penn State can use to help "sell" downtown to prospective students and one that responds to the Penn State alumni who are the largest base of tourism. At the same time, and perhaps most importantly, the branding and marketing needs to reacquaint the local community with downtown and help address unfavorable stereotypes. Downtown Improvement District is a valuable steward of the quality of life downtown—including extensive work maintaining the district—presenting events and working with merchants and the branding should help reinforce the organization's role. More importantly however, the marketing should demonstrate that Downtown State College is a vital part of the overall community.

General
While it is agreed that there is student behavior that results in many undesirable activities—keeping many local residents from using downtown on a regular basis—many of the stakeholders agree that students often get a bad rap and that they are critical to the economy and vibrancy of Downtown State College.

Community Meetings #1-#3

The planning and design team facilitated three community meetings during the assessment phase, between late August and early November to garner input to inform the design recommendations described and illustrated in this plan.

Following is a summary of the input received during these meetings, organized around several specific questions.

1. Postcard: What is the one image that best represents Downtown State College?

- The Hotel State College; Corner Room; College/Allen Intersection
- The Tavern
- Diversity of people and activity on the street
- Outdoor recreation (fishing, bike riding)
- Allen Street
- Farming valley as one approaches downtown from the west
- Mount Nittany
- College Avenue – literal town-gown relationship
- View down Allen to the Mall
- View of Old Main from College Avenue
- Arts Festival looking down Allen Street
- Centennial Alley/pig statue
- Schlow Library
- Friedman Parklet/overlook to Memorial Field
- People pictures/shopping/active sidewalks
- First Night ice sculptures

Bottom right: Hotel State College/The Corner Room

- Murals on Heister
- Penn State football game day experience
- The Waffle Shop
- Fraser Street businesses
- Café 210
- Sculpture above the entryway of the Red Cross
- The Allen Street gates

2. Tagline: How would you summarize your community in one phrase or tagline?

- We are!
- Happy Valley
- Diversity
- A big city in a small town
- The real Brigadoon
- We used to be in the middle of nowhere, now we have all these great roads
- The middle of somewhere
- The Centre of it all
- Well-centred
- Centrally isolated
- “Insulated” over “Isolated”
- Insulated urbanity
- In the “X”; X marks the spot
- Own little bubble
- Tree City

3. The Magic Wand: If you could change one thing about downtown, what would it be?

- Wider streetscapes
- Close Calder Way to cars or for a portion of the day
- European-style cycle track on College and Beaver
- Borough code enforcement entity
- Tunnel Atherton Street below existing grade
- Re-imagine bus station on Atherton
- Monorail around campus and downtown
- Downtown water feature
- Open up Friedman Parklet to some sunshine
- Get rid of cars on College Avenue
- Get PennDOT to re-route PA 26 away from College

Top left: Mt. Nittany as seen from downtown.

Middle left: Centennial Alley as seen from Calder Way.

Bottom left: Heister Street mural.

Top right: The planning team shared initial findings with the Steering Committee during the November 2012 workshop in State College.

Bottom right: Community members view exhibits following Community Meeting #3.

Avenue
- Get rid of "wall effect" between campus and downtown
- Replace Hammond Building with suitably sized buildings
- Replace yellow street lights with more natural light
- Add 3" of insulation on all downtown buildings
- Double the setbacks of new development
- More/better food cart culture
- Bring back Phi-Psi 500
- Specialty restaurant district
- Curb excessive alcohol consumption
- User Calder Way as an inviting place for families
- More green space (i.e.: park)
- Integrated architectural design theme – unify buildings, design guidelines
- Indoor farmer's market
- Downtown department store
- Improve integration between the town and student population on east
- Fight negative behavior

4. *The Wish List: What would you like to have in downtown that you do not currently?*

- First run movie theater
- Rental housing geared to young professionals
- High-level restaurant on upper floor of Glennland Building
- Take advantage of views of surrounding land
- "Mall" character/sense of place without losing parking (Redlands, CA)
- More high-quality spaces where you can sit
- Public Wi-Fi
- "Real beauty" in the built environment (vs. just "settling")
- Diversity in places/uniqueness
- More activities for families and under-21 college students
- Diversity of ethnic restaurants
- IMAX (regional destination, education)
- Downtown visitors center
- Architecture that reacts to and interacts with street

activity (library as example)
- Public space surrounded by mixed-use development (create vitality)
- Comprehensive multi-modal facility
- Bus stop at Allen and College being more attractive and well-designed
- More public art (with an organized initiative)
- Cultural/art center (with or without shared art space, cohesive, brings people together)
- Community photo lab (family-oriented)

5. Name a downtown you love and why...

- Ithaca, NY: lots of people, places to go shopping, eating; pedestrian center, open air food shops, public art
- Asheville, NC: eclectic, easy to navigate
- Austin, TX: people-friendly, easy to navigate, lots of outdoor stuff and food shops
- Madison, WI: weekend farmers market, State Street
- Ann Arbor, MI: multi-block core, no chain stores
- Dubuque, IA: events
- Santa Barbara and Ventura, CA: wider sidewalks, 2-hour parking
- Lancaster, PA: arts corridor, First Friday events, good linkages, building on local artists, gallery row, painted pianos
- Norwich, VT: town committee to mitigate emissions and develop building code
- Bloomington, IN: farmers market, coffee shop that serves out of the window
- Portland, OR; Washington, DC; New York, NY: bike-friendly in the core
- Oak Park, IL: bike share, strong buy-local campaign

6. The Downtown Master Plan: Whatever you do…

Do this:
- Emphasize pedestrian scale and funky character of Calder Way
- Provide more outdoor seating
- Use plants native to PA
- Incorporate West College Avenue into commercial area
- Improve wayfinding to garages
- Explore business incentives
- Add more bike racks
- Make downtown cohesive
- Create events that allow student and town populations to mingle
- Increase safety between 2 and 6 AM
- Increase pedestrian lighting on Locust Lane
- Consider an energy impact assessment in conjunction with any recommendations
- Be visionary (and practical)
- Decide for whom downtown will be (student/tourist/family/young professional/other?)
- Create an environment that many people enjoy (balance)
- Be transparent/open for feedback
- Get the University to participate in the improvement of downtown

Do not do this:
- Encourage more chain stores/restaurants
- Continue to create barriers /battles between students and residents
- Do not use the students as excuses for not doing things
- Try to be everything for everyone

Market Assessment

Understanding the market and economic conditions of Downtown State College is a fundamental underpinning of any recommendations for downtown whether they are physical, marketing, or policy oriented. Furthermore, the market report helps the partners better understand how to position downtown amidst the retail growth occurring throughout the greater Centre region and as a destination for students, visitors and residents.

This market study explores the overall economic health of downtown that will further enhance its appeal to local, regional and visiting shoppers and diners. This report presents the findings of the market research for State College and provides a baseline that can be used to recruit business, help existing businesses target customers and implement the marketing and branding strategy developed as part of the downtown master plan. The goal is to continue to position State College for success amidst the changes happening both in the region and nationally.

The market assessment is divided into a retail market report, and an office, hotel and housing market report.

Retail Market Report

The following retail report is divided into three parts:
Part one is State College's market definition based on zip code survey work completed by businesses in the community. It also provides insight into the trade area demographics for State College's primary and secondary trade areas.

Part two presents demographic information about the State College trade areas and State College itself that give insight into the changing customer base for the community.

Part three presents the retail market analysis that shows the amount of retail sales either "leaking" or "gaining" from the primary and secondary trade areas. This information is based on the most recent data available and is a reliable source for understanding overall market patterns. This section concludes with some key opportunities for retail that could be used to both enhance existing businesses and recruit additional businesses to the community.

Part One: Retail Market Definition

Introduction to State College's Retail Market
State College is part of the Centre regional market, which has a large rural base that covers many jurisdictions. Downtown State College was once the primary retail center for the region attracting shoppers for basic and specialty goods. Like many communities, State College experienced the typical migration of basic retail out of downtown to suburban locations.

More important to the Borough of State College is that the suburban migration has occurred in other jurisdictions: Nittany Mall and its retail node in College Township and more recent development along North Atherton in Patton Township. Consequently, the economic health of downtown remains a key component of the fiscal well-being of the Borough itself.

Fortunately, downtown State College has remained a vibrant specialty shopping, dining and nightlife district that remains the center of culture, public uses, gatherings and entertainment for the region. Moreover, the district is a key companion to the look and feel of a college town that is important to recruit and retain students, staff, faculty, alumni and visitors.

The State College Trade Area
As already mentioned, State College serves a trade area that extends beyond the limits of the borough itself into the surrounding area. To determine the trade area for State College's downtown, businesses participated in a zip code survey of customers. Unlike other techniques that tend to use arbitrarily picked boundaries for customer trade zones (radial definitions, drive time studies and Reilly's model), the method used for market definition in State College is based on actual customer shopping patterns as determined by zip code tracking. While every trade area definition method has its flaws, zip code surveys provide the best way to define a market trade area based on actual customer shopping patterns. Furthermore, zip code tracking provides insight into local versus visitor traffic, cross shopping among shops and patterns with regard to shop types. Once the trade areas are defined, a whole host of demographic data can be gathered and trade patterns studied.

For State College, shopping patterns will change throughout the year so a "pivot" period covering move-in weekend for Penn State students was selected to conduct the survey. The planning team acknowledges that the visitor patterns in downtown may change throughout the year based on events and activities at Penn State University, but the regional shopping patterns are unlikely to significantly shift during the course of a year.

State College had twenty-four businesses participate in the zip code survey during a fourteen-day period in August and September of 2012. Businesses were provided with a form to record customer zip codes and asked to keep the log for all customers during the survey period. In all 2854 individual customer visits were recorded during the survey.

Zip Code Results

The results of the zip code survey are listed below:

- State College businesses recorded customers from 599 unique American zip codes representing thirty-four states, DC and Puerto Rico, as well as fourteen foreign countries.
- 46.6% of the customers reported that they lived in one of the two State College zip codes of 16801 and 16803.
- 16801 itself accounted for nearly one-third of customer visits with 32.4% of the customers from this zip code. (16803 accounted for 14.2%)
- 8.3% of the customers identified the Penn State Campus (the 16802 zip code) as their place of residence.
- Of the overall visits, Boalsburg and Bellefonte represented 4.2% and 3.6% of the total customer traffic, respectively.
- In total, Centre County zip codes accounted for over two thirds of the customer visits to downtown State College (67.4%).
- Nearly one in every five customers is from other parts of Pennsylvania (19.4%).
- This leaves other states, territories and countries accounting for 13.2% of the customer traffic to downtown.

Figure 1 depicts the information outlined above.

Information by Business

The preceding information examined how the participants did in aggregate when all results are combined into one "pot" of figures. This section looks at the results by retail store to determine if there are any anomalous figures that emerge with particular stores. To protect the confidentiality of the individual store results, the names of the stores are not included in the charts. Twenty-four businesses participated in the zip code survey. They are represented in the figures on the following pages by #1-24 along the bottom of the figures. Each number along the bottom represents a unique business that participated in the survey. The vertical bar represents the percentage of visitors and the red bar represents that average percentage.

Figure 1. Zip Code Survey Trade Area.

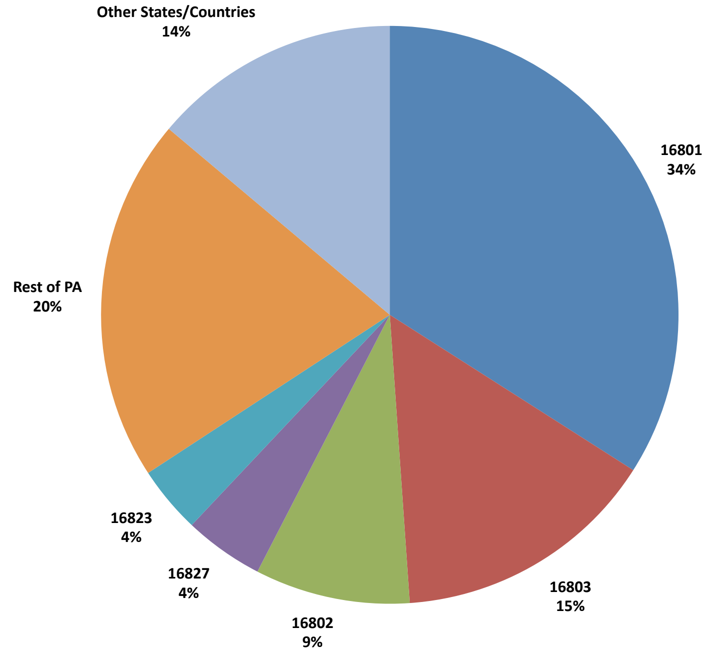


Figure 2 (opposite page) illustrates that overall 46.6% of the customer traffic is from State College residents from the 16801 and 16803 zip codes (represented by the red bar). Ten businesses had over this amount with one business reporting over 80% of their traffic as residents from one of the two zip codes. Eleven businesses reported fewer than 40% of their traffic from the zip codes with three businesses reporting fewer than 20% or less (it is important to note that the businesses reporting such low local numbers did not have a large sample size of customers).

Figure 3 illustrates customer visits from the 16802 zip code. This is the on-campus zip code for Penn state University. Overall, 8.3% of the visits were from the Penn State Campus. The on-campus student customer highly varied with seven businesses reporting no on-campus students and four businesses reporting over 30% of their customers as on-campus students. The high on campus percentage stores tended to be apparel stores.

Figure 4 (following page) illustrates the customer visits from Centre County. Clearly, downtown State College is an attractor from the entire region with two thirds of the traffic (67.4%) from inside the County. In fact, of the twenty-four participants in the survey only five reported less than half of their customers from Centre County and fourteen businesses reported over 75% of their customers from within the county.

Figure 5 (following page) shows customer visits that qualify as "visitors." This number may include regional traffic from other counties that might be regular customers to downtown. Overall 13% of the customers were from outside of the county and the visits covered a wide area. Nearby states (Maryland, New York, New Jersey and Virginia) represented a large percentage of these visits. The businesses with very high percentage visitor rankings (over 60%) did not record as many zip codes as did peer businesses so their data is somewhat skewed toward visitors. However, visitor traffic is essential to the health of downtown State College and only one business reported no traffic from outside of Centre County.

Visitor traffic also provides a way to examine customer browsing patterns; there were over two dozen incidents where a customer zip code from an out of state locale showed up in multiple destinations. While different customers may have coincidentally been from the same zip code, we can safely assume that most are the same customer being captured in different stores. In nearly every case, the customer zip code showed up in a restaurant and a shop rather than a series of shops.

Figure 2. Percent 16801 and 16803 Resident By Business.

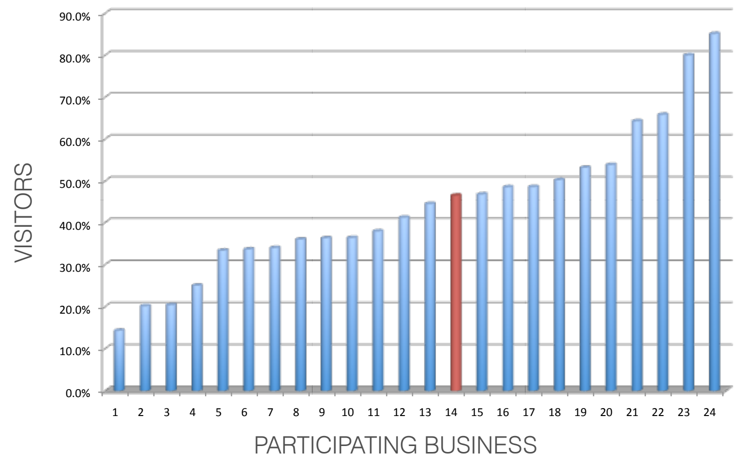
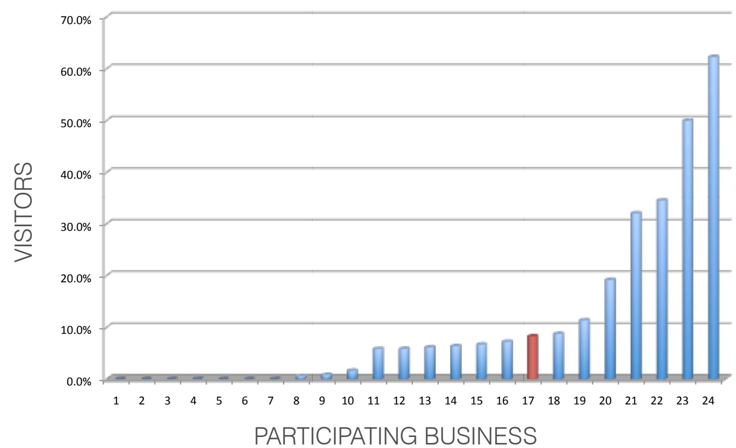


Figure 3. Percent Penn State Campus Student By Business.



The survey instrument attempted to discern the number of off-campus students who were patrons of the stores and restaurants. Many forms were turned in that did not indicate the number of off campus students and others were incomplete or incorrect. We will be taking the reliable

Figure 4. Percent Centre County Residents by Business.

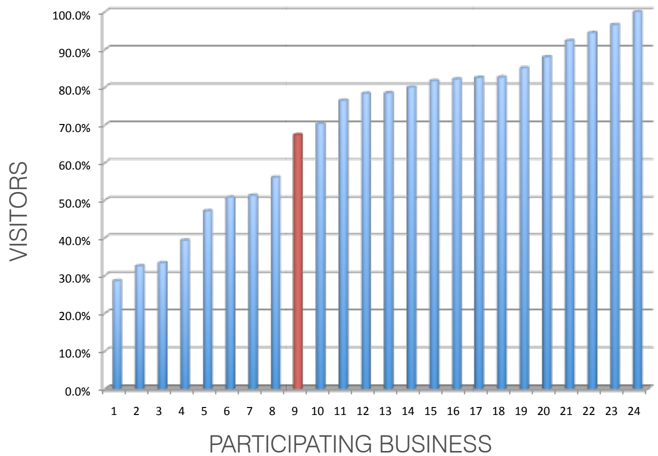
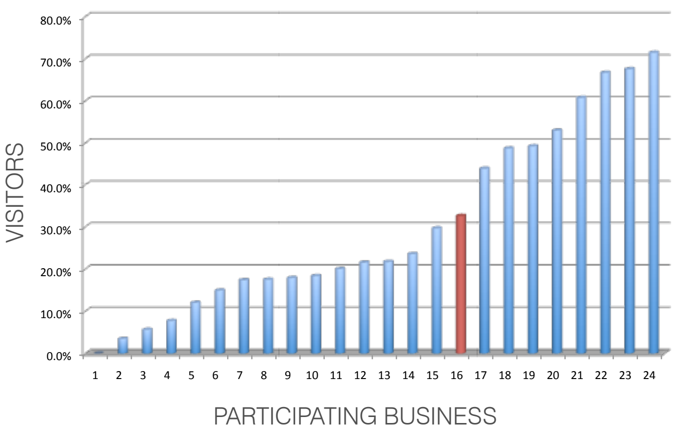


Figure 5. Percent "Visitor" (Outside of Centre County) Traffic by Business.



data and studying it further to determine if we can draw any conclusions about the off campus student market in downtown.

Trade Area Definitions

The number of visits provides an overall viewpoint of where customers come from which is a market area. A more precise way to evaluate customer loyalty in the market is by looking at the trade areas for a community, which involves defining market penetration rather than just market area. To get to the trade area definition, customer visits are tracked by the number of visits in relation to the population of each zip code. This corrects for zip codes that have exceedingly large or small populations that might skew the market penetration data. By this measure, the Primary and Secondary trade areas for downtown State College can be established. The Primary trade area is the geography where the most loyal and frequent customers to State College reside. The Secondary trade area represents an area where State College businesses can rely on customers but to a lesser degree. Figure 6 shows customer visits per 1,000 people for each of the highest representative visits.

Determining the primary and secondary trade areas can sometimes be more "art" than science. At times, significant breaks in customer visits are not obvious. However, in State College's case the division of for the primary trade area is reasonably clear. Five zip codes, indicated in orange in

Figure 6. Customer Visits Per Thousand Residents in Participating Retailers.

Zip Code	Area	Population	Visits	Visits/1000 Pop
16827	Boalsburg	4,556	121	26.56
16802	Penn State Ca	12,342	236	19.12
16801	State College	49,726	925	18.60
16683	Spruce Creek	415	6	14.46
16803	State College	28,286	404	14.28
16870	Port Matilda	6,872	47	6.84
16865	Pennsylvania	2,490	15	6.02
16823	Bellefonte	27,206	112	4.12
16877	Warriors Marl	2,210	9	4.07
16828	Centre Hall	4,408	10	2.27
16611	Alexandria	2,670	5	1.87
16875	Spring Mills	3,926	6	1.53
16648	Hollidaysburg	14,090	15	1.06
16866	Philipsburg	10,455	10	0.96
16652	Huntington	17,329	8	0.46
16602	Altoona	30,144	13	0.43
16686	Tyrone	11,734	5	0.43

Figure 6, had visits of over ten per thousand residents. The smaller populated Boalsburg actually "jumped" to the most loyal customers in downtown State College while Penn State on campus students were almost as loyal. 16801 residents were more likely to shop downtown than 16803 residents though both are in the primary trade area. Spruce Creek is also included in the primary trade area because it is a geographic area, but its estimated population of slightly more than 400 makes it fairly insignificant in both retail demand and supply.

The secondary trade area for State College is more difficult to determine. Port Matilda and Pennsylvania Furnace each had over five visits per thousand residents (indicated in yellow in Figure 6 (previous page). The Bellefonte zip code had over four visits per thousand but is not included in the secondary trade area for downtown in order to provide a more conservative estimate of consumer buying power.

Part Two: Market Demographics

Population

Market demographics play a critical role in understanding the potential business growth for State College. When examined in a vacuum, the Borough of State College itself has rebounded from a decade of moribund growth to witness a growth rate that is triple that of Pennsylvania. This singular view, however, is not representative of the overall growth occurring in the trade area that State College serves. In fact, the population of the primary trade area indicated above stood at 84,564 in 2010 and experienced 15.2% growth in the decade between 2000 and 2010. This represents a growth rate that is five times faster than Pennsylvania and 50% higher than that of the United States as a whole. The growth rate is expected to temper through 2016, but still outpace the region.

The secondary trade area is growing at an even faster pace though the population is just one-tenth of that of the primary trade area. Other regional centers such as Bellefonte have actually declined in population during this same time period.

Population and household growth trends for the trade areas as well as other local communities, counties, Pennsylvania and the nation are shown in Figures 7 and 8 (following page).

Income

Like many college towns, there is a substantial income gap between State College residents and residents of nearby communities. Indeed, the Borough's median household income is $20,810 which is less than half that of the county, the state and the country. The Primary Trade area jumps to a median household income of $39,701 but still lags Centre County by $5,000 and the state by $10,000. The low median household income of the Borough and Primary Trade Area is to be expected and shouldn't be a major factor in evaluating the spending levels of the community. Students' disposable income is much more a factor in downtown spending than their income levels.

By contrast, downtown's secondary trade area that includes Port Matilda and Pennsylvania furnace is the highest median household income in the region at $71,668.

Figure 9 (page 25) illustrates a variety of income, housing value/rent and additional demographic information including median age, household size and travel time to work for the Borough, the trade areas and surrounding areas as compared with Pennsylvania and the United States.

Part Three: Market Analysis

Downtown State College is a retail center serving the primary and secondary markets defined above. In this section the retail market of these areas will be examined to identify potential opportunities for new retail development by examining retail trade patterns. This will allow the community to assess what kind of additional stores might be attracted to downtown State College as a whole and more specifically to downtown. This data will also help individual existing businesses understand how they might diversify product lines to be attractive to more customers. This is both a retention and recruitment tool.

	Population							
	Total Population			*Percent Growth*		*Projected Growth*		
	1990	**2000**	**2010**	**1990-2000**	**2000-2010**	**2011**	**2016**	**2011-2016**
US	248,709,873	281,421,906	308,745,538	13.15%	9.71%	310,704,322	321,315,318	3.42%
Pennsylvania	11,881,643	12,281,054	12,702,379	3.36%	3.43%	12,736,128	12,916,198	1.41%
PTA	65,968	73,411	84,564	11.28%	15.19%	87,401	91,252	4.41%
STA	6,535	7,158	8,686	9.53%	21.35%	8,774	9,149	4.27%
Borough of S.C.	38,927	38,420	42,034	-1.30%	9.41%	42,099	43,805	4.05%
16802	630	11,714	12,342	1759.37%	5.36%	12,373	12,474	0.82%
Centre CO	123,786	135,758	153,990	9.67%	13.43%	155,088	161,745	4.29%
Clinton CO	37,182	37,914	39,238	1.97%	3.49%	39,249	39,499	0.64%
Union CO	36,176	41,624	44,947	15.06%	7.98%	45,125	46,262	2.52%
Mifflin CO	46,197	46,486	46,682	0.63%	0.42%	46,802	47,126	0.69%
Huntingdon CO	44,164	45,586	45,913	3.22%	0.72%	45,979	46,223	0.53%
Blair CO	130,542	129,144	127,089	-1.07%	-1.59%	127,372	127,536	0.13%
Clearfield CO	78,097	83,382	81,642	6.77%	-2.09%	81,750	81,085	-0.81%
Boalsburg	3,271	3,578	3,722	9.39%	4.02%	3,771	3,925	4.08%
Bellefonte	6,358	6,395	6,187	0.58%	-3.25%	6,152	6,237	1.38%
Port Matilda	669	638	606	-4.63%	-5.02%	603	611	1.33%
Houserville	1,583	1,809	1,814	14.28%	0.28%	1,859	1,993	7.21%
Centre Hall	1,203	1,079	1,265	-10.31%	17.24%	1,271	1,305	2.68%

Figure 7. Population growth trends for the State College Primary and Secondary Trade Areas as compared with local, regional, statewide and national trends. Source: United States Census and Neilson, Inc.

	Households							
	Total Households			*Percent Growth*		*Projected Growth*		
	1990	**2000**	**2010**	**1990-2000**	**2000-2010**	**2011**	**2016**	**2011-2016**
US	91,947,410	105,480,101	116,716,292	14.72%	10.65%	117,457,661	121,712,803	3.62%
Pennsylvania	4,495,966	4,777,003	5,018,904	6.25%	5.06%	5,032,107	5,121,169	1.77%
PTA	21,680	25,735	30,472	18.70%	18.41%	30,926	32,855	5.06%
STA	2,356	2,564	3,215	8.83%	25.39%	3,244	3,408	6.24%
Borough of S.C.	10,939	12,024	12,610	9.92%	4.87%	12,652	13,404	5.94%
16802	160	473	594	195.63%	25.58%	597	613	2.68%
Centre CO	42,683	49,323	57,573	15.56%	16.73%	58,034	61,289	5.61%
Clinton CO	13,844	14,773	15,151	6.71%	2.56%	15,156	15,261	0.69%
Union CO	11,689	13,178	14,765	12.74%	12.04%	14,838	15,417	3.90%
Mifflin CO	17,697	18,413	18,743	4.05%	1.79%	18,792	18,974	0.97%
Huntingdon CO	15,527	16,759	17,280	7.93%	3.11%	17,308	17,496	1.09%
Blair CO	50,332	51,518	52,159	2.36%	1.24%	52,279	52,678	0.76%
Clearfield CO	29,808	32,785	32,288	9.99%	-1.52%	32,334	32,299	-0.11%
Boalsburg	1,232	1,344	1,523	9.09%	13.32%	1,541	1,629	5.71%
Bellefonte	2,657	2,796	2,837	5.23%	1.47%	2,817	2,879	2.20%
Port Matilda	260	257	262	-1.15%	1.95%	261	268	2.68%
Houserville	625	691	734	10.56%	6.22%	755	829	9.80%
Centre Hall	484	491	548	1.45%	11.61%	550	561	2.00%

Figure 8. Household growth trends for the State College Primary and Secondary Trade Areas as compared with local, regional, statewide and national trends. Source: United States Census and Neilson, Inc.

	Employment/Income					*Demographics*		
	2010					*2010 Miscellaneous*		
	Employ	**MHI**	**Per Cap**	**Unit Value**	**Med Rent**	**Med Age**	**HH Size**	**Travel Time**
US	139,033,928	$50,046	$26,059	$179,900	$855	37.20	2.58	25.30
Pennsylvania	5,755,001	$49,737	$26,678	$152,300	$566	40.10	3.02	25.40
PTA	34,610	$39,701	$21,413	$214,014	$733	24.10	2.30	n/a
STA	4,629	$71,668	$35,917	$209,368	$725	40.70	2.70	n/a
Borough of S.C.	13,800	$20,810	$12,966	$231,000	$730	22.50	2.30	14.30
16802	234	$13,625	$5,086	-	$789	19.30	3.14	n/a
Centre CO	65,775	$45,959	$22,949	$167,200	$692	28.80	2.38	19.30
Clinton CO	16,242	$39,198	$19,318	$95,800	$460	38.40	2.42	23.70
Union CO	17,220	$44,246	$21,023	$137,200	$458	38.30	2.43	19.70
Mifflin CO	18,941	$36,369	$18,733	$90,800	$372	42.40	2.46	21.80
Huntingdon CO	18,412	$41,078	$20,430	$101,000	$369	41.20	2.39	27.60
Blair CO	55,867	$40,673	$21,982	$94,600	$417	42.00	2.37	19.70
Clearfield CO	34,147	$36,470	-	$80,200	$373	42.90	2.37	24.00
Boalsburg	1,778	$71,350	$40,215	$206,500	$815	42.50	2.44	n/a
Bellefonte	2,992	$48,484	$24,957	$158,800	$510	39.40	2.10	n/a
Port Matilda	313	$33,864	$17,384	$99,000	$367	39.90	2.31	n/a
Houserville	1,024	$58,934	$27,989	$162,100	$900	38.50	2.47	n;a
Centre Hall	642	$50,375	$25,083	$161,800	$555	42.70	2.31	21.70

Figure 9. Household employment/income and demographic comparison for State College Trade Areas as compared to the region, state and nation. Source: United State Census and Neilson, Inc.

It is important to recognize, however, that pent up retail demand is but *A* reason why a store might be successful in a setting, there are *many* reasons why a store may succeed or fail beyond market forces alone. This research should be used as a resource to incorporate into a thorough business plan for store expansions or new store locations. It is also important to note that the figures shown below represent a macro view of the market forces at work and should be used to look beyond the current economic challenges facing the nation today.

Having said that, the opportunities presented below represent a conservative look at retail market potential for State College for two important reasons. First, these figures examine local customers' trade patterns and not the potential for State College to attract regional customers and visitors from elsewhere which it is already doing very successfully. Second, this information is a "snapshot" in time and does not account for the ongoing (albeit modest) growth the community is expected to enjoy in the coming years.

Retail Leakage in the Primary Trade Area

"Retail Leakage" refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars not spent in local stores in the designated area are said to be "leaking." If a community is a major retail center with a variety of stores it may be "attracting" rather than "leaking" retail sales. Even large communities may see leakage in certain retail categories while some small communities may be attractors in certain categories.

Such an analysis is not an exact science and should be viewed as one tool to evaluate trade potential. In some cases large outflow may indicate that money is being spent elsewhere (drug store purchases at a Wal-Mart or apparel purchases through mail-order). It is important to note that this analysis accounts best for retail categories where households (rather than businesses) are essentially the only consumer groups. For example, lumberyards may have business sales that are not accounted for in consumer expenditures. Stores such as jewelry shops and clothing stores are more accurately analyzed using this technique. For State College the market data as supplied by Claritas Inc. (one of two leading market analysis companies in the United States).

With these considerations understood, the following shows the snapshot of the retail trading patterns for State College by Claritas, Inc. (see *Figure 10,* page 26-28):

- Primary trade area retailers in selected store types sold $1.49 billion in goods in 2011.
- Consumers in the same trade area spend $1.30 billion per year in retail goods.

Consequently, the State College primary trade area is *gaining* $184.7 million annually overall each year. Much of this market gain is happening in big box store categories such as building material and home centers, department stores, general merchandise stores. Other gains are related to the presence of Penn State University such as bookstores, restaurants and beer/wine/liquor sales.

Interestingly, the secondary trade area, while small, nearly compensates for the leakage in the primary trade area with a leakage of $136.3 million each year. Combined, the primary and secondary trade areas still leak gain sales but only to the tune of $48.4 million per year.

In spite of this gain, there are some compelling categories where the overall market is leaking sales. This represents a significant opportunity for downtown State College to grow its retail base. These categories include specialty food stores, cosmetics and beauty supplies, family clothing stores, clothing accessories, home furnishings and sporting goods.

Retail shares for State College will also be examined to study whether there are opportunity gaps not evident in the initial leakage study.

Opportunity Gap - Retail Stores	**PTA**		
	Consumer Expenditures	**Retail Sales**	**Leakage (Inflow)**
Total Retail Sales Incl. Eating and Drinking Places	1,304,728,031	1,489,438,726	(184,710,695)
Motor Vehicle and Parts Dealers-441	228,714,956	168,245,869	60,469,087
Automotive Dealers-4411	206,245,937	146,633,053	59,612,884
Other Motor Vehicle Dealers-4412	6,019,807	2,584,569	3,435,238
Automotive Parts/Accsrs., Tire Stores-4413	16,449,212	19,028,247	(2,579,035)
Furniture and Home Furnishings Stores-442	22,538,528	31,383,792	(8,845,264)
Furniture Stores-4421	12,034,747	21,943,098	(9,908,351)
Home Furnishing Stores-4422	10,503,781	9,440,694	1,063,087
Electronics and Appliance Stores-443	31,233,196	45,056,385	(13,823,189)
Appliances, TVs, Electronics Stores-44311	22,487,652	36,069,324	(13,581,672)
Household Appliances Stores-443111	4,539,254	2,933,362	1,605,892
Radio, Television, Electronics Stores-443112	17,948,398	33,135,962	(15,187,564)
Computer and Software Stores-44312	7,475,407	7,845,358	(369,951)
Camera and Photographic Equipment Stores-44313	1,270,137	1,141,703	128,434

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Figure 10: Retail leakage data chart for Downtown's Primary Trade area. Source: Neilson Inc. and Arnett Muldrow & Associates.

Opportunity Gap - Retail Stores	PTA		
	Consumer Expenditures	Retail Sales	Leakage (Inflow)
Building Material, Garden Equip Stores -444	103,216,878	153,051,652	(49,834,774)
Building Material and Supply Dealers-4441	93,888,361	145,920,320	(52,031,959)
Home Centers-44411	37,827,468	78,886,602	(41,059,134)
Paint and Wallpaper Stores-44412	2,216,757	626,680	1,590,077
Hardware Stores-44413	9,705,656	652,249	9,053,407
Other Building Materials Dealers-44419	44,138,480	65,754,789	(21,616,309)
Building Materials, Lumberyards-444191	18,945,891	25,710,132	(6,764,241)
Lawn, Garden Equipment, Supplies Stores-4442	9,328,517	7,131,332	2,197,185
Outdoor Power Equipment Stores-44421	755,849	0	755,849
Nursery and Garden Centers-44422	8,572,668	7,131,332	1,441,336
Food and Beverage Stores-445	173,082,329	213,948,627	(40,866,298)
Grocery Stores-4451	155,310,885	162,745,653	(7,434,768)
Supermarkets, Grocery (Ex Conv) Stores-44511	147,232,177	157,750,937	(10,518,760)
Convenience Stores-44512	8,078,708	4,994,716	3,083,992
Specialty Food Stores-4452	4,936,416	2,837,745	2,098,671
Beer, Wine and Liquor Stores-4453	12,835,028	48,365,229	(35,530,201)
Health and Personal Care Stores-446	55,571,546	51,373,502	4,198,044
Pharmacies and Drug Stores-44611	47,632,445	46,215,817	1,416,628
Cosmetics, Beauty Supplies, Perfume Stores	1,880,980	757,400	1,123,580
Optical Goods Stores-44613	2,478,122	2,485,373	(7,251)
Other Health and Personal Care Stores-44619	3,579,999	1,914,912	1,665,087
Gasoline Stations-447	128,201,486	54,023,258	74,178,228
Gasoline Stations With Conv Stores-44711	95,985,583	30,032,287	65,953,296
Other Gasoline Stations-44719	32,215,903	23,990,971	8,224,932
Clothing and Clothing Accessories Stores-448	67,057,963	63,748,997	3,308,966
Clothing Stores-4481	48,349,157	47,713,133	636,024
Men's Clothing Stores-44811	3,428,213	4,388,135	(959,922)
Women's Clothing Stores-44812	12,887,913	19,550,474	(6,662,561)
Children’s, Infants Clothing Stores-44813	1,781,171	1,669,850	111,321
Family Clothing Stores-44814	25,704,517	20,168,896	5,535,621
Clothing Accessories Stores-44815	1,225,418	485,505	739,913
Other Clothing Stores-44819	3,321,925	1,450,273	1,871,652
Shoe Stores-4482	9,243,059	8,255,087	987,972
Jewelry, Luggage, Leather Goods Stores-4483	9,465,747	7,780,777	1,684,970
Jewelry Stores-44831	8,718,501	7,780,777	937,724
Luggage and Leather Goods Stores-44832	747,246	0	747,246

Continued on page 28...

Opportunity Gap - Retail Stores	PTA		
	Consumer Expenditures	Retail Sales	Leakage (Inflow)
Sporting Goods, Hobby, Book, Music Stores-451	31,318,744	78,558,493	(47,239,749)
Sporting Goods, Hobby, Musical Inst Stores-4511	17,184,022	13,108,598	4,075,424
Sporting Goods Stores-45111	9,114,321	7,556,658	1,557,663
Hobby, Toys and Games Stores-45112	5,231,338	3,060,396	2,170,942
Sew/Needlework/Piece Goods Stores-45113	988,001	1,116,775	(128,774)
Musical Instrument and Supplies Stores-45114	1,850,362	1,374,769	475,593
Book, Periodical and Music Stores-4512	14,134,722	65,449,895	(51,315,173)
Book Stores and News Dealers-45121	11,174,038	57,709,807	(46,535,769)
Book Stores-451211	10,818,339	50,389,242	(39,570,903)
News Dealers and Newsstands-451212	355,699	7,320,565	(6,964,866)
Prerecorded Tapes, CDs, Record Stores-45122	2,960,684	7,740,088	(4,779,404)
General Merchandise Stores-452	168,859,056	289,347,456	(120,488,400)
Department Stores Excl Leased Depts-4521	82,053,238	169,528,250	(87,475,012)
Other General Merchandise Stores-4529	86,805,818	119,819,206	(33,013,388)
Miscellaneous Store Retailers-453	34,670,835	61,256,488	(26,585,653)
Florists-4531	2,210,436	5,547,816	(3,337,380)
Office Supplies, Stationery, Gift Stores-4532	14,397,940	29,197,514	(14,799,574)
Office Supplies and Stationery Stores-45321	8,360,973	21,039,471	(12,678,498)
Gift, Novelty and Souvenir Stores-45322	6,036,967	8,158,043	(2,121,076)
Used Merchandise Stores-4533	3,580,445	3,381,803	198,642
Other Miscellaneous Store Retailers-4539	14,482,014	23,129,355	(8,647,341)
Non-Store Retailers-454	102,264,599	79,281,863	22,982,736
Foodservice and Drinking Places-722	157,997,915	200,162,344	(42,164,429)
Full-Service Restaurants-7221	72,179,004	110,967,084	(38,788,080)
Limited-Service Eating Places-7222	65,506,630	70,781,319	(5,274,689)
Special Foodservices-7223	12,802,489	2,561,045	10,241,444
Drinking Places -Alcoholic Beverages-7224	7,509,792	15,852,896	(8,343,104)

Retail Share Analysis

Unlike a retail leakage analysis, a retail shares analysis benchmarks the primary trade area for Downtown State College against a larger region. The primary trade area's percentage of overall sales in the greater region becomes the benchmark that each retail store type is compared with. In the case of State College's primary trade area the benchmark is 17.8% of sales in a seven county region that includes the counties of: Centre, Blair, Clearfield, Clinton, Huntington, Mifflin, and Union.

When the percentage of sales far exceeds the benchmark (such as bookstores, convenience stores, restaurants, and bars); State College has a strong business cluster in this retail category. This can be viewed as a strength that can continue to build over time. It is very likely that State College will remain a dining and entertainment destination for the region.

When the percentage of sales is far below the benchmark, this also could represent a "missed opportunity" for downtown State College. Not all store types that fall below the benchmark are suitable candidates for downtown State College. Those that are, however, are highlighted in the detailed table below. Among the most interesting are specialty food, personal care, cosmetics and beauty supply, and special food services (typically preparation of food for off-site consumption).

Figure 11: Retail Shares comparing downtown State College's Primary Trade Area with a Seven County region. Source: Neilson Inc. and Arnett Muldrow & Associates.

Retail Shares Retail Shares Downtown State College			
Area ZIP Codes (see appendix for geographies), Total Retail Stores	PRIMARY TRADE AREA 2013 Supply (Retail Sales)	7 COUNTY REGION 2013 Supply (Retail Sales)	SHARE
Total Retail Sales Incl Eating and Drinking Places	1,344,917,496	7,574,611,515	17.80%
Motor Vehicle and Parts Dealers-441	186,846,783	1,397,290,410	13.40%
Automotive Dealers-4411	163,171,373	968,937,719	16.80%
Other Motor Vehicle Dealers-4412	7,977,964	345,783,440	2.30%
Automotive Parts/Accsrs, Tire Stores-4413	15,697,446	82,569,251	19.00%
Furniture and Home Furnishings Stores-442	41,264,669	163,019,177	25.30%
Furniture Stores-4421	28,136,303	104,629,162	26.90%
Home Furnishing Stores-4422	13,128,366	58,390,015	22.50%
Electronics and Appliance Stores-443	21,294,656	107,501,408	19.80%
Appliances, TVs, Electronics Stores-44311	19,010,433	81,325,581	23.40%
Household Appliances Stores-443111	293,981	8,716,413	3.40%
Radio, Television, Electronics Stores-443112	18,716,452	72,609,168	25.80%
Computer and Software Stores-44312	2,241,973	25,241,563	8.90%
Camera and Photographic Equipment Stores-44313	42,250	934,264	4.50%

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Retail Shares Retail Shares Downtown State College			
Area ZIP Codes (see appendix for geographies), Total	PRIMARY TRADE AREA	7 COUNTY REGION	SHARE
Retail Stores	2013 Supply (Retail Sales)	2013 Supply (Retail Sales)	
Building Material, Garden Equip Stores -444	141,896,661	922,552,560	15.40%
Building Material and Supply Dealers-4441	131,839,223	808,728,878	16.30%
Home Centers-44411	52,662,629	389,316,752	13.50%
Paint and Wallpaper Stores-44412	0	9,988,660	0.00%
Hardware Stores-44413	0	54,607,976	0.00%
Other Building Materials Dealers-44419	79,176,594	354,815,490	22.30%
Building Materials, Lumberyards-444191	30,958,044	138,732,810	22.30%
Lawn, Garden Equipment, Supplies Stores-4442	10,057,438	113,823,682	8.80%
Outdoor Power Equipment Stores-44421	0	13,914,461	0.00%
Nursery and Garden Centers-44422	10,057,438	99,909,221	10.10%
Food and Beverage Stores-445	216,431,725	932,685,758	23.20%
Grocery Stores-4451	165,056,074	560,541,121	29.40%
Supermarkets, Grocery (Ex Conv) Stores-44511	157,328,174	544,777,357	28.90%
Convenience Stores-44512	7,727,900	15,763,764	49.00%
Specialty Food Stores-4452	6,631,440	276,120,945	2.40%
Beer, Wine and Liquor Stores-4453	44,744,211	96,023,692	46.60%
Health and Personal Care Stores-446	36,911,596	386,593,952	9.50%
Pharmacies and Drug Stores-44611	30,262,793	318,239,172	9.50%
Cosmetics, Beauty Supplies, Perfume Stores-44612	1,192,756	19,071,269	6.30%
Optical Goods Stores-44613	2,353,880	15,105,780	15.60%
Other Health and Personal Care Stores-44619	3,102,167	34,177,731	9.10%
Gasoline Stations-447	70,092,110	1,256,526,479	5.60%
Gasoline Stations With Conv Stores-44711	53,353,175	788,307,105	6.80%
Other Gasoline Stations-44719	16,738,935	468,219,374	3.60%
Clothing and Clothing Accessories Stores-448	62,426,108	211,789,587	29.50%
Clothing Stores-4481	47,112,541	161,572,020	29.20%
Men's Clothing Stores-44811	1,195,434	4,778,737	25.00%
Women's Clothing Stores-44812	2,171,808	8,484,811	25.60%
Children’s, Infants Clothing Stores-44813	3,775,589	9,679,546	39.00%
Family Clothing Stores-44814	35,166,537	113,915,316	30.90%
Clothing Accessories Stores-44815	668,803	3,345,622	20.00%
Other Clothing Stores-44819	4,134,370	21,367,988	19.30%
Shoe Stores-4482	1,993,236	9,604,068	20.80%
Jewelry, Luggage, Leather Goods Stores-4483	13,320,331	40,613,499	32.80%
Jewelry Stores-44831	13,320,331	40,613,499	32.80%

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Retail Shares Retail Shares Downtown State College			
Area ZIP Codes (see appendix for geographies), Total Retail Stores	PRIMARY TRADE AREA 2013 Supply (Retail Sales)	7 COUNTY REGION 2013 Supply (Retail Sales)	SHARE
Sporting Goods, Hobby, Book, Music Stores-451	96,866,237	251,321,889	38.50%
Sporting Goods, Hobby, Musical Inst Stores-4511	37,268,179	162,065,056	23.00%
Sporting Goods Stores-45111	21,189,488	79,216,881	26.70%
Hobby, Toys and Games Stores-45112	9,286,729	43,505,731	21.30%
Sew/Needlework/Piece Goods Stores-45113	1,278,157	21,257,907	6.00%
Musical Instrument and Supplies Stores-45114	5,513,805	18,084,537	30.50%
Book, Periodical and Music Stores-4512	59,598,058	89,256,833	66.80%
Book Stores and News Dealers-45121	59,354,202	88,021,073	67.40%
Book Stores-451211	57,524,825	86,135,128	66.80%
News Dealers and Newsstands-451212	1,829,377	1,885,945	97.00%
Prerecorded Tapes, CDs, Record Stores-45122	243,856	1,235,760	19.70%
General Merchandise Stores-452	249,325,343	1,186,497,770	21.00%
Miscellaneous Store Retailers-453	43,495,754	228,621,603	19.00%
Florists-4531	592,762	9,689,544	6.10%
Office Supplies, Stationery, Gift Stores-4532	16,922,791	49,091,668	34.50%
Office Supplies and Stationery Stores-45321	9,652,159	29,895,361	32.30%
Gift, Novelty and Souvenir Stores-45322	7,270,632	19,196,307	37.90%
Used Merchandise Stores-4533	3,613,942	17,789,370	20.30%
Other Miscellaneous Store Retailers-4539	22,366,259	152,051,021	14.70%
Foodservice and Drinking Places-722	178,065,854	530,210,922	33.60%
Full-Service Restaurants-7221	99,783,629	265,812,002	37.50%
Limited-Service Eating Places-7222	62,271,133	210,423,540	29.60%
Special Foodservices-7223	2,219,836	25,063,660	8.90%
Drinking Places -Alcoholic Beverages-7224	13,791,256	28,911,720	47.70%

Downtown Retail Opportunities

Downtown State College can capitalize both on its existing strengths and on the “missing pieces” to create a more rounded out retail offering that will enhance downtown’s appeal to the local, regional, and visiting shopper and diner. Some of the existing strengths of downtown as a dining and entertainment district will remain stable and expand as the population grows. Other categories represent opportunities to fill an unmet need in the market. The following categories represent the best opportunities for growth in downtown State College:

- Home Furnishings: This category represents an interesting combination in that a unique home furnishings store (home accessories not furniture) can be appealing to the student population as well as the local and regional customer. Evidence of this success is that Urban Outfitters has a location in downtown State College. This store has a home furnishings section that occupies roughly 20% of the store’s footprint. Additional stores might cater more to young professionals, families, and graduate students while also being appealing to visitors.

- Special Food Services and Specialty Food: State College both leaks sales in specialty food and is a poor regional performer in these categories. Specialty food stores are rapidly becoming more popular nationally as people eschew traditional large format supermarkets for all of their grocery shopping in favor of local markets, specialty grocers, and individual stores for food types (the butcher, the baker, and so forth). This category is especially interesting in that the Farmers Market is successful in downtown, it relates closely with the Land Grant heritage of Penn State, and the region provides a wealth of agricultural and specialty food options that could be sold in downtown.
- Health, Personal Care, Beauty, Cosmetics: This category covers a wide range of products and infers a need for accompanying services such as day spas. Again, this is a category that can be appealing both to students, young professionals, and visitors.
- Clothing and Clothing Accessories: While clothing represents a strong share of the regional market, the local market still leaks sales in the clothing categories. This is an indicator that the entire region is leaking sales in clothing categories. Most store types that would locate in downtown State College will be highly tailored to the local customer base but will not require significant space.

Each of the categories above can be uniquely tailored to appeal to a student, permanent resident, and visitor market. In fact, the most successful stores will strive toward this broad approach in order to counteract the seasonality of a student market.

Office, Hotel and Housing Report

Office Market

State College lacks a sufficient amount of speculative office space to complete a comprehensive analysis of the overall office market. Office rental rates hover in the $15 per square foot range downtown and are up to $20 per square foot in Innovation Park, which provides more class A space. Furthermore, Innovation Park offers much more flexible space sizes.

Downtown State College has little class A office space available with most of it ranging from 1000-2000 square feet according to LoopNet the leading commercial real estate database online. National trends indicate a desire for companies (particularly those that are technological) to locate in downtowns. This trend is extending to university communities as well. Blacksburg, Virginia is a prime example of this trend. Both Modea an online marketing firm and Rackspace a cloud computing company have located their corporate headquarters away from the Corporate Research Center to downtown.

One national trend that is gaining traction is co-working where solo entrepreneurs share space and common areas. Many university communities are opening both incubators and co-working space in their downtowns. Northwestern, University of Alabama, Bucknell, University of Louisville, and the University of Missouri have all opened incubators or co-working space within the last year or two in downtown locations.

Many of these spaces range between 10,000 to 20,000 square feet and are a partnership between the University and local entities to bring entrepreneurship into the downtowns of their partner communities.

Hotel Market

National trends in the hotel industry continue to be impressive according to the major hotel research companies (PKF and PwC) as well as hotel holding companies such as Pyramid Hotel Group. The outlook for the future is that nationally, hotel revenue per available room (REVPAR) will continue to increase in most markets.

In State College, the hotel market is marginally healthy when compared to the state as a whole according to the November year over year reporting for the State of Pennsylvania by Smith Travel Research.

The occupancy rate declined slightly from November 2011 to November 2012 from 63% to 60% (the national average is 61%). Meanwhile, the average daily rates (ADR) for hotels increased from $102.77 to $104.02 which is the fourth highest ADR in the state's fourteen reporting areas. Only Pittsburgh, Philadelphia, and the Poconos have higher ADR's.

The Revenue Per Available Room (RevPAR) for State College declined between 2011 and 2012 though it remains among the highest in the Commonwealth at 5th out of the fourteen reporting areas.

In the decade between 1997 and 2007 (the most recent census data), accommodations revenue in Centre County increased by 50% from $40.2 million to $62.2 million. While 2012 data is not yet available, the national trends and the state trends indicate that despite a decline in 2012, the long-term outlook for hotels in the region is positive.

Several "Select Service" hotels are not yet in the market (Aloft by Westin and Hyatt Place by Hyatt) each represent good opportunities. Full service hotels may also be ready for a comeback in the market over the coming years.

Having said this, the downturn in overall occupancy rates that has happened in the region has existing hoteliers concerned about the prospect of any new product coming on line in the near future. While downtown State College benefits from several existing properties, no new hotel construction has happened in the downtown in decades and recent trends indicate that new downtown hotel properties are able to charge a premium due to their proximity to dining and shopping options.

The master plan should take a long-term look at opportunities to foster future hotel development in downtown although it may take several years for the market to realize these developments. As with many downtown projects, a hotel should be part of a mixed use development that may involve a public private partnership to help the development through the more complex site development and parking requirements in an urban environment...

Housing Market

Population

As illustrated in the retail market report, the population for the Borough of State College, the primary and secondary trade areas for downtown, and Centre County all increased between 2000 and 2010. The Borough actually reversed its trend of a relatively stable population between 1990 and 2000 to grow by 3,600 people (9.4%) between 2000 and 2010 to grow to 42,034.

According to Neilson, the population has grown by another 500 people since 2010 and is expected to continue to grow (see Figure 12).

As the Borough is "landlocked" and for the most part built out, the reversal in population growth is an indicator that the community is redeveloping underutilized properties. Of course, the rate of population growth is slower than the surrounding municipalities and Centre County as a whole as they have more space to build.

Figure 12: Population growth in State College Borough. Source: Neilson.

Population	
2018 Projection	43,495
2013 Estimate	42,503
2010 Census	42,034
2000 Census	38,344
Growth 2013-2018	2.33%
Growth 2010-2013	1.12%
Growth 2000-2010	9.62%

Student Population

The average student enrollment growth per year has been 340 Students per year over the past 25 years attending the University Park campus of Penn State (Source: Penn State University Budget Office Historical Fall Headcount Enrollment at University Park Campus). The 2012 enrollment headcount at University Park stood at 45,351 this past fall, an increase of 157 students over 2011.

It is important to understand that the student population growth and the Borough population growth are very different things, as student growth will be accommodated on the campus at University Park, in the Borough itself, and in surrounding municipalities . This has varied by year but represents a significant growth over time. There are no indications that this growth is going to slow in the future.

Households

There are clear indications, however, that the increase in student population is greatly affecting the composition of the Borough's population. While population in the borough has increased, the number of family households has decreased during the same time period from 3,289 to 3,069 (see Figure 13). This mirrors the findings of the State College Borough Sustainable Neighborhoods Report of 2012 that indicates that student rental in single family houses has increased as a percentage of overall single family housing from between 10 and 12 percent in 1990 to between 19 and 20 percent in 2012.

Housing Units

The number of housing units in State College Borough is estimated at 12,712 in 2013. Rental housing comprises nearly 80% of the housing stock (see Figure 14).

Single-family housing units still comprise one fifth of the housing units in the borough. Multi-family housing in large complexes of over 50 units is also about one fifth of the housing stock (see Figure 15).

As to be expected, the housing stock in the Borough is older relative to the surrounding jurisdictions with a median year built estimated at 1972. In fact less than 10% of the housing

Figure 13: Household growth in State College Borough. Source: Neilson.

Family Households	
2018 Projection	3,099
2013 Estimate	3,095
2010 Census	3,069
2000 Census	3,289
Growth 2013-2018	0.13%
Growth 2010-2013	0.85%
Growth 2000-2010	-6.69%

Figure 14: Housing Tenure in State College Borough. Source: Neilson.

2013 Est. Tenure of Occupied Housing Units	12,712	
Owner Occupied	2,562	20.15
Renter Occupied	10,150	79.85

Figure 15: Housing unit by type in State College Borough. Source: Neilson.

2013 Est. Housing Units by Units in Structure	13,117	
1 Unit Attached	1,003	7.60%
1 Unit Detached	2,809	21.40%
2 Units	402	3.10%
3 or 4 Units	555	4.20%
5 to 19 Units	3,115	23.70%
20 to 49 Units	2,263	17.30%
50 or More Units	2,913	22.20%
Boat, RV, Van, etc.	4	0.00%

stock in the borough has been constructed since 2000 with the major increase in housing occurring during the decade of the 1970's where 21% of the housing stock was built coinciding with significant growth in the enrollment at Penn State.

According to HUD's State of the Cities Data System reporting, State College has had relatively few building permits issued in the last five years with the most occurring in 2012. The total of 196 represents only 8% of the building permits issued in all of Centre County which equals 2341 in the past five years (2012 was also a banner year for building permits in the County with 862 building permits issued.

Housing Market Conclusions

- Downtown State College has had little residential construction geared toward the non-student population. There is likely pent up demand for one or two residential projects that would cater to this demographic and be of limited size. Based on allocating household growth and the amount of building permits issued outside the Borough, Arnett Muldrow estimates that 24-36 units of housing that is geared toward the non-student population for a total of 48 to 72 units is likely to be supportable in the short-term horizon. Over the next five to ten years, an additional 100 units could be likely if the initial concept takes hold.
- The products would need to be of high quality, offer excellent amenities, and be marketed aggressively.
- The non-student housing is likely to be contingent on the Borough providing some level of incentive to facilitate this kind of development whether through parking provision (techniques might include a waiver, shared parking, certificate of participation, development agreement). Another way for non-student housing to succeed in downtown State College is for the housing trust fund
- Even though growth has been slow with building permits, the borough does need to address multi-family student housing proximate to the university to forestall the increasing encroachment of students into single-family neighborhoods. If the Borough absorbed a minimum of 20% of the enrollment growth in students it would result in demand for about 17 units per year that house 4 students per unit.
- A high quality student housing development with the right design and amenities inside the Borough could "trump" some of the significant suburban growth in student residential development in adjacent townships because of its proximity to campus. This, combined with significant student housing projects in adjacent jurisdictions, is likely to sap up demand and soften the market for the weakest (most out of date and deteriorating) housing products.
- A larger product with the right design and amenities would "trump" suburban growth in residential outside the borough because of proximity to the campus.

Exhibit 3: Downtown Districts

Physical Assessment

Downtown Districts and Study Area

Downtown State College is very linear as it has grown from the center at Allen Street along College Avenue, keeping pace with the campus as it grew. More recently, with the growth of the West Campus, there is the potential for downtown to grow on the west side of Atherton Street. Recognizing this, the Borough had commissioned a master plan for this area known as the West End. The linear nature of the downtown naturally lends itself to subdividing into smaller districts and has, in fact, done that over the years. These sub-districts include: the "Downtown Core," the "Garner District" and "East Gateway" to the east and the "West Gateway" and "West End" to the west of the core. On the macro scale, these districts can be summarized into three broader character/functional districts: the "Traditional Downtown" in the core, "College Town" to the east and emerging "Urban Village" to the west. Refer to *Exhibit 3: Downtown Districts* on previous page.

Transportation Network

With the presence of the University and the high student population, downtown State College is able to enjoy a range of transportation choices. While the predominant mode of transportation is the automobile, there are high levels of pedestrian activity, bus usage and bicycle usage. In particular, the Borough and Penn State University have been expanding bicycle facilities incrementally over the past several years. There are opportunities to enhance all modes of transportation in downtown, however, with a continued emphasis on reducing the need for automobile trips. Following is a review of transportation network.

Automobile Transportation
Downtown State College is primarily served by State Route (SR) 26, which forms a one-way couplet in the downtown District. The westbound section of the couplet is known locally as College Avenue and the eastbound section of the couplet is known locally as Beaver Avenue. State Route 26 is functionally classified as an urban principal arterial highway in Downtown State College. College and Beaver Avenues are characterized by curbed roadway cross sections, on street parking, two travel lanes, traffic signals, transit, pedestrian and bicycle interactions.

In the Fall of 2012, vehicular traffic on College Avenue was measured at approximately 10,000 average daily traffic (ADT). Vehicular traffic on Beaver Avenue was measured at approximately 11,000 ADT. Both corridors have seen substantial reductions in vehicle volumes since 2004 where the volumes on College and Beaver Avenue were 15,000 and 15,000 respectively.

Regionally, Downtown State College is accessed by Business Route 322 (SR 3014) which provides access to Interstate 99 north of downtown. SR 26 also intersects with Interstate 99 to the east of State College. Interstate 99 is an important regional interstate which provides direct access to I-80, US Route 322, SR 22 and the PA Turnpike.

The Planned Intersection Safety Improvement Program (2010) developed a safety rating of every intersection within the Borough of State College based on intersection characteristics and past crash history. The study also included a detailed engineering review of the top five intersections of concern, with recommendations developed to improve safety. One intersection within the downtown was selected as a top five intersection of concern for a detailed engineering study. College Avenue and Atherton Street was evaluated through a road safety audit (RSA) and recommendations were developed for improvements. The recommendations are being implemented through the Atherton Streetscape project which is planned for construction in 2013.

Need for Traffic Signals
No intersections have been converted to traffic signal control in the last ten years in the downtown. Currently, thirteen traffic signals operate in the downtown corridors of College and Beaver Avenues. The most recent major traffic signal

project was the reconfiguration of the traffic signal at Beaver Avenue and Fraser Street as part of the Fraser Streetscape project completed in 2011.

Concerns have been raised about the lack of pedestrian accommodation at the intersection of College Avenue and High Street. Currently, pedestrian access between the downtown and Penn State University facilities is limited in the eastern side of the corridor. Illegal and dangerous pedestrian crossing activities have been observed at College Avenue and High Street, and this issue is exacerbated by the locations of apartment and University residential halls on either side of College Avenue. A study is on-going to evaluate whether improved pedestrian accommodation could be provided at College Avenue and High Street, potentially with a signalized intersection.

The intersection of Beaver Avenue and Locust Lane is included in the Comprehensive Pedestrian and Bicycle Program (2008) as a top five intersection of concern for pedestrian safety. In addition to the recommendations in the report, a traffic signal warrant study should be performed to determine if the pedestrian warrant is met for the current Manual on Uniform Traffic Control Devices (MUTCD).

The Borough of State College completed a traffic signal retiming project in 2005 which optimized traffic flows and installed a leading pedestrian interval (LPI) at downtown traffic signals. The project showed the new traffic signal timings resulted in a 35% decrease in travel times on the College and Beaver Avenue Corridors during the P.M. peak hour. Traffic flow was significantly improved as the number of vehicle stops on the corridors was also decreased by 70%. Pedestrian service was improved by providing shorter traffic signal cycle lengths and LPI installation. The LPI was intended to provide pedestrians a 3-second advance start to use the crosswalk prior to vehicular green indications. LPI's have been shown to reduce conflict between pedestrians and turning vehicles. In a detailed before-after pedestrian crash study completed in Downtown State College, the LPI's were shown to reduce pedestrian – vehicle crashes by 37% due to their installation.

The LPI installations in 2005 were some of the first installations in central Pennsylvania. As such, the Pennsylvania Department of Transportation wanted to review their effectiveness prior to approving them in other locations. Following the encouraging results from the before-after study, LPI installation is recommended for other traffic signals with high pedestrian volumes. As part of the planned Atherton Streetscape project (2012 – 2013), LPIs are proposed for the intersections of College Avenue & Atherton Street and Beaver Avenue & Atherton Street. All other Downtown intersection currently have LPIs.

The State College Borough is updating traffic signal timings to meet current vehicular, pedestrian and bicycle demands through a traffic signal retiming study. Implementation is anticipated in 2013.

Alley Circulation and Calder Way

Alley circulation is generally poor as alley widths are generally less than streets in the downtown. The most prominent alley in the Downtown is Calder Way. Calder Way primarily functions as a service alley providing loading and unloading for businesses along College Avenue. It is generally signed as one-way traffic from east to west throughout the Downtown. Pedestrian activity is also notable along Calder Way, particularly adjacent to commercial and residential land uses that have developed along its limits. Because Calder Way is a lower function street, it is stop controlled at every cross street which does not lend to traffic flow or cut-through on Calder Way.

Stakeholders have repeatedly identified Calder Alley as an important pedestrian space in downtown. While there have been suggestions to convert Calder Alley to pedestrian only activity, the service function is very important, particularly as it relates to the Borough's work to improve service and loading along College Avenue (described below). In addition, Calder Way is an important access route to rear parking areas for many businesses.

Loading/Unloading Zones

In the past ten years, the Borough of State College has made improvements to loading and unloading zones along College and Beaver Avenues. Prior to 2005, loading and unloading in the travel lanes was common throughout the Downtown and contributed to significant traffic congestion with the close traffic signal spacing and limited capacity of the Downtown Streets. Problem areas were addressed and innovative traffic calming techniques, such as chicanes, were installed along Beaver Avenue between Fraser Street and Allen Street to create a loading zone and reduce traffic speeds in the Downtown.

Parking

Off-street parking is provided throughout the Downtown in the Pugh, Fraser and Beaver Avenue Garages, the McAllister Deck and surface lots, most notably the large surface lot at Garner Street and Calder Way. A parking study is planned for 2013 to evaluate projected demand and existing capacity of the public parking system operated by the Borough of State College. There are approximately 1768 off-street public parking spaces in downtown State College located within parking lots and parking decks.

On-street parking is provided via metered spaces throughout the Downtown and total 398 spaces. College Avenue has on-street parking on the north and south sides currently. Access from the north-side parking to the sidewalk system is limited by the vegetation and fencing that currently exists between the curb line and sidewalk. A narrow, non-ADA compliant concrete buffer area is provided for pedestrians to reach the nearest sidewalk or cross walk.

On-street parking is restricted between the hours of 2:00 AM and 6:00 AM throughout the Borough. This is done to prevent the warehousing of cars on the street and to accommodate street cleaning. Refer to *Exhibit 4: Downtown Parking and Bus Stops* (on following page).

Alternative Transportation

Bus Lanes and Stops

The Downtown area is served by the Centre Area Transportation Authority (CATA). Refer to *Exhibit 4: Downtown Parking and Bus Stops* (on following page). Bus stops are currently provided throughout the Downtown area. The stops on Penn State's campus and downtown make up the hub of a hub-and-spoke transit system. This is a system that emphasizes linkages to and from the University but may not always be convenient for workers and young professionals who need to get from one part of the region to another without having to go through the campus. Bus stop locations should be coordinated with the Borough of State College to ensure the locations meet the needs of users and also reduce conflicts with traffic on Downtown streets. The Downtown traffic would benefit from bus stop configurations that include bus pull-offs at each stop so traffic flow is not impeded. College and Beaver Avenues have opportunities for permanent bus pull-off configurations and these improvements could be implemented in future capital improvement projects.

In particular, stakeholders have expressed a need to enhance three bus stops along College Avenue, located near Burrowes, Allen and Heister Streets. These enhancements need to include longer bus pull-offs, wider bus pull-offs (Heister Street) and improved amenities including transit shelters. Two bus stops along Beaver Avenue near High and Heister Streets are also in need of amenities including transit shelters.

Bicycle Facilities – Bike Lanes, Shared Paths, Bike Parking

Bicycle transportation in Downtown State College is exclusively share-the-road. All exclusive bicycle lanes from Penn State University streets and from State College Borough streets terminate prior to the core Downtown streets. In a share-the-road configuration, bicyclists must operate within vehicular lanes and traffic control devices. The volume of vehicular traffic and the lack of exclusive bicycle lanes Downtown could be a deterrent for additional bicycle travel. Challenges to developing exclusive bicycle travel lanes in the Downtown include limited right-of-way (ROW) widths, competition with parking for ROW and no specific studies exist on cost / benefit of exclusive lanes in Downtown State College.

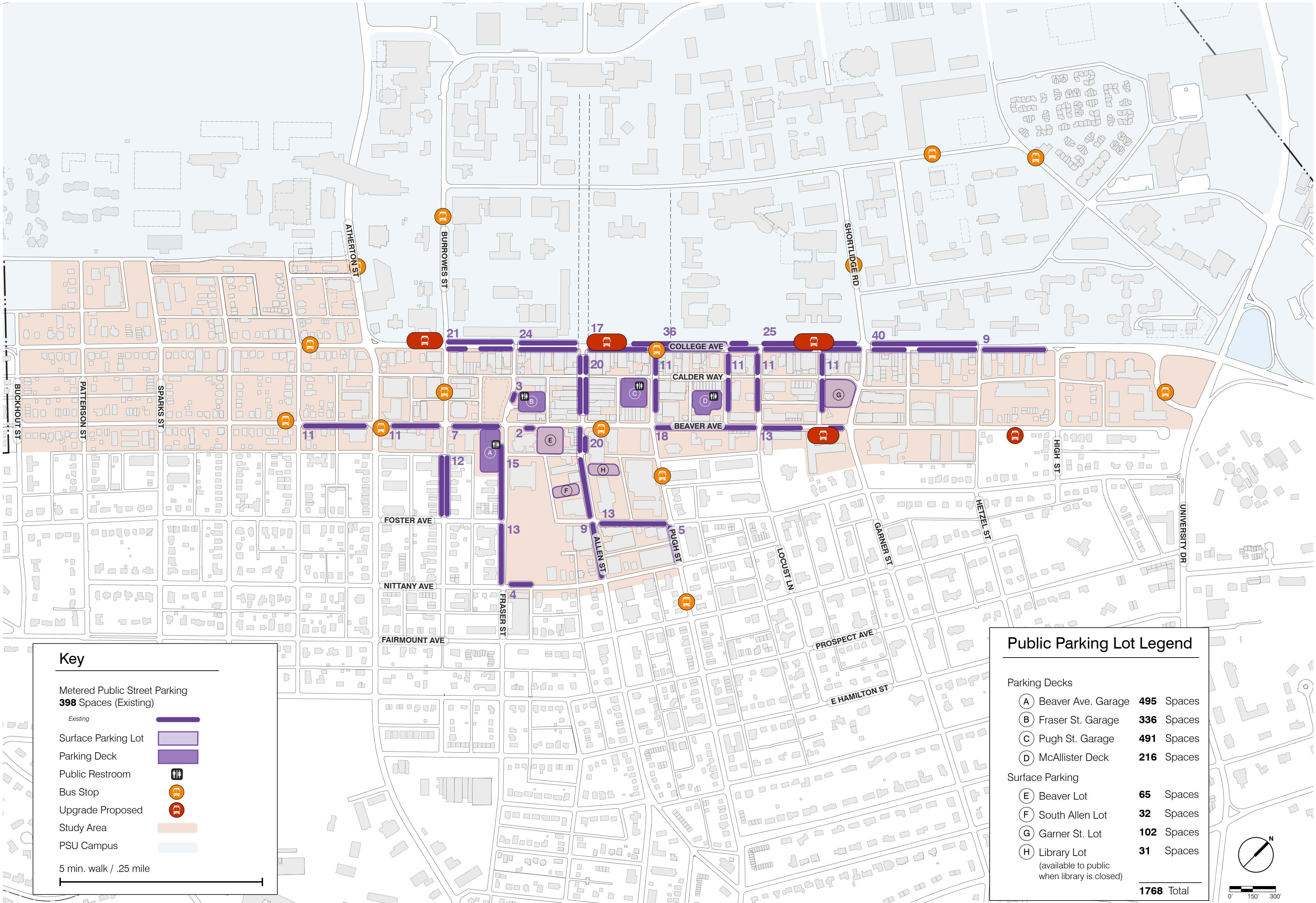


Exhibit 4: Downtown Parking and Bus Stops

While an east-west bike route is designated along Foster Avenue, there is a need for an east-west route closer to College Avenue. Bicyclists have indicated that the slight topographic change and distance between College and Foster Avenues is enough to deter people from using that route unless they are already in that location. Additionally, there is a need for the Bike Route designation to continue along Allen Street between Foster and College Avenues, as the Pattee Mall is designated as a shared-use path on campus. Similarly, Garner Street, between Foster and College Avenues is a “missing link” between the Garner Street bike lanes to the south and the bike route along Shortlidge Drive on campus. Efforts should be made to complete these gaps and explore opportunities for additional bike routes downtown. Refer to *Exhibit 5: Existing Bicycle Network* (on following page).

Walkability

Level of Service – Adequacy of Sidewalks

Pedestrian volumes were measured at each signalized intersection in the Downtown in Fall 2012. The midday peak hour was the highest volume pedestrian period of the day. Pedestrian levels of service (LOS) were calculated for the south College Avenue sidewalk and both north and south Beaver Avenue crosswalks. Pedestrian LOS is a function of peak pedestrian volume and the average amount of sidewalk space available for travel, “A” being best and “F” being worst. Sidewalk space is determined by width, less any obstructions such as poles, trees, trash cans, benches and storefront seating. Refer to *Exhibit 6: Pedestrian Level of Service and Safety*.

Overall, pedestrian LOS for Downtown sidewalk sections is good—LOS B or greater. Several locations exhibited poor pedestrian LOS due to restrictions in the average pedestrian space. The sidewalk section along College Avenue between Garner Street and Pugh Street exhibited poor LOS due to sidewalk obstructions from several large trees along College Avenue. The sidewalk section along College Avenue between Fraser Street and Burrowes Street exhibits poor pedestrian LOS. High pedestrian volumes coupled with sidewalk constrictions from trees, storefront seating and ADA access ramps all contribute to reduced pedestrian LOS at this location. Since the overall LOS ranges are acceptable during the peak hour of pedestrian traffic, spot improvements should be investigated to remove current obstructions.

As significant streetscape projects are considered, however, opportunities to expand pedestrian zones is desirable, particularly along College Avenue.

Safety

Areas of concern for pedestrian safety were evaluated during the Comprehensive Pedestrian and Bicycle Program (2008). The study included a review of Borough of State College pedestrian-vehicle crashes for the period 1989 through 2007. A prioritized list of areas (intersections) of concern was developed based on five statistical safety analysis methodologies. The top five intersections of concern for pedestrian safety are all located within Downtown:

- Beaver Avenue & Atherton Street
- College Avenue & Atherton Street
- College Avenue & Allen Street
- College Avenue & Burrowes Street
- Beaver Avenue & Locust Lane

At each of the top five locations of concern, a detailed engineering study was performed to review existing conditions and develop recommendations to reduce pedestrian-vehicle crashes. Recommendations for Beaver Avenue & Atherton Street and College Avenue & Atherton Street are planned for implementation through the Atherton Streetscape project (2013). Improvements at College Avenue and Burrowes Street have been implemented by Borough maintenance forces. Improvements at College Avenue and Allen Street would require coordination with the bus stop / pull-off that is currently located at this intersection. These improvements should be considered as part of the overall College Avenue and Allen Street streetscape improvement projects described in Section 4 of this report. Improvements at Beaver Avenue and Locust Lane are currently programmed on the CIP. Refer to *Exhibit 6: Pedestrian Level of Service and Safety* (on following page).

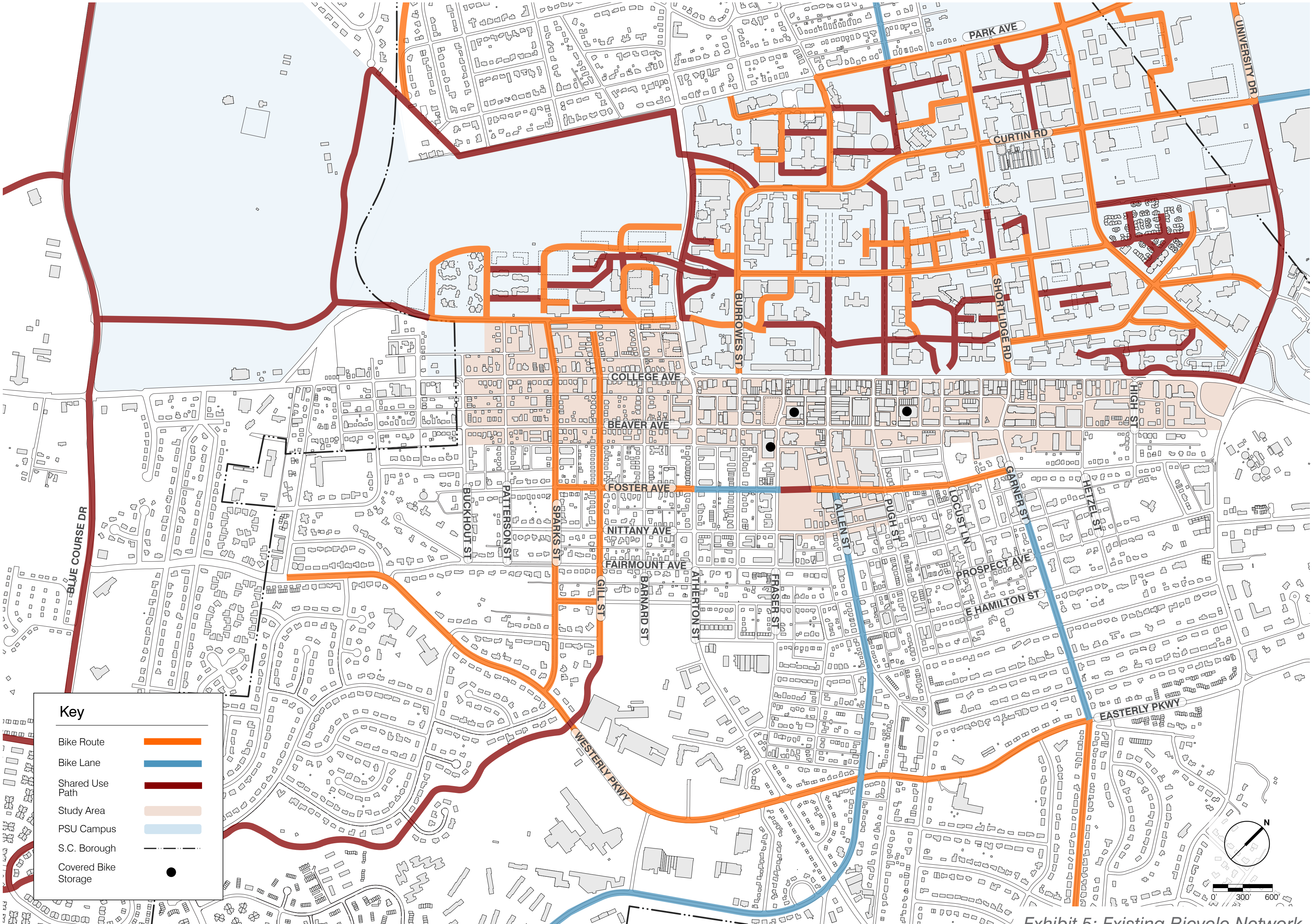


Exhibit 5: Existing Bicycle Network

Pedestrian volume

In the Fall of 2012, peak hour pedestrian volumes were measured at each downtown signalized intersection. The maximum peak hour total intersection pedestrian volume was observed at the intersection of College Avenue and Allen Street where 1,950 pedestrians were counted in the crosswalks during the peak hour midday. Due to the proximity of downtown to Penn State University facilities, significant pedestrian volume is observed throughout the downtown area.

Crosswalks

Crosswalks are provided at major street crossings for all signalized intersections in Downtown State College. Along College Avenue, efforts have been made to install crosswalks on the east side of the intersections to reduce conflicts between vehicles turning left from the side streets. Currently, the College Avenue and Allen Street intersection is the only signalized T-configuration that also has a west-side crosswalk. The Borough of State College has taken steps to reduce crosswalk distance by installing bulb-outs (pedestrian nodes, or curb extensions). Bulb-outs are beneficial features of the urban environment because they provide additional space for pedestrians to queue at the intersection and they allow for shorter intersection crossing distances. Shorter crossing distances results in less pedestrian – vehicle exposure time and aids in keeping crash rates low. Bulb-outs should be installed everywhere feasible within the downtown environment; typically a parking lane adjacent to an intersection provides the necessary space for a curb extension. Several locations are planned for future bulb-outs and these locations are identified in the Comprehensive

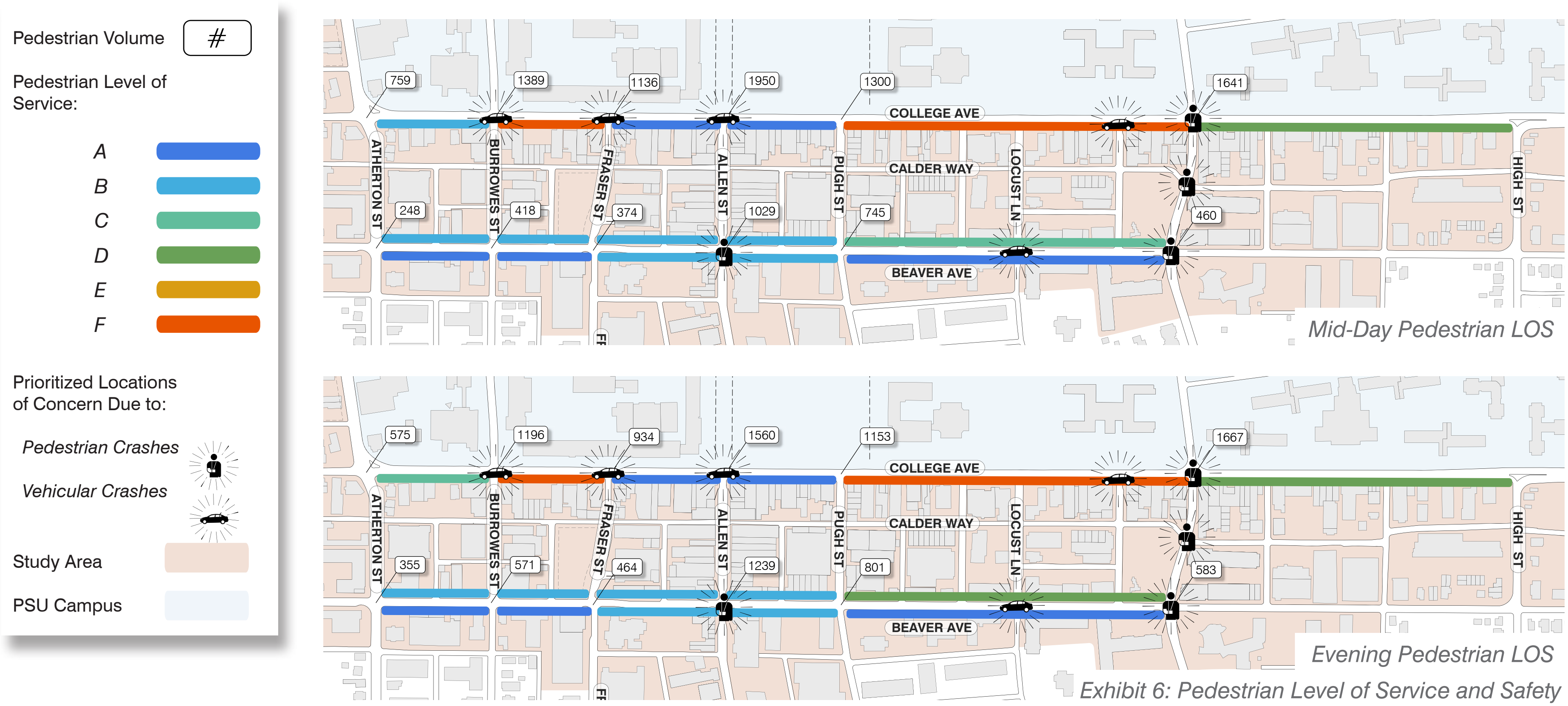


Exhibit 6: Pedestrian Level of Service and Safety

Pedestrian Bicycle Program (2008). The Borough has high-visibility piano-key crosswalks installed at all signalized intersections in the Downtown corridor. It has been noted that crosswalk paint fade often results in diminished visibility of the crosswalk location several times per year. More durable crosswalk markings could provide reduced maintenance costs and improved year round visibility.

ADA compliance

The Borough has upgraded intersections to ADA curb ramp compliance when the intersection is part of a capital improvement project. The Borough also has capital improvement funding allocated to ADA curb ramp improvements in a systematic plan. Because the Downtown intersections receive the greatest pedestrian volumes of any Borough intersections, Downtown ADA improvements should receive the highest priority. The Borough has also installed an accessible pedestrian signal (APS) at the intersection of Beaver Avenue and Allen Street. The APS provides an audible indication when a visually impaired pedestrian can cross the street. APS is an effective strategy for visually impaired pedestrians, particularly in the Downtown district with the LPI implemented. Since no adjacent vehicular sound cues exist during the initial 3 second advance walk interval, visually impaired pedestrians do not receive the same advantage as other pedestrians at traffic signals in the Downtown. Increasing APS installation, if warranted, would provide the same level of benefit with the LPI.

Utilities

To varying extent, utilities are present on all downtown streets and alleys with certain streets managing the majority of the overhead utility load. Electric, gas, phone and non-signal related communication lines are privately owned. The Borough's system includes storm drainage, sanitary sewer, street lights and signalization infrastructure. While not always feasible, as utility improvements are identified and planned, opportunities to coordinate with the streetscape projects described later in this report should be explored.

The major east-west roadways (College Avenue and Beaver Avenue) have limited sanitary sewer infrastructure. There are a few sections of Beaver Avenue that have a collection system in the roadway that, within a short distance, redirects flows to Calder Way. Calder Way is the main sanitary collector for the downtown area and has parallel sanitary sewer line that runs the entire length, with manholes spaced approximately every several hundred feet. The manholes are 50/50 precast or brick. Capacity is adequate for the downtown collection system.

Both College and Beaver Avenue are free of overhead electric, phone and communication lines. Calder Way carries most of the overhead electric, phone and cable on wooden poles and provides service to the rear of most properties along Beaver and College. Wooden pole supported overhead utilities are also present on approximately half of the connecting streets between College and Beaver. Buried conduits on College and Beaver serve street lights and signals.

Storm sewer collection for Beaver, College and connecting streets is concrete curb and inlet, while Calder Way has a reverse crown with inlet grates in the middle of the road. A large storm sewer collector pipe runs the length of Calder Way. This collector pipe was recently repaired with a cementitious lining in 2010 and has adequate capacity for current flows. The downtown area also contains two rain garden/bioretention areas near the intersection of Allen Street and Beaver Avenue.

Street lighting is a combination of shoe box, acorn, shepherd hook and cobra head fixture styles. Cobra head fixtures are present on the utility poles on Calder Way. Shoe box style fixtures are present on sections of Beaver, College and most connecting streets. Acorn fixtures have recently been installed in selected sections of Beaver and College and are present on Fraser and Allen streets within the downtown area.

Surface and overhead utilities (poles, street lights, manholes, etc.) are the most obvious to the casual

Right: Calder Way carries the majority of the overhead electric, phone and cable lines for downtown on wooden poles.

Top far right: View from Beaver Avenue looking northwest across the intersection with Fraser Street showing new Borough standards for pedestrian lights, street lights and signal arms.

Bottom far right: View along Beaver Avenue showing a “shoebox” light fixture.

observer and therefore will be the most affected by potential downtown modifications. Due to the complexity of the existing overhead utility network, it would most likely be cost-prohibitive and infeasible to move the network underground. Aesthetic modifications are a possible alternative. Decorative post wraps as shown here can provide a visual change to the standard wooden utility pole. There may also exist certain isolated locations where underground installation may be feasible and specific poles could be removed.

Existing street lighting currently has the infrastructure in place to service modifications or replacements as part of a lighting standardization process. Several connecting streets only have lighting on one side and may require additional conduit and cable to allow installation on both sides of the street. However, modifications or additions to the service for street lighting is fairly non-restrictive (especially during a sidewalk or curb replacement project).

The storm and sanitary manholes, grates and curb inlets are all standard. In most cases, any replacements or minor modifications can be accomplished with little or no conflict to the system. Repairs and future life cycle replacements are a normal part of any storm and sanitary system and must be considered when planning surface modifications to the streetscape.

Physical Design and Placemaking

The physical design and placemaking for downtown State College is defined by the character-giving elements that set State College apart from other places. These elements include the topography, the surrounding environment and views to the mountains; the architecture and variety of uses; and the public realm – the streetscapes, parks, plazas and special places that knit the uses together and provide venues for gathering and social activity. For downtown, the character is particularly distinguished by the contrast between the broad lawns, historic gates and architectural landmarks that define the Penn State campus and the small town qualities that define downtown. Similarly, the contrast between downtown and the leafy historic neighborhoods of Highlands and Holmes-Foster enhance downtown's unique sense of place.

For State College, this "sense of place" and contrast between downtown and the surrounding neighborhoods is particularly enhanced by the topographic changes. The area between College Avenue and Highland Avenue is spatially enclosed by the landform that rises in each direction and the ridge along Highland Avenue clearly separates the downtown core from areas to the south. Refer to *Exhibit 7: Elevation Study*, following page.

Park/Open Space Network

Downtown State College has a limited park and open space network when compared with other similarly sized downtowns and lacks a traditional "town square." That being said, many consider the campus open spaces to be downtown's open space. There exists a number of popular, smaller spaces throughout the downtown. These are illustrated in *Exhibit 8: Existing Open Space Network* (page 45), and include:

- Sidney Friedman Park
- Bill Welch Memorial Plaza, located in front of the Municipal Building
- Schlow Library plaza areas along Beaver Avenue and Allen Street frontages
- Schlow Library "Reader's Garden"
- MLK, Jr. Plaza, adjacent to the Fraser Street Garage
- The Fraser Street Public Space, created as part of the Fraser Street realignment. This space is set to be further enhanced once the Fraser Centre is developed
- Centennial Alley, adjacent to the Tavern Restaurant
- Proposed open space on Sparks Street as part of the West Side Revitalization Plan

Important campus spaces near the downtown include:

- Pattee Mall and the Allen Street Gates
- Henderson Mall
- Old Main Lawn, including the Old Main Wall frontage

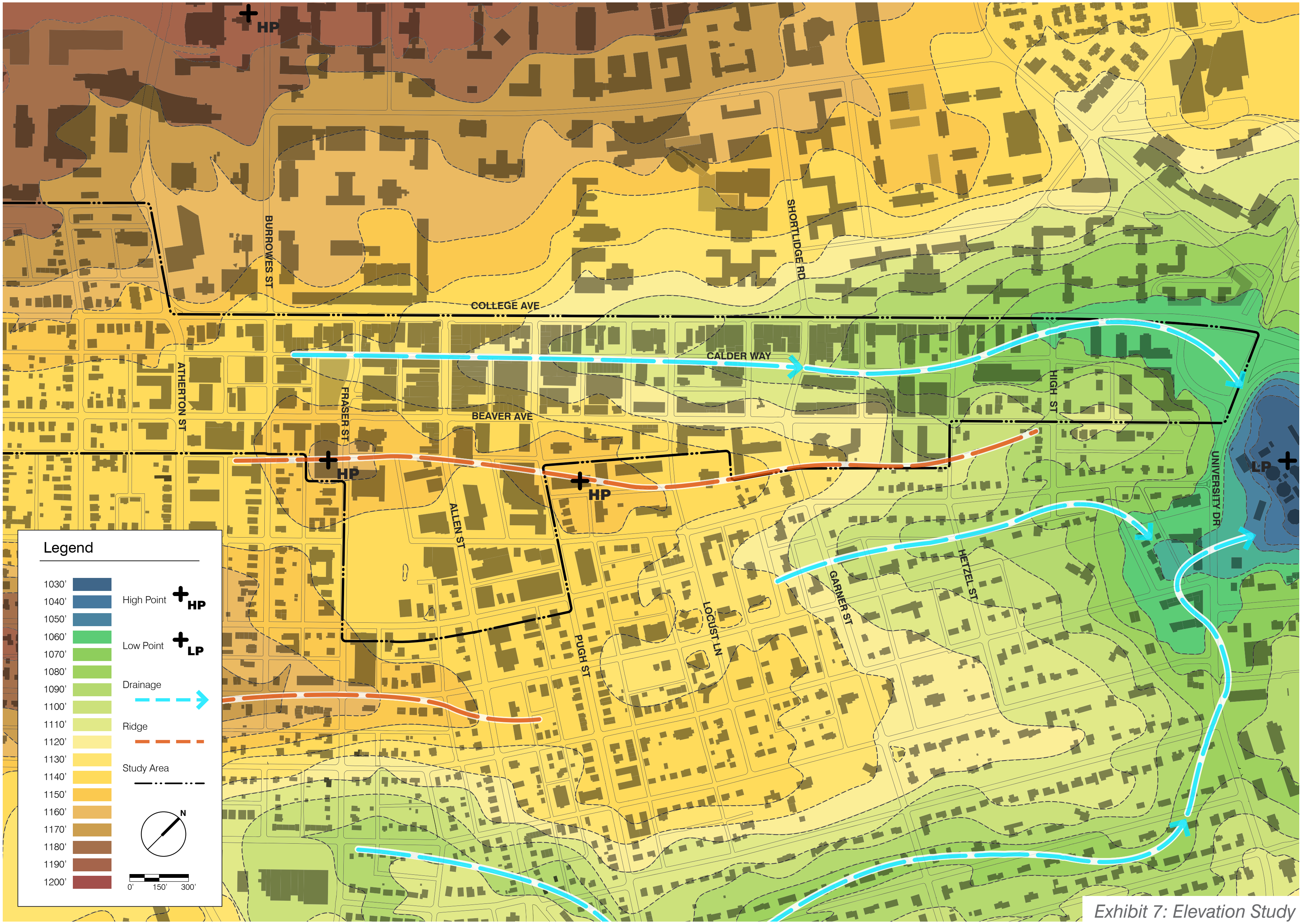


Exhibit 7: Elevation Study

- HUB Lawn
- Alumni Gardens/Foundry Park
- Open spaces associated with Henderson, South Halls and Eastview Terrace
- Expanded sidewalk “nodes” a the intersections of Burrowes and College; Pattee Mall and College; the south terminus of Henderson Mall; bus stop areas at Burrowes and Heister (as well as that in front of the Old Main Wall); the Shortlidge and College intersection; and the Eastview Terrace gateway at High Street.

Sidney Friedman Park, the only true park space downtown, is just far enough away from the downtown core to prevent integration with the retail environment. It is not surrounded by active uses and it is on the “other side of the ridge” so feels further disconnected. Stakeholders indicated that events there do not often result in people spilling over into the downtown core and supporting local businesses. The park does enjoy close proximity to Discovery Space, Memorial Field and the Bill Welch Memorial Plaza and starts to reinforce an open space network and family, rather than student, area. West Foster Street and “D” Alley are important streets that link these spaces and attractions together. With the lack of a significant downtown open space there is added importance for the sidewalk areas and streetscapes to function as open space. Indeed, great streets make great open spaces. Many expanded sidewalks in downtown already function well in this capacity, allowing for outdoor seating, small gatherings and outdoor dining.
Allen Street (100 block), in particular, feels like a special “place.” This can be attributed to it being a natural extension of Pattee Mall and direct connection to the main campus gates; and the topographic changes to the north and south make this block quite visible and help to enclose and define it. Even the 200 block, between Beaver and Foster, with its relationship to Bill Welch Memorial plaza, mature trees and activity associated with the Municipal Building, feels like a central space, although clearly within a different district than downtown.

Similarly, Calder Way, while primarily a service alley, has emerged as a special “place” within downtown. Service vehicles, cars, pedestrians and bikes seem to all coexist much like a European street. It is quite active with pedestrians and storefronts have been developed over the years facing onto and activating the alley. While Calder Way is not particularly attractive with its overhead utility lines, crooked poles, service and loading areas, parking and dumpsters, many people have positive feelings about the space; the little stretches of color – murals, flower pots, “fun” facades and, most importantly, the high level of pedestrian activity. It is a vibrant place. Calder Way presents many

Top left: Sidney Friedman Park

Bottom left: Schlow Library “Reader’s Garden” opportunities to be enhanced as has been recommended in previous master plans; however, it is important to understand that some of the design quirks of the space add to its charm.

While part of Penn State University, the campus open spaces are an integral part of downtown. Residents and visitors enjoy the spaces and they make a strong visual impact for people using downtown, particularly when considering the southern exposure that keeps the open lawns of the north side of College Avenue in sunshine while the south side is often in shade.
The campus spaces do not really function as downtown public spaces, however. Most of the frontage is separated by grade changes, low walls, dense plant material and limited places to sit and gather. An exception to this is the Old Main Wall at the base of Old Main Lawn and the walls near Heister Street where many people gather to people watch and wait for the bus. These are important and vibrant places. The small plaza area at the base of the Pattee Mall is also important gathering space and location for public discourse and promoting campus events. It is at the intersection of many pedestrian routes and users of transit, contributing to its vibrancy. There may be an opportunity to work with Penn State to encourage more vibrant gathering areas at important nodes such as the intersections of College Avenue with Burrowes, Fraser, Henderson Mall, etc.

Open Space
Outdoor Dining
Public Restrooms
Public Art
Study Area
PSU Campus

1. *Memorial Field*
2. *Sidney Friedman Park*
3. *Bill Welch Memorial Plaza*
4. *Schlow Library and Reading Garden*
5. *Fraser St. Public Space*
6. *MLK Jr. Plaza*
7. *Foundry Park*
8. *Alumni Garden*
9. *Pattee Mall*
10. *Old Main Lawn*
11. *Henderson Mall*
12. *Centennial Mall*
13. *HUB Lawn*
14. *Pollock Field*
15. *Eastview Terrace*

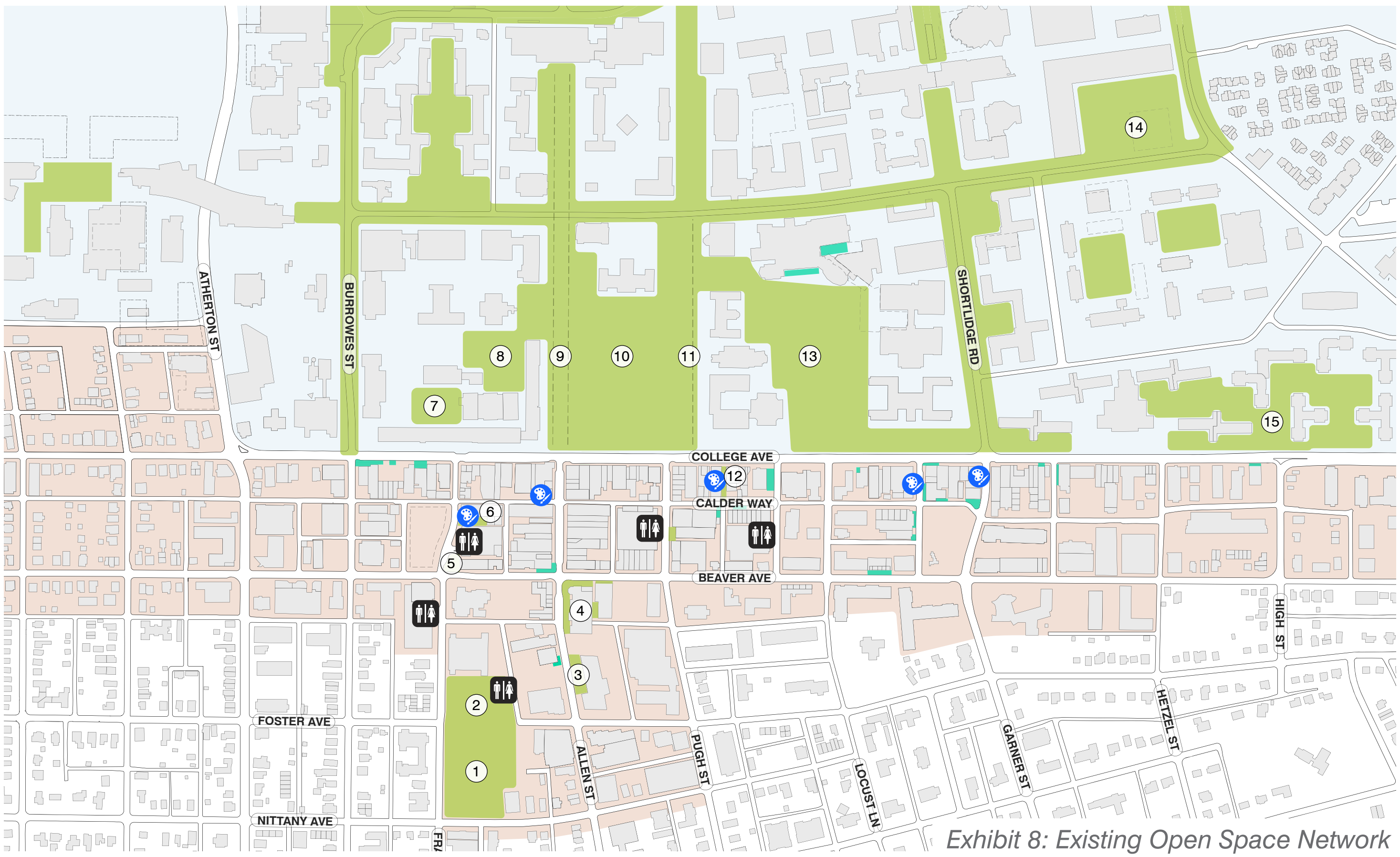


Exhibit 8: Existing Open Space Network

In addition to developing small gathering areas along sidewalks or adjacent to campus walks, there are opportunities to use streets and some surface parking areas as open spaces during special events or on a regular basis depending on peak levels of downtown pedestrian activity. In addition, opportunities to create a more significant open space downtown should be explored, perhaps in conjunction with private development. It will be important that any space be located on the downtown side of the ridgeline that separates downtown from the Highlands. It should also be visible from and directly connected to College Avenue.

The new open space proposed as part of the West Side Revitalization Plan, linking the neighborhood with the West Campus is an important component of that plan and should ultimately be incorporated. The concept of a centralized open space is the most important aspect, not so much the exact location.

Streetscape Network

While the downtown streets within the overall network have technical classifications, as described earlier under Transportation Network, they can also be classified by their streetscape character, level of pedestrian and retail activity and overall hierarchy in terms of the public realm. College Avenue and Allen Street define the primary organizing grid for downtown and their intersection, being the "100% corner," represents the center of the downtown core. Atherton Street establishes the boundary between Downtown and the West Side. Following is a hierarchy of streetscape networks that seem to divide into primary, secondary and tertiary level of importance in terms of activity and character. These are identified in *Exhibit 9: Existing Primary Street Network and Bus Stops,* following page.

Primary
- College Avenue (Core: Atherton to Garner)
- South Allen Street (100 Block)
- Calder Way (Atherton to Garner)
- Beaver Avenue (Core: Atherton to Garner)

Secondary
- Atherton Street
- Allen Street, from Beaver to Foster
- Fraser Street, from College to Foster
- Pugh Street, from College to Beaver
- Garner, from College to Beaver
- McAllister, from College to Beaver
- Sparks Street, from Beaver to future Campus Drive
- Buckhout Street, from Beaver to future Campus Drive

Tertiary (Lower degree of design aesthetic)
- High Street, from College to Beaver
- Hetzel Street, from College to Beaver
- Sowers Street, from College to Beaver
- Heister Street, from College to Beaver
- Locust Lane, from College to Beaver
- Burrowes Street, from College to Beaver
- Barnard, Gill and Patterson, from Beaver to Future Campus Drive

With the exception of College Avenue and Allen Street, downtown from a placemaking perspective lacks an evident hierarchy of streets. There are no boulevards or parkways (other than in name). While streets function in hierarchical manner, they are not physically distinct as such. There is a lot of "sameness." It will, therefore, be important to reinforce the subtle differences through materials, uses, appropriate development and programming and the degree of streetscape enhancements.

This is already starting to happen. Pugh and Fraser Streets define the heart of the downtown core and, with recent and planned streetscape improvements, establish themselves as having a higher level of streetscape quality than other streets. Completing the streetscape for the 100 block of Allen Street and the sections of College, Beaver and College between Fraser and Pugh would establish a sense of "completeness" for the heart of the downtown core.

Design Aesthetic

In terms of design aesthetic, sidewalk areas along most streets are narrow, as is characteristic of most northeastern

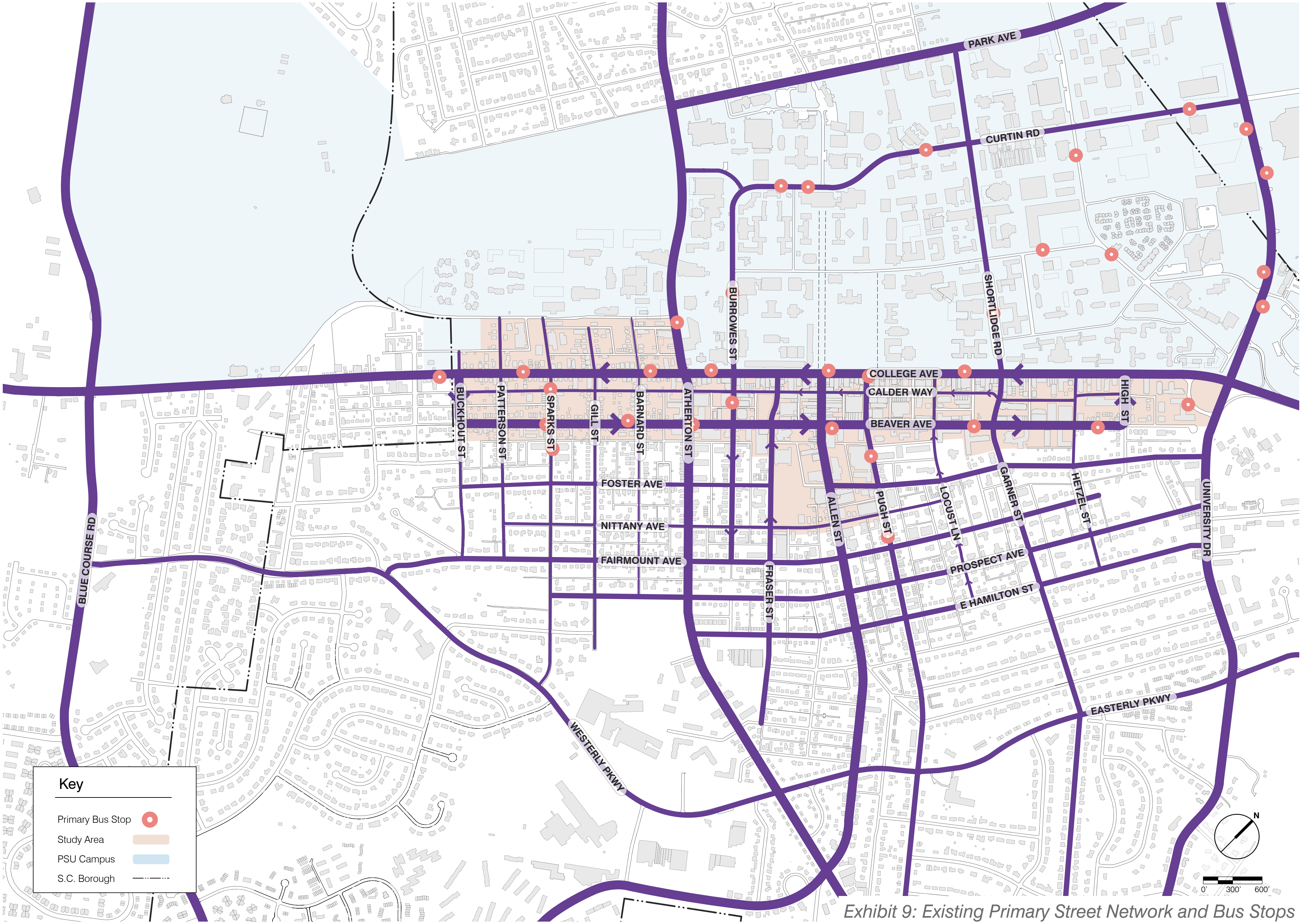


Exhibit 9: Existing Primary Street Network and Bus Stops

downtowns. Streetscape elements include a variety of signal arms, light standards, paving materials, site furniture standards, flower pots and street trees. While there is inconsistency in streetscape design elements, the Borough is doing an excellent job of moving toward a set palette of materials which should continue to represent the streetscape palette. In particular, the signal mast arms, street lights, ornamental pedestrian lights, brick/concrete paving and expanded sidewalk areas used on Fraser Street demonstrate a commitment to high quality streetscape environments. As future streetscape projects are implemented, they should complement this palette; however, flexibility should be considered to emphasize the proportion of brick and concrete in the paving, depending upon the importance of the street.

Consideration should also be given to eliminating the concrete band that runs the length of the center of the sidewalk which seems to divide the sidewalk. This can also create an uncomfortable walking experience when bricks and concrete settle differently.

Over the past decade, the Penn State University has been upgrading the campus grounds. The materials palette includes concrete and brick paving, street lights, contemporary pedestrian lights, post and chain fencing, misc. railings, transit shelters, site furnishing, scored concrete, brick, limestone walls, brick walls and accent materials (such as stone at the HUB). In some areas, umbrella tables and chairs are used to create vibrant outdoor dining and gathering areas. Along College Avenue, a fence, concealed by a hedge, has been used successfully to channelize pedestrian traffic to intersections and crosswalks to reduce mid-block crossings.

The campus improvements reflect a very high design aesthetic and have elevated the image of the campus significantly, particularly along the recent streetscape enhancements for Shortlidge Road and Burrowes Street. Because the materials palette is different on the campus grounds than in the downtown area, the College Avenue streetscape results in a hodgepodge of elements with little consistency. Because this is the street that joins the University and downtown, it is important that a unified design approach to the streetscape be employed. Opportunities to do this exist through the use of brick paving (which both the downtown and campus utilize) and black poles and site furnishings.

College Avenue is a very important street as it is characterized by the vibrancy one would expect to find in the classic college town; the image of the campus—its sense of tradition and history—is quite strong in some areas, particularly between Allen and Pugh in front of

Top left: Recent streetscape improvements to Fraser Street as seen from the Fraser Street garage.

Bottom left: Streetscape along Allen Street in front of Schlow Library.

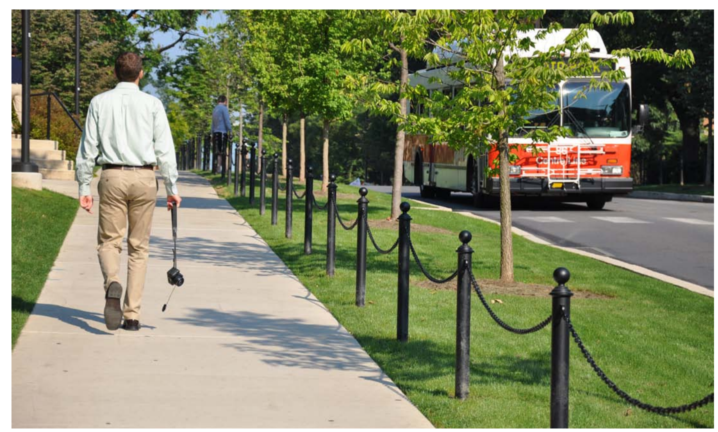
The palette of materials represented in each photo—brick and concrete sidewalks and black furnishings—should be part of future streetscape enhancements, particularly in the downtown core.

Pattee Mall and the Old Main Lawn. On the downtown side, significant pedestrian activity adds to the vibrancy, but can feel crowded and uncomfortable during game weekends or other large events. The strong "green/landscape image" on north side, contrasted with urban image on south side is quite distinctive. While street trees on south side help to unify the two sides, there is a lack of cohesiveness; much of the landscape on the campus side blocks views into the campus. Lack of sidewalk adjacent to parking lane on north side, results in dirt strip, dangerous pedestrian conditions. Penn State has made great efforts to maintain the hedge. While attractive, it disconnects the campus from College Avenue, particularly east of Henderson Mall.
Numerous signs also contribute to visual clutter throughout the College Avenue corridor, negatively impacting the image of downtown and the campus.

Over the years, there has been discussion related to expanding the sidewalk on the south side of College Avenue. One of the unique challenges to this is the existing roadway crown and grade of the existing sidewalk. In many areas the curb is only 2" high and there is very little slope from the building face to the curb line. Any plans to widen the sidewalk will require innovative solutions to accommodate appropriate curb heights (6-8") and appropriate drainage.

Beaver Avenue does not have as strong of a sense of place as College Avenue; however, it is an important street from a pedestrian standpoint, particularly when considering the high volumes of students living along the eastern end. While pedestrian levels of service on the north side sidewalk between Pugh and Garner Streets is often at a poor level of service, the problem is compounded by the fact that this area tends to be a large gathering spot for students, particularly during notable events. While it is unlikely that sidewalks can be widened in this area of Beaver Avenue, efforts should be made to establish appropriate gathering areas in this part of downtown.

Architecture
Downtown State College does not have an extensive collection of historic architecture; however, several early



Top right: Streetscape along Pollock Road on the Penn State campus.

Middle right: Bus shelter on Shortlidge Road on the Penn State campus. The shelter represents the campus standard for new shelters.

Bottom right: Post and chain fencing along Shortlidge Road. The fencing style is used along walkways throughout the campus.

twentieth century commercial buildings define the core of downtown in addition to some earlier buildings. Most iconic is The Corner, particularly when taken in context with the intersection of College Avenue and Allen Street and the Allen Street Gates. Most of the historic architectural integrity of downtown is between Fraser and Pugh Streets, with the heaviest concentration centered off Allen Street. There is also a high degree of integrity in the 100 block of South Allen consisting of mostly one and two story buildings; however, there is one five story building at the corner of South Allen and Calder Way. In addition, there are some iconic buildings between Pugh and McAllister Streets, most notably the Tavern. The apartment building at the corner of Pugh and Beaver is a great example of a classic Art Deco building. Churches throughout the downtown punctuate the skyline. It is important to maintain architecturally significant buildings as they lend a sense of history and place to downtown. These buildings are well designed with attention to detailing, massing, articulation and scale and they exhibit architectural principles that serve as a model for new construction.

Within the past 50 years, there has been a significant amount of construction resulting in multi-story student housing throughout downtown, but particularly in the eastern part of downtown. Many of these buildings are not attractive, with some exceptions, and have a negative impact on the overall image of downtown. Generally, land costs and ease of developing mediocre student housing results in poor architectural quality. For much of the existing student housing, the first floor is the problem with the retail/ground floor level being too short. Additionally, there is often not enough glass at street level, an inconsistent use of signage, undifferentiated facades and the buildings are often comprised of low quality materials. There is a strong need for design guidelines, however because of restrictive Pennsylvania legislation, there needs to be a creative incentive program to encourage developers and property owners to develop higher quality architecture.

Interestingly, however, visitors generally have a positive impression of downtown State College and do not seem to focus on the architecture. Much of this can be attributed

Downtown is characterized by a small core of attractive traditional commercial buildings (top left), a mix of appealing mid-century commercial buildings that have been retrofitted for other uses (middle left) and many less successful student housing complexes (bottom left).

Find your OWN state of mind

The existing brand image and tagline for downtown State College (above) are used on the downtown website, but are not part of a comprehensive marketing initiative. They also lack a dynamism that appropriately reflects the character and quality of downtown.

Examples of public art in downtown include the Pig Statue on Centennial Alley (top right) and the Heister Street mural (bottom right).

to the vibrancy and activity of street life, as well as the Borough's focus on maintaining a high degree of tree canopy which has a neutralizing effect on some of the less-appealing architecture.

Public Art

Public art has been utilized effectively throughout downtown in the form of sculpture and, in particular, murals. The mural on Heister Street is particularly effective as public art as it engages the viewer as it is constantly evolving based on community history. The murals along Calder Way—both obvious and subtle—are effective in activating this space and distinguishing it as a special place. A new sculpture is planned for the front of Schlow Library and will help define the important Allen Street corridor. As new streetscapes and development occur, continued focus should be provided on expanding the public art program.

There is a danger, however, of ending up with "plop-art" that is just put down to fulfill a requirement. It will be important that public art be located in the most appropriate areas where it will make the most impact. Additionally, it will be important for public art to be relevant to its location and site characteristics.

Downtown Brand/Image

Currently, downtown State College itself does not have a distinct brand image. Downtown Improvement District is using a very simple icon with a "D" over a "T" with "own" using a blue and green color scheme (image, above left) . The tagline "find your own state of mind" is used on the website, but is not used in a comprehensive marketing initiative.

It is imperative that both Downtown Improvement District as an organization and downtown State College the destination each have a brand that is compelling, interesting and cohesive. The community is dynamic and deserves a dynamic brand system.

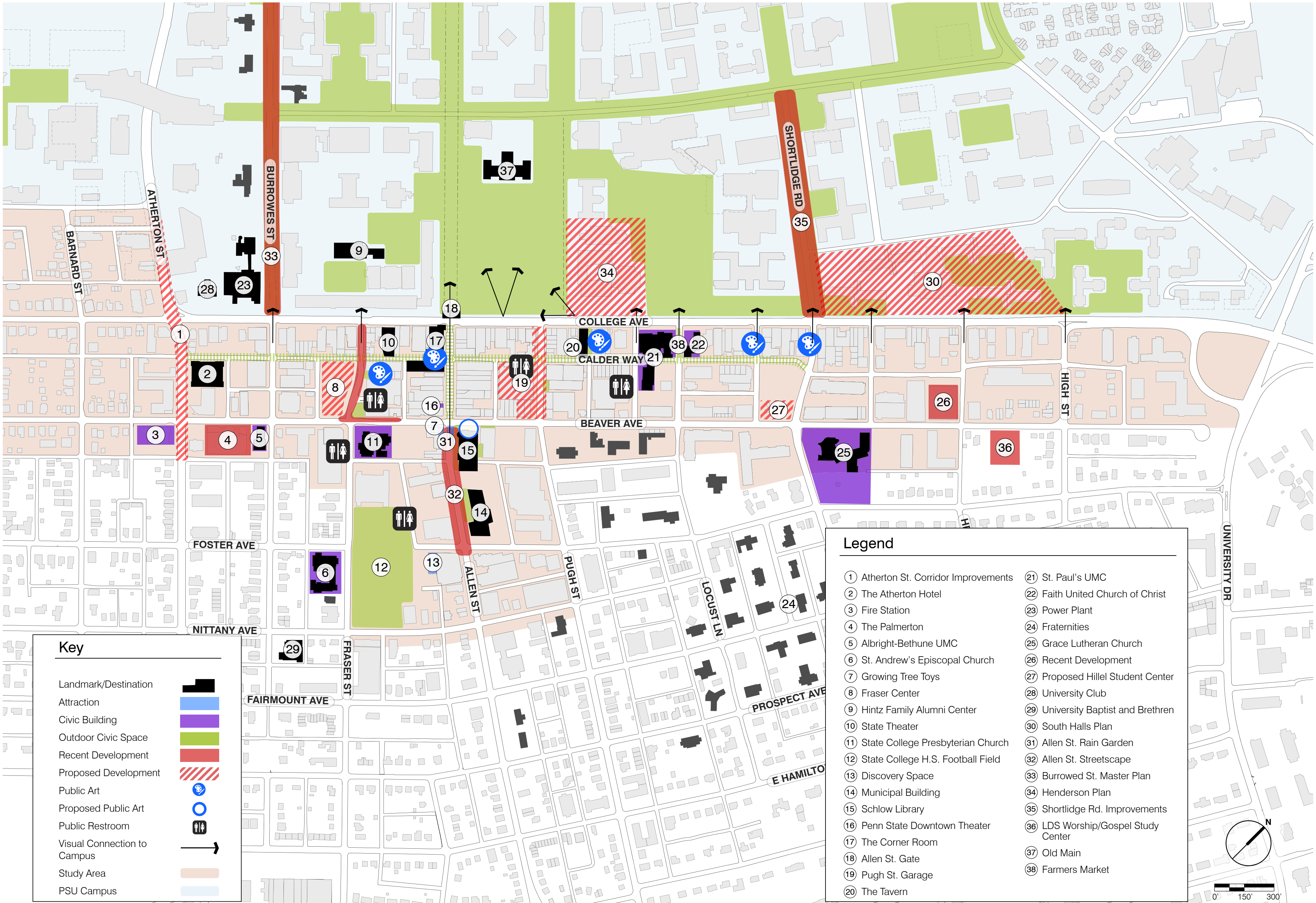


Exhibit 10: Landmarks, Significant Projects and Special Places

Significant Landmarks, Projects and Special Places:

Top right: View of Memorial Field.

Middle right: Nittany Mountain and surrounding mountains are visible from upper floors.

Bottom right: Old Main is an iconic landmark of the Penn State campus.

Significant Landmarks, Projects and Special Places

There are several landmark buildings, views, spaces and businesses that serve as focal points and sources of orientation for visitors of downtown. (Refer to *Exhibit 10: Landmarks, Significant Projects and Special Places*.) Some of these landmarks include the "The Corner," Schlow Library, Centennial Alley, Calder Way, the 100 Block of Allen Street, Old Main and its lawn, The Tavern and State Theater. Additionally, there have been many recent construction projects in downtown and on the Penn State campus. Some of these have been completed, while others are underway. They include building projects as well as streetscape projects. When coupled with landmarks, they start to comprise areas of importance downtown that could inform priorities for additional projects to tie everything together. For example, the Fraser Street streetscape, planned Pugh Street streetscape, Pugh Street garage redevelopment and importance of the 100 block of Allen Street starts to give better definition to the downtown core. Additional improvements to complete the core would have more impact than isolated improvements that offer no spin-off benefit.

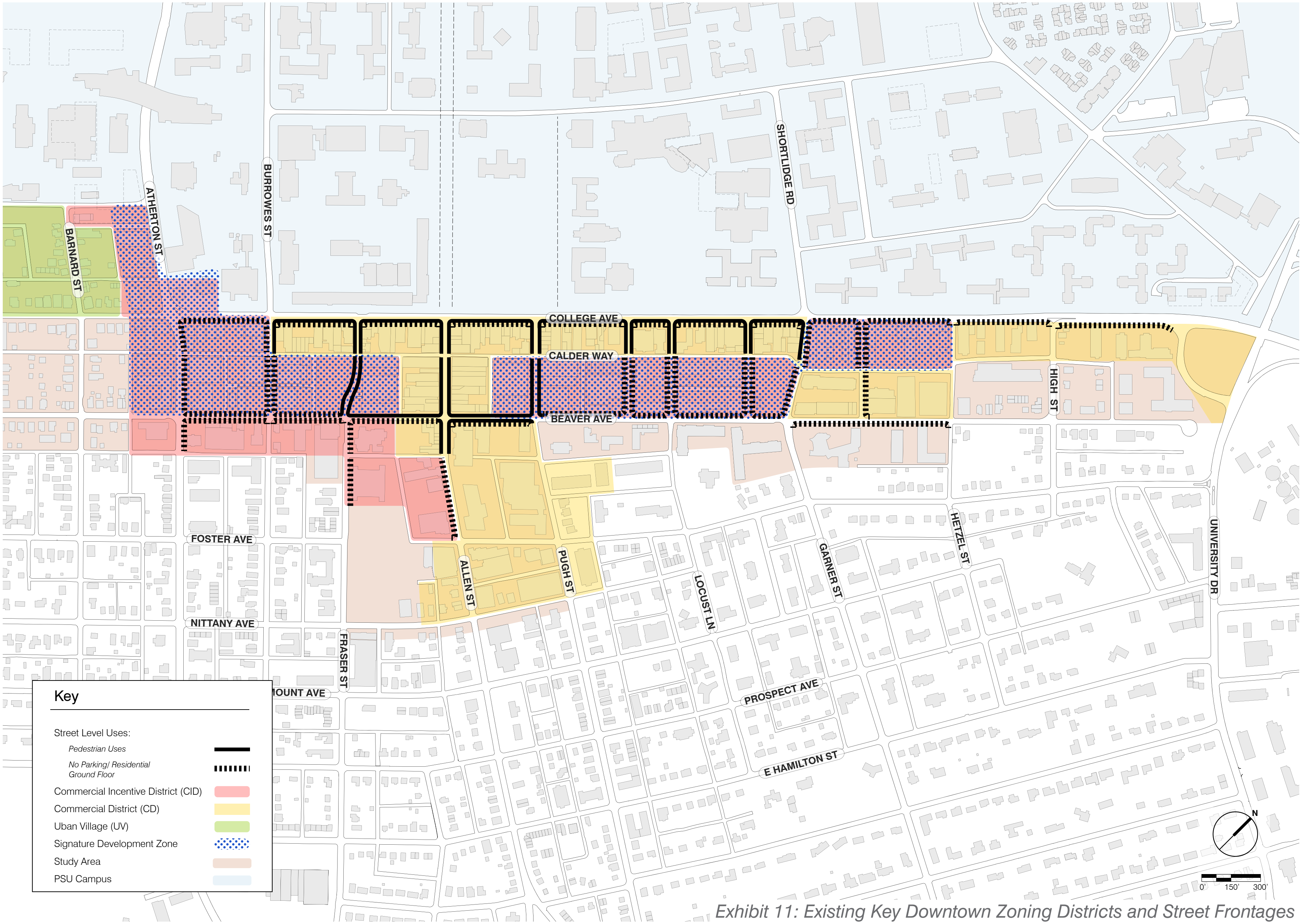


Exhibit 11: Existing Key Downtown Zoning Districts and Street Frontages

Development and Community Sustainability

Zoning Districts

The Commercial District (C District) and Commercial Incentive District (CID District) comprise the majority of downtown land and include a range of building heights and development densities, some associated with incentives. Portions of these districts include "Signature Development" zones which allow for greater development densities and heights provided additional criteria is met. Development in the West End is currently guided by the Urban Village District (UV District).

The C and CID Districts include streets that require frontages with active pedestrian uses or streets where residential and parking uses are not permitted on the ground floor adjacent to key frontages. The intention of this is to activate the ground floors of development along these streets. While the goal of this is good and appropriate along most of the streets, it may make redevelopment difficult for some parcels outside of the primary core and where block dimensions are tight (for example, the block defined by McAllister and Locust). It may be appropriate to consider emphasizing active uses at the corners but allow more flexibility mid-block for some of the north-south connecting streets between College and Beaver Avenues. This is discussed more in Chapter 3.

All of these zoning districts have been updated and amended, some multiple times, resulting in some inconsistencies amongst the districts. For example, building heights are described in some districts by way of maximum number of floors as well as maximum height in feet. In other districts, the heights are only described in feet, leaving open for interpretation how many floors can be achieved within that height limit (described in number of feet). Additionally, the ability to utilize the "Signature Development" provision is only accommodated in the CID District, however, it is described under the C District in the ordinance.

Similarly, some regulations within the zoning districts are not realistic. For example, in the Urban Village District, building gross square footage cannot exceed 3,000 SF (4,500 SF with bonus); however, a portion of the district allows for building heights of 65'. If the two criteria were applied to a building, the result would be a very tall building with a very small footprint.

Refer to *Exhibit 11: Existing Key Downtown Zoning Districts and Street Frontages,* previous page.

Building Heights

Allowable building heights vary throughout the downtown and typically range from 45' to 65' with the ability to go as high as 95' and 145' in some areas. Taller building heights are restricted to areas outside the immediate downtown core, preserving the historic scale of the core area along College Avenue and South Allen Street. As mentioned previously, building heights are described in terms of feet and, in some cases, also the number of floors; however, this is not consistent. This could be the reason many residential buildings have uncomfortably low first floors, because it allowed for an additional floor of development. Refer to *Exhibit 12: Existing Maximum Building Heights and Maximum Residential Densities* on following page.

Right: An example of an existing 7-story building in State College showing uncomfortably low first floor heights.

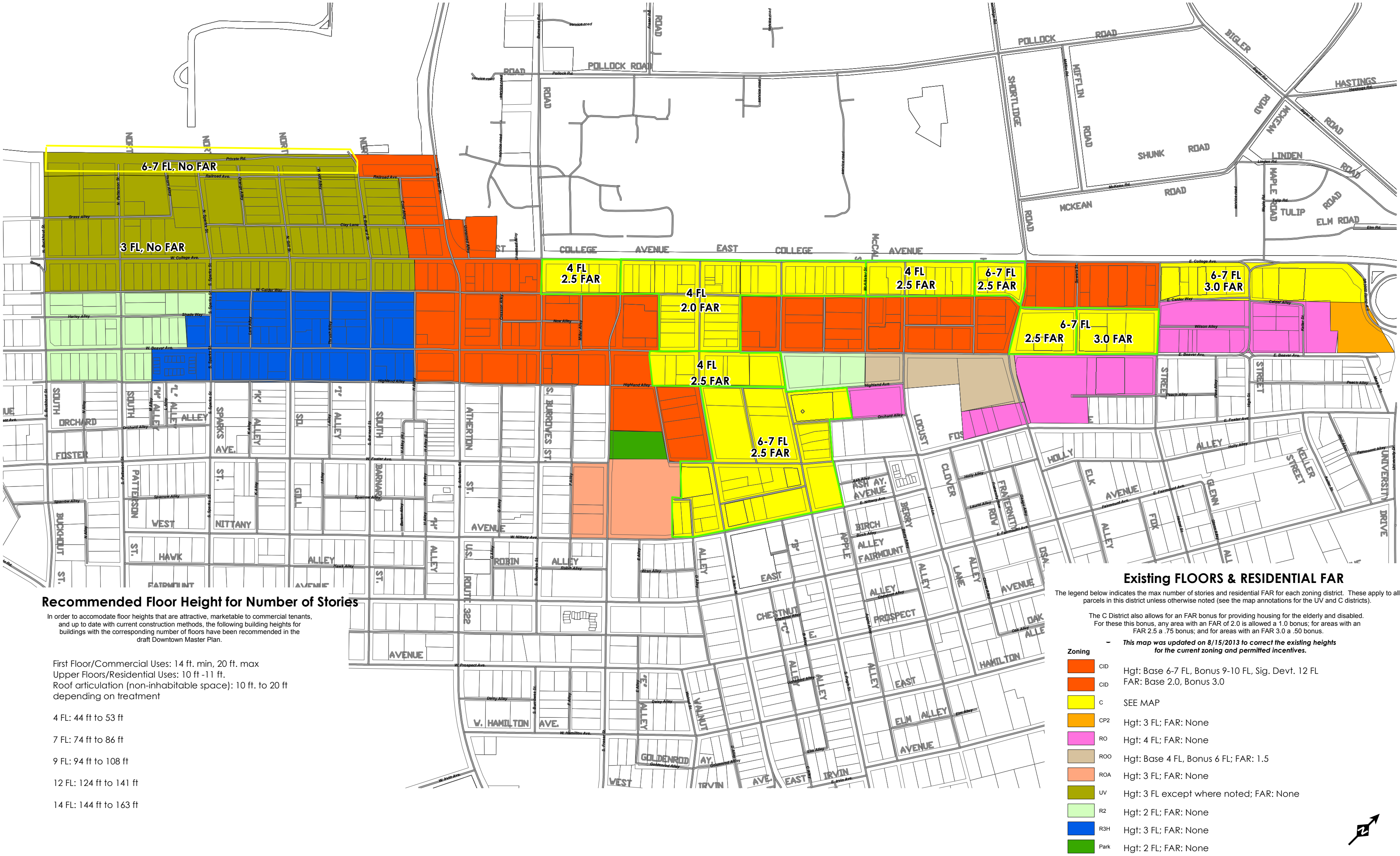


Exhibit 12: Existing Maximum Building Heights and Maximum Residential Densities

Development Densities
Development densities vary by district with total building FAR's going as high as 8.0 for Signature Developments. Residential FAR's are restricted, however, and can only go as high as 3.0 (in certain districts), inclusive of incentives. The description for Signature Developments appears to be the only place in the ordinance where overall site density is addressed. In other instances, the density limits are related to residential, which is an understandable outcome related to the intense development of student housing that State College has experienced over the years.

Because a significant amount of the most intensive development in downtown is also poorly designed, there are many negative perceptions to additional high density development. High density development is important, however, to maintain and enhance walkable environments and transit usage and to support downtown businesses. It is important to note, however, that any additional high density development be well-designed. Recommendations related to this are outlined later in this report in Chapter 3.

Refer to *Exhibit 12: Existing Maximum Building Heights and Maximum Residential Densities* (previous page).