



**PLAN
PETERS
2022**



**MARKET ANALYSIS
DECEMBER 2012**

TABLE OF CONTENTS

INTRODUCTION	4
EXISTING CONDITIONS	5
REGIONAL CONTEXT	5
EMPLOYMENT + INCOME	6
MARKET CONDITIONS	8
ANALYSES	12
CLUSTER ANALYSIS	12
DEMAND FORECASTING	18
HOUSING DEMAND	24
RETAIL DEMAND	25
ENTERTAINMENT DEMAND	28
OFFICE DEMAND	29
POTENTIAL OPPORTUNITIES	30
RESEARCH + DEVELOPMENT ASSESSMENT	30
FRACKING ASSESSMENT	31
SYNOPSIS	33
MARKET WEAKNESSES	34
MARKET STRENGTHS	35

INTRODUCTION

The following document is an analysis of marketable opportunities for Peters Township in Washington County, Pennsylvania. The sole purpose and intent of the analysis is to provide guidance for land use planning in the area.

The analysis indicates that there is ample opportunity to expand economic activity in Peters Township. However, pursuit of economic activity will in some cases require a proactive role by the jurisdiction.

The report is based on information gathered through a variety of means including those that follow.

- Face-to-face or in-person individual interviews with stakeholders.
- Small focus group sessions with stakeholder interests.
- A survey of more than 830 households of a total of roughly 7,300 households that reside in Peters Township.
- Review of secondary available data, such as that from the U.S. Census Bureau.
- Independent research.
- Proprietary computer modeling.
- Experience of The Chesapeake Group's principals involved with the effort.

All estimates of potential defined in the analyses are conservative in nature, tending to understate demand and activity. The estimates and suggested activity are based on conservative assumptions for the markets potentially served and represent only The Chesapeake Group's opinion based on the analyses and experiences of the organization. Throughout the document, specific names of organizations and businesses are mentioned. This neither reflects an endorsement by The Chesapeake Group, its contractor, or funders for the project; nor any expression of interest by the entities.

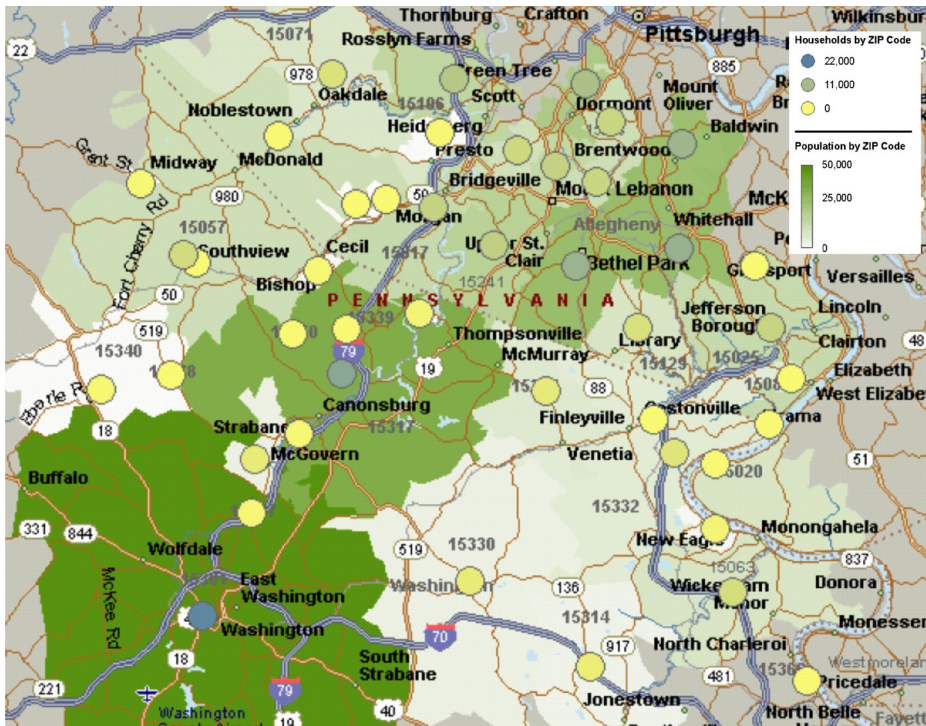
EXISTING CONDITIONS

REGIONAL CONTEXT

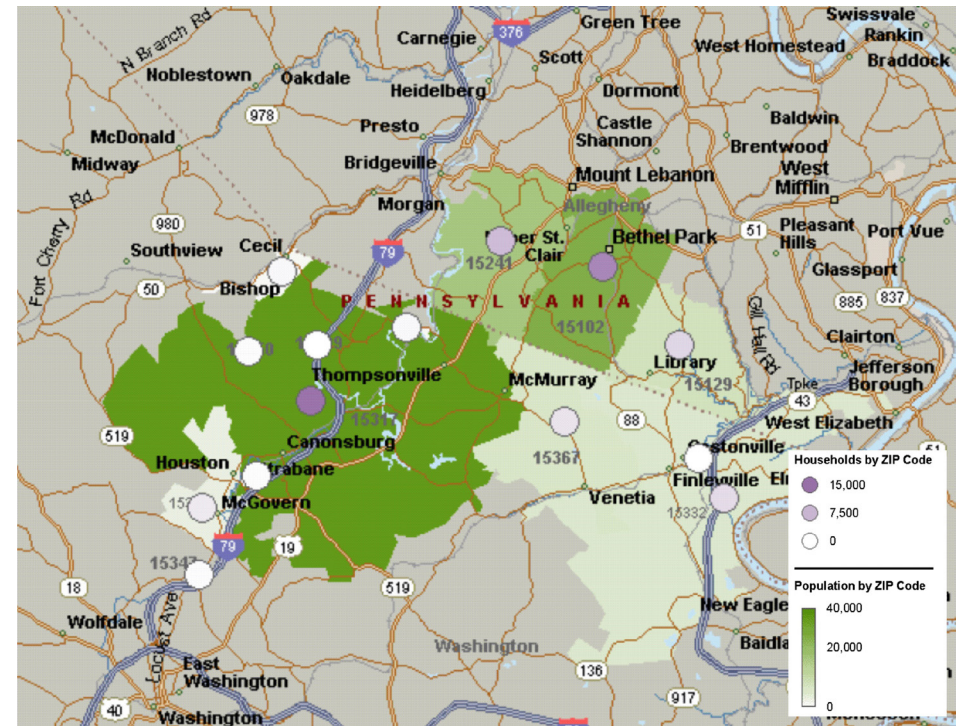
Peters Township is part of the greater Pittsburgh region. Its location in Washington County but near neighboring Allegheny County is an asset, providing reasonable access to employment areas, larger population centers, such as Downtown Pittsburgh, active growing mineral extraction areas, or the emerging Southpointe.

However, that location also impacts opportunities for some economic activity. In fact, in simply addressing the population and related households residing within Washington County, greater numbers of households and population are situated to the west of Peters Township, closer to Interstate-79. This is a key factor in assessing opportunities because residential population is the primary driver for most commercial development.

By defining patterns in a larger area expanding beyond Washington County borders to a 10-mile radius from Peters Township, but excluding the City of Pittsburgh; it is apparent that Peters is generally on the fringe or eastern edges of urban development, with greater population and households to its west and east than immediately around the Township as can be seen in the graphics.



HOUSEHOLDS BY ZIP CODE - REGION

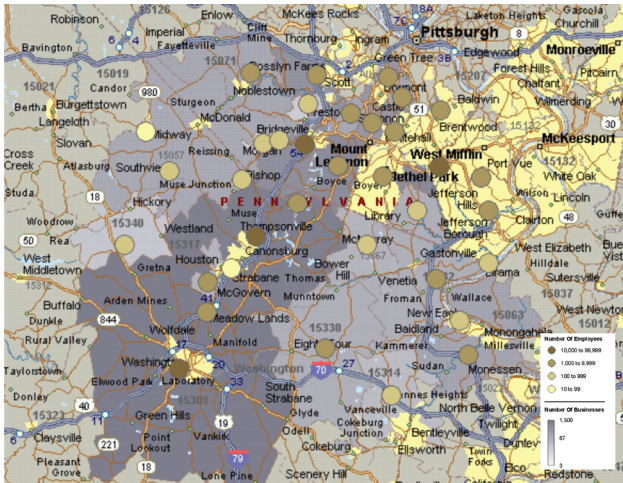


HOUSEHOLDS BY ZIP CODE - ADJACENT COMMUNITIES

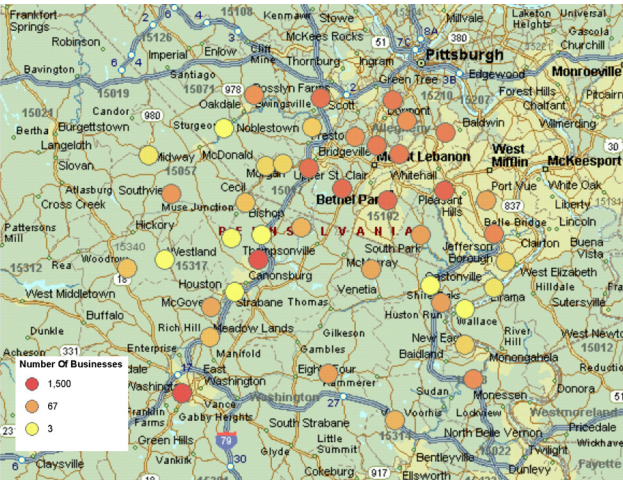
EXISTING CONDITIONS

EMPLOYMENT + INCOME

NUMBER OF EMPLOYEES



NUMBER OF BUSINESSES



Once again, and excluding the City of Pittsburgh, employment and businesses follow the identical pattern in the 10-mile area, with the overwhelming numbers and concentrations situated to the west or east of the Township.

There are several other reasons for the pattern than simply the population although many operations are directly linked to the residential population, including retail, entertainment, and personal and professional services. The other reasons include interstate access, topography coupled with climate impacting the ease of development, and history.

Peters Township, according to the 2010 Census, had a population just in excess of 21,200, residing in about 7,300 households. The preponderance (96.5%) of housing units, estimated in 2010 at 7,559, were owner occupied. Vacancy rates were relatively low in 2010, at less than 4%. (It is noted that some level of vacancies in any community is considered normal because of household movement, illness and other factors.)

The labor force consisted of about 9,600 people over the age of 16, with the majority being employed in health care and education; professional, scientific and management endeavors; finance, insurance and real estate; or retail activity.

Both the Census and other sources indicate a high annual average household income of between \$90,000 and \$125,000. It is noted that experience indicates that government defined income figure estimates are traditionally well below the actual average income for a variety of reasons. One of these is that the government uses “median” averages versus “mean” averages, with the latter providing a better actual picture of purchasing power.

Since at least 2000, Peters Township has continued to grow. Even during the peak years of the recent “Great Recession,” the number of housing units and related households grew. In general, from 2000 to 2011, the number of new housing unit permits issued per year averaged well over 100.

**	2000	2001	2001	2002	2002	2003	2004	2004	2005	2005	2006	2007	2008	2009	2010	2011
Item	Buildings & Units	Buildings	Units	Buildings	Units	Buildings & Units	Buildings	Units	Buildings	Units	Buildings & Units	Buildings & Units	Buildings & Units	Buildings & Units	Buildings & Units	Buildings & Units
Single Family	282	139	139	156	156	170	182	182	206	206	137	104	82	63	77	85
Two Family	0	0	0	0	0	0	2	4	1	2	0	0	0	0	0	0
3 & 4 Family	0	2	8	2	6	0	0	0	0	0	0	0	0	0	0	0
5 or + Family	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	282	141	147	158	162	170	184	186	207	208	137	104	82	63	77	85

Source: US Census Bureau 2010

EXISTING CONDITIONS

EMPLOYMENT + INCOME

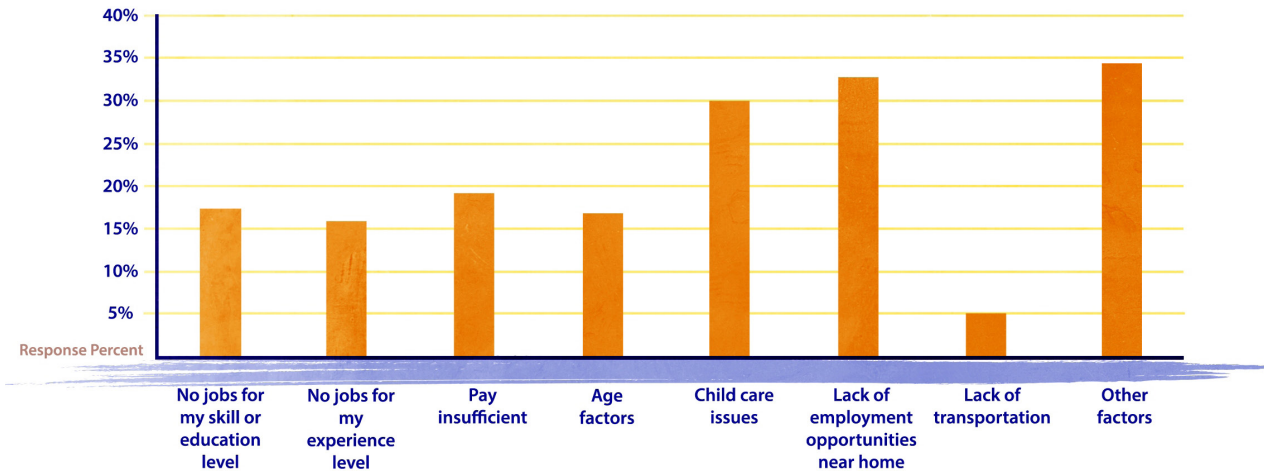
As previously noted, as part of the planning process, a survey of residents of Peters was performed. The survey results are based on more than 830 households responding online. It is noted that all survey methodology have inherent biases, including the 2010 Census Bureau survey.

The following are indicators of household economic potential as well as stress within Peters Township at the current time.

- Inevitably the potential for goods and services is dependent upon the ability to purchase goods and services. Therefore, income is a critical factor. The average (mean) annual household income of respondents was in excess of \$200,000. Almost seven in ten households have annual incomes over \$100,000, with the majority having incomes in excess of \$150,000.

Yet, there are a significant number of households with someone “under-employed,” defined as someone employed part-time that would like to be employed full-time or unemployed. In other words, household potential income is greater than current income if under-employment is diminished. While there are many reasons for the conditions, the two primary reasons are related to child care and a lack of employment opportunities near home.

WHICH OF THE FOLLOWING WOULD YOU SAY ARE THE PRIMARY FACTORS FOR NOT HAVING THE TYPE OF WORK WANTED?



HOUSEHOLD INCOME

Income Range	Percent
Less than \$10,000	0.80%
\$10,000 to \$14,999	0.20%
\$15,000 to \$19,999	0.20%
\$20,000 to \$29,999	0.60%
\$30,000 to \$49,999	4.40%
\$50,000 to \$74,999	9.00%
\$75,000 to \$99,999	12.70%
\$100,000 to \$149,999	28.10%
\$150,000 or more	44.00%

UNDER-EMPLOYMENT IN HOUSEHOLDS

Under-employed in Household	Percent
No	82.40%
Yes, 1 person	16.00%
Yes 2 or more people	1.60%

PRIMARY FACTORS FOR EMPLOYMENT CIRCUMSTANCES

Factors in Under-employment	Percent
No jobs for my skill or education level available	16.50%
No jobs for my experience level	15.70%
Pay insufficient	18.80%
Age factors	16.20%
Child care issues	29.60%
Lack of employment opportunities near home	33.00%
Lack of transportation	4.90%
Other factors	34.20%

*Developed by The Chesapeake Group, Inc., 2012.

EXISTING CONDITIONS

IDENTIFIED BUSINESS SPACES IN PETERS TOWNSHIP ASSOCIATED WITH VARIOUS NAICS

Sector/Category	Number	%
Unknown	4	
Agriculture, Forestry, Fishing & Hunting	2	
Utilities	2	
Construction	12	2%
Manufacturing	11	2%
Wholesale Trade	7	1%
Retail	124	21%
Car dealers	5	
Auto parts	3	
Furniture	8	
Grocery	7	
Pharmacy	4	
Gas station	8	
Transportation & Warehousing	10	2%
Information	2	
Finance & Insurance	50	8%
Banks, S&L, Credit Unions	15	
Securities, Investment advise	7	
Financial Services	11	
Insurance	15	
Real Estate, Rental	16	3%
Professional, Scientific, Tech. Services	54	9%
Attorneys	11	
Accountants	7	
Tax Preparation	3	
Engineering	3	
Architects, Drafting	3	
Surveyors	2	
Design Services	6	
Veterinary	3	
Educational Services	16	3%
Health Care/Social Assistance	137	23%
Physicians	29	
Mental Health Specialists	5	
Dental	31	
Chiropractor	9	
Medical Laboratories	4	
Individual Family Services	8	
Day Care Services	11	
Arts, Entertainment, Recreation	15	2%
Food Service/Accommodation	47	8%
Restaurants	44	
Other Services	70	12%
Auto Repair	9	
Beauty Shops	18	
Nail Salons	4	
Cleaners, Laundry	7	
Funeral Directors, Cemetery	6	
Organizations, Churches, Non-profits	24	4%

MARKET CONDITIONS

The Peters Township Volunteer Fire Department furnished a list of “businesses” or business spaces in the community. According to their records, there are 689 entries, with twelve duplicates, for a net total of 677. In addition, 65 of the businesses were not identified by name; and it cannot be determined for certain if they still exist or the type of operation. 1.3% or nine of the total were identified as vacant. While the total vacancy rate for spaces from the provided list ranges from the 1.3% to a potential high of 10.9%; windshield reconnaissance indicates that the rate is likely relatively low, or well below the upper figure. Thus, there are about 600 identifiable operations in Peters at this time, with the overwhelming majority concentrated along Route 19 corridor.

Most often it is assumed that a commercial corridor or area is composed largely of retail operations. In fact, in various interviews conducted for this planning process, a number of people said “Peters has no office space.” Clearly, this is not the case in Peters. When coupling retail operations with those associated with food services; the majority of spaces/units (not necessarily space) are occupied by uses that are considered services and offices.

*Developed by The Chesapeake Group, Inc., 2012.



EXISTING CONDITIONS

MARKET CONDITIONS

In addition to the empirical information, further existing perceptions were defined through the noted interview process and the survey of residents that impact the future of Peters and the planning process. It is important to note that perceptions are reality to those that hold them, irrespective of whether or not they are supported by facts. They are opinions and are validated when numbers of individuals express similar perceptions.

The following are the salient market-related perceptions identified through the numerous interviews.

- General consensus is that the two driving market forces that attract people to Peters Township to live are the schools coupled with the relatively low taxes when compared to neighboring Allegheny County communities. While the two are somewhat linked; the schools are what drives the real estate market.
- Should the school system slip significantly, Peters Township and the market for housing in the Township would be impacted. Enrollment in the system has been relatively flat for a while.
- The majority of those moving to Peters come from outside of the region. They do their homework in advance and check out the competitiveness of the schools before deciding to look at or move to Peters.
- The housing market continues to be healthy. They “never took part in the party; therefore, they have no hangover.”
- Another important market force is the proximity and ease of access into Pittsburgh.
- On the other hand, Peters Township’s market share is likely to have and will continue to decline with changes in demographics. At least 50% of those who seriously consider Peters because of the schools also want a “sense of community.” The “walkability” factor is perceived as being a disadvantage at this time.
- In addition, there may be internal factors that will influence the future. The limited range of housing does not allow someone who has lived in the community, wants to stay in the community, but needs or desires a different type of unit to stay in Peters. Their only options are to stay in a unit that may be too large and may have maintenance factors that are no longer desired or move elsewhere. That move is often to a smaller unit and an area that is perceived to be more like Mt. Lebanon if not that particular community.
- In addition to the above, the children of those who were raised in the community are unlikely to be able to move back to the community because of the high price of housing. So if they want to they cannot “come home.”

EXISTING CONDITIONS

MARKET CONDITIONS

- When less expensive housing comes on the market, the units are snatched off the market/purchased very quickly.
- There are perceived significant traffic problems impacting the community; East McMurray is mentioned most often. Some of the problem is related to parents driving their offspring to school instead of them taking the provided bus. Some is simply related to growth over the past 20 years.
- There seems to be no identified logic for the required setback of 50' for lots. The topography often limits back yard use with such large setbacks.
- Route 19 is “healthy” at this time. Some would like to see an enhanced character. Donaldson Crossing is seen as being the “town center” of Peters, not the designated town center on the map.
- A number of people important to the development process feel that there is demand for office space in Peters, not at the same scale as neighboring Southpointe. Currently, there are a reasonable number of former residential units on a number of the collector streets that have been converted to offices. The driving force for new office activity in recent years is perceived to be the medical community.

Perceptions were also generated through the conducted survey. The following are highlighted elements that could impact either land use or policy decisions.

- One-half of the residents feel that the housing options offered in Peters Township are “very good” to “excellent.”
- On the other hand, one-half feel the local employment opportunities are either “fair” or “poor.”

HOUSING OPTIONS

Housing Options	1 Poor	2 Fair	3 Good	4 Very Good	5 Excellent
	2.20%	12.93%	33.70%	33.70%	17.47%

LOCAL EMPLOYMENT OPTIONS

Local Employment Opportunities	1 Poor	2 Fair	3 Good	4 Very Good	5 Excellent
	15.24%	38.03%	32.76%	10.54%	3.42%

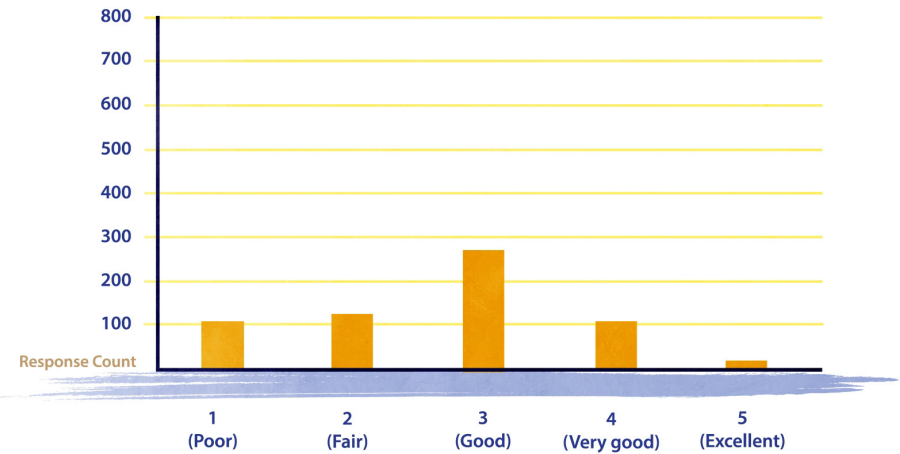
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EXISTING CONDITIONS

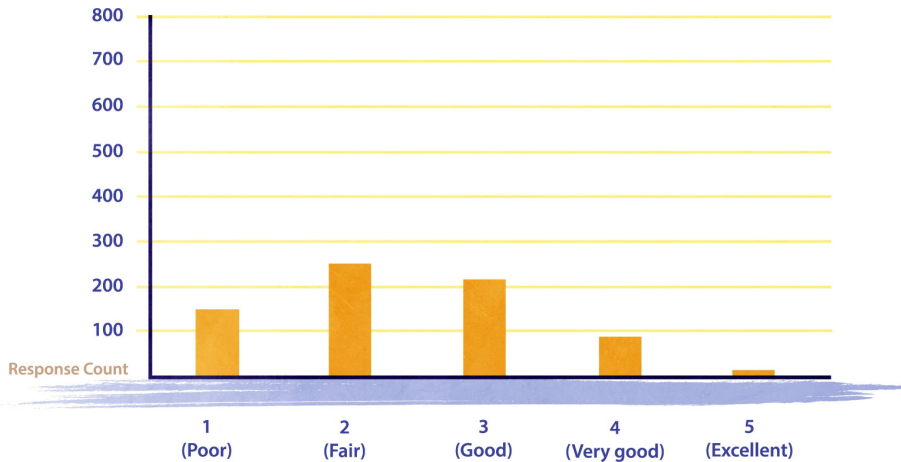
MARKET CONDITIONS

- About seven in ten feel the shopping options available in Peters Township are either “good” or “fair.”
- Roughly the same share of residents feel that the shopping experience in Peters is either “fair” or “good.”
- Most describe the current town center as being “fair” or “poor.”
- While there is a reasonable divergence of opinion on some of the other noted issues, this is not so much the case for the overall quality of life in the community. In fact, more than nine in ten rank the overall quality of life as being at least “good,” with about three-fourths of the residents ranking it as either “very good” or “excellent.”

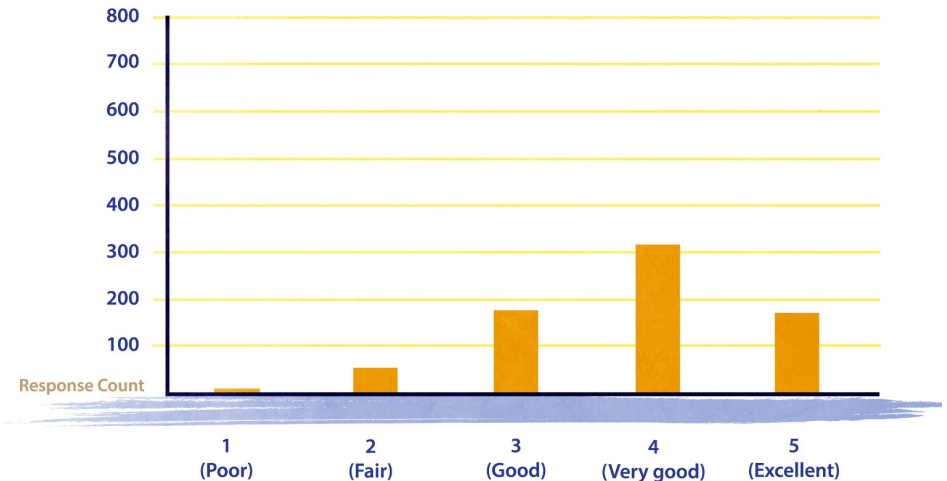
ON A SCALE OF 1 TO 5, PLEASE RATE THE SHOPPING PETERS TOWNSHIP



ON A SCALE OF 1 TO 5, PLEASE RATE THE TOWN CENTER IN PETERS TOWNSHIP



ON A SCALE OF 1 TO 5, PLEASE RATE THE QUALITY OF LIFE IN PETERS TOWNSHIP



ANALYSES

CLUSTER ANALYSIS

Multiple analyses, including cluster analyses, demand forecasting and a research opportunities assessment, were performed in an effort to define future land use opportunities within the context of the current conditions as described, surrounding activity and the ability to draw patronage from both Peters and a larger area. To determine additional potential uses without bias, the property must be placed within (a) the context of the larger geographic area or market, and (b) the local population. The overall purpose is to define opportunities and niches that are un-met, under-served, etc. or could potentially be successful in the near future in Peters Township.

The first group of analyses was cluster analyses utilizing gap or comparative assessment methodology. The composite of the analyses assists with defining potential business activity and clusters based purely on the existing situation and not future changes in conditions, growth, or other factors. The analyses are complex involving individual analyses of each primary zip code and Washington County. Common gaps within each zip code and Washington County were identified through the modeling process. Zip code areas and counties are used because of available common information throughout the United States.

The analyses involved identifying the business structures in each primary zip code (15317-Canonsburg and 15367-Venetia) and Washington County and comparing each to at least seven other zip code areas and counties that are similar in character to each of the primary zip codes and Washington County. In determining counties and zip codes for which each zip code could be compared, the following criteria were used.

- The population had to be similar to that found within the Peters Township area zip code or Washington County.
- The number of households had to be similar to that found within the Peters Township area zip code or Washington County.
- The selected areas all have median household incomes that are comparable to the Peters Township zip code or Washington County reported incomes.
- The selected areas are located inland.
- Transportation and interstate highway access had to be similar.

Consideration was also given to climate conditions.

ANALYSES

CLUSTER ANALYSIS

It is noted that all population and household estimates upon which the comparisons are made were derived from the same source for comparability. That source is the U.S. Census Bureau. For consistency purposes, a single source - the U.S. Census Bureau's County Business Patterns - was employed to define the business structure and activity within all areas.

The North American Industry Classification System (NAICS) was introduced in 1997 as a more effective business classification system that identifies and groups establishments according to the activities in which they are primarily engaged. NAICS identifies and groups 1,170 different types of "industries" or establishments into twenty major industry sectors ranging from Agriculture (Sector 11) to Public Administration (Sector 92). This analysis examined and extracted data for all twenty sectors for all areas. These twenty sectors are:

- Agriculture, Forestry, Fishing and Hunting (Sector 11): Crop and animal production, forestry and logging, fishing, hunting, trapping, support activities for agriculture and forestry.
- Mining (Sector 21): oil and gas extraction, mining, support activities for mining.
- Utilities (Sector 22): power generation, transmission, and distribution, water, sewage, and other systems.
- Construction (Sector 23): building, developing, general contracting, heavy construction, special trade contractors.
- Manufacturing (Sector 31-33): food, beverage and tobacco product, textile and textile product mills, apparel, leather and allied products, wood product, paper, printing and related support activities, petroleum and coal products, chemicals, plastics and rubber products, nonmetallic mineral products, primary metals, fabricated metal products, machinery, computer and electronic products, electronic equipment, appliances, and components, transportation equipment, furniture and related products.
- Wholesale Trade (Sector 42): durable and nondurable goods.

ANALYSES

CLUSTER ANALYSIS

- Retail Trade (Sector 44-45): Motor vehicle and parts, furniture and home furnishings, electronics and appliances, building material and garden equipment and supplies, grocery and beverage, health and personal care, gasoline stations, clothing and accessories, sports, hobby, books and music, general merchandise and miscellaneous store retailers.
- Transportation and Warehousing (Sector 48-49): air, rail, water, and truck transportation, transit and ground passenger transportation, pipeline transportation, scenic and sightseeing transportation, support activities for transportation, postal service, couriers and messengers, warehousing and storage.
- Information (Sector 51): Publishing, motion picture and sound recording and exhibition, broadcasting and telecommunications, information services and data processing.
- Finance and Insurance (Sector 52): Monetary authorities, credit intermediation, securities, commodities, insurance, funds, trusts, and other financial vehicles.
- Real Estate, Rental and Leasing (Sector 53): Real estate, rental centers and leasing services.
- Professional, Scientific and Technical Services (Sector 54): Lawyers, accountants, engineers, computer services, veterinary services, etc.
- Management of Companies and Enterprises (Sector 55): Management, holding companies, corporate and regional offices.
- Administrative and Support, Waste Management and Remediation Services (Sector 56): Administrative and facilities support services, employment and business support services, travel arrangements, investigative and security systems and other business services.
- Educational Services (Sector 61): Public sector schools, business, technical, trade schools and instruction.
- Health Care and Social Assistance (Sector 62): Ambulatory health care services, hospitals, nursing and residential care facilities and social assistance.
- Arts, Entertainment, and Recreation (Sector 71): Performing arts, spectator sports, museums, historical sites, amusement, gambling and recreation industries.
- Accommodation and Food Services (Sector 72): Accommodations, food service and drinking places.
- Other Services (Sector 81): Repair and maintenance, personal and laundry services, and religious, grant making, civic and professional organizations.
- Public Administration (Sector 92): executive, legislative, and other general government support, justice, public order, and safety activities, administration of human resource programs, administration of environmental quality programs, administration of housing programs, urban planning, and community development, administration of economic programs, space research and technology, national security and international affairs.

ANALYSES

CLUSTER ANALYSIS

Business structure comparisons were then made for Washington County and each zip code. Under-represented “industries” or business categories were then identified for each of the zip codes and the county individually and then collectively. Under-represented industries or types of businesses are those where at least five of the seven comparable counties or seven of the nine comparable zip codes had more of the type of businesses than the Peters Township area zip code or Washington County. Thus, each represents a “gap” and potentially an opportunity within the larger area or Peters.

Washington County’s economic structure was compared to the economic structure in other counties that are extremely similar in terms of the noted factors. The following counties met the criteria and are those for which the comparison was made.

- Kanawha Co., WV
- Benton Co., AR
- Champaign Co., IL
- Jefferson Co., MO
- Sangamon Co., IL
- York Co., SC
- Broome Co., NY

Under-represented, which can also be considered gaps, are those where at least five of the seven comparable counties have a greater number of operations in the category than Washington County. There are more than 100 such types of operations although all are not necessarily appropriate for Peters Township. Highlighted are retail and related services typically found in suburban shopping centers, town centers, or along commercial corridors.

UNDER-REPRESENTED OPERATIONS IN WASHINGTON COUNTY

NAICS	Type of Operation
441120	Used car dealers
441310	Automotive parts and accessories stores
442110	Furniture stores
443111	Household appliance stores
443112	Radio, television, and other electronics stores
443120	Computer and software stores
444110	Home centers
445120	Convenience stores
445230	Fruit and vegetable markets
446191	Food (health) supplement stores
447110	Gasoline stations with convenience stores
448110	Men's clothing stores
448120	Women's clothing stores
451120	Hobby, toy, and game stores
451140	Musical instrument and supplies stores
451211	Book stores
452112	Discount department stores
452910	Warehouse clubs and supercenters
453310	Used merchandise stores
453991	Tobacco stores
722110	Full-service restaurants
722211	Limited-service restaurants
722212	Cafeterias, grill buffets, and buffets

**Developed by The Chesapeake Group, Inc., 2012.*

ANALYSES

CLUSTER ANALYSIS

UNDER-REPRESENTED OPERATIONS IN ZIP CODE AREA 15317-CANONSBURG

NAICS	Type of Operation
311811	Retail bakeries
443111	Household appliance stores
443120	Computer and software stores
448120	Women's clothing stores
448150	Clothing accessories stores
448210	Shoe stores
451140	Musical instrument and supplies stores
451211	Book stores
722110	Full-service restaurants
722410	Drinking places (alcoholic beverages)
811111	General automotive repair
811113	Automotive transmission repair
811121	Automotive body, paint, and interior repair and maintenance
811122	Automotive glass replacement shops

**Developed by The Chesapeake Group, Inc., 2012.*

In addition to Washington County, there are two primary zip code areas associated with Peters Township. One is 15317 (Canonsburg). Using identical criteria as already noted, this zip code was compared to nine other “like” zip codes. Those zip codes as identified below.

- 11358, Flushing, NY
- 17402, York, PA
- 21701, Frederick, MD
- 40299, Louisville, KY
- 44070, North Olmsted, OH
- 46383, Valparaiso, IN
- 53186, Waukesha, WI
- 60090, Wheeling, IL
- 63119, Saint Louis, MO

Under-represented businesses are those where seven or more of the nine have a greater number of operations than the zip code. A total of 61 are identified. Again, retail and related services typically found in suburban shopping centers, town centers, or along commercial corridors are shown. The gaps are not necessarily appropriate for Peters Township.

ANALYSES

CLUSTER ANALYSIS

The third analysis is performed for zip code area 15367 (Venetia), which was compared to nine other similar zip codes as defined below.

- 11752, Islip Terrace, NY
- 14032, Clarence Center, NY
- 20181, Nokesville, VA
- 48356, Highland, MI
- 54942, Greenville, WI
- 60042, Island Lake, IL
- 93510, Acton, CA
- 98606, Brush Prairie, WA

The types of operations in the top table are under-represented businesses for zip code area 15367. Once again, retail and related services typically found in suburban shopping centers, town centers, or along commercial corridors are shown; and the identified gaps are not necessarily appropriate for Peters Township.

The types of operations in the bottom table are under-represented at both the county and zip code level. As previously noted, the retail and related service entities typically found in suburban shopping centers, town centers, or along commercial corridors are shown.

UNDER-REPRESENTED OPERATIONS IN ZIP CODE AREA 15367–VENETIA

NAICS	Type of Operation
445310	Beer, wine, and liquor stores
446110	Pharmacies and drug stores
447110	Gasoline stations with convenience stores
722110	Full-service restaurants
722211	Limited-service restaurants
722213	Snack and nonalcoholic beverage bars
811111	General automotive repair
811121	Automotive body, paint, and interior repair and maintenance
812112	Beauty salons

**Developed by The Chesapeake Group, Inc., 2012.*

UNDER-REPRESENTED OPERATIONS AT BOTH THE COUNTY AND ZIP CODE LEVEL

NAICS	Type of Operation
722110	Full-service restaurants

**Developed by The Chesapeake Group, Inc., 2012.*

ANALYSES

DEMAND FORECASTING

The second methodology employed to define opportunities is demand forecasting. The potential for all goods and services is based on the ability of the market to purchase those goods and services. To facilitate data that can be used to project demand for goods and services in computer modeling, a survey of residents was conducted. The focus of the survey was on current spending and activity patterns otherwise not available from other sources. The current spending is used to forecast future spending, with growth in revenues or sales and related supportable space derived from growth in the market. Theoretically, none of the growth in revenues or sales indicated is extracted from any existing operation. The following is also noted.

- All survey methodologies, including those employed by the U. S. Census Bureau, have inherent biases. Online surveys have a tendency to be biased toward higher income households.
- Grocery shopping is used as a surrogate for convenience shopping in general; while apparel shopping is used for non-convenience shopping.
- Food is generally purchased for home consumption from supermarkets or box operations containing food space.
- People also purchase food from food service establishments. There is a relationship between the type of food service establishment and the typical price of the meal.
- There are certain forms of entertainment and recreation which are often associated with food consumption.
- Regardless of income, most households spend the majority of the income on three basic commodities. These are food, housing or shelter and transportation.

ANALYSES

DEMAND FORECASTING

The following are highlights of the survey of more than 800 residents.

As noted, food is generally purchased unprepared for home consumption or prepared for consumption at a food service establishment, home, or elsewhere. Most often such purchases are made at modern supermarkets; “warehouse” operations, such as COSTCO; or at “big box” operations with food components, such as WalMart.

- About one-third of the households generally spend more than \$150 each week on groceries and related household merchandise. More than 75% spend at least \$100 generally on such items.
- The majority (62%) of households has one or more members that eat lunch outside the home at least once per week. An additional 20% eat lunch outside of the home or work about twice per month.
- About one-half of the residents eat lunch at full-service establishments when eating out. About one-fourth most frequently go to fast food operations.
- The majority (59%) of households has one or more members that eat dinner outside the home at least once per week. An additional 24% eat dinner outside of the home or work about twice per month.
- About nine out of every ten residents eat dinner at full-service establishment when eating outside the home or other’s homes.

WEEKLY SPENDING ON GROCERIES AND RELATED HOUSEHOLD ITEMS

Amount Spent	Percent
Less than \$35	0.50%
\$35 to \$44.99	1.10%
\$45 to \$59.99	2.20%
\$60 to \$74.99	6.80%
\$75 to \$99.99	11.40%
\$100 to \$124.99	24.10%
\$125 to \$149.99	20.40%
\$150 or more	33.40%

FREQUENCY OF EATING LUNCH OUTSIDE OF THE HOME OR WORK SITE

Frequency	Percent
A few times/week	32.90%
About once/week	29.60%
About twice/month	20.20%
Once/ month	6.80%
4 to 9 times/year	7.10%
Once or twice/year	3.50%

FREQUENCY OF EATING LUNCH OUTSIDE OF THE HOME OR WORK SITE

Type of Establishment	Percent
Full-service restaurant	45.80%
Fast food operation	26.70%
All you can eat buffet	1.60%
Sub shop	14.50%
Other	11.40%

FREQUENCY OF EATING DINNER OUTSIDE OF THE HOME

Frequency	Percent
A few times/week	20.70%
About once/week	38.30%
About twice/month	24.30%
Once/ month	8.20%
4 to 9 times/year	6.10%
A few times/year	2.10%
Less often than a few times/year	0.30%

PREFERRED DINNING OPTION WHEN EATING OUT

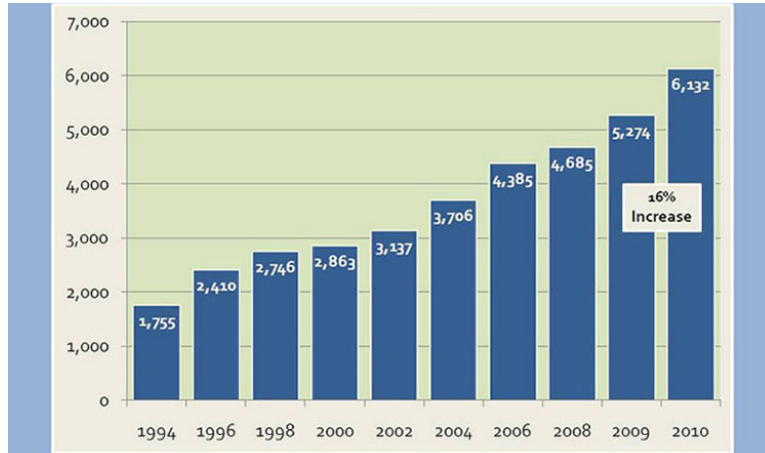
Type of Establishment	Percent
Full-service restaurant	88.60%
Fast food operation	4.50%
All you can eat buffet	1.70%
Sub shop	1.20%
Other	4.10%

*Developed by The Chesapeake Group, Inc., 2012.

ANALYSES

DEMAND FORECASTING

NUMBER OF OPERATING FARMERS MARKETS



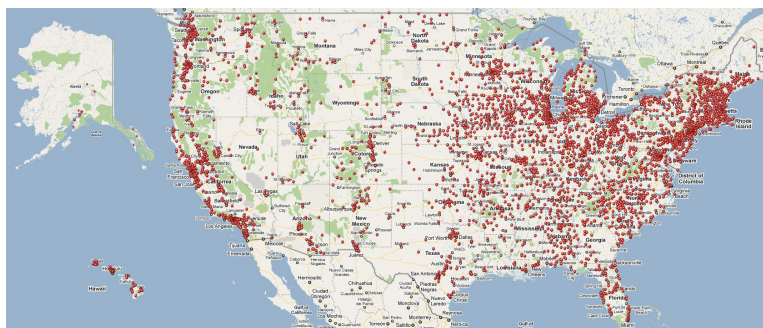
Source: USDA-AMS - Marketing Services Division

Direct marketing is a growth sector for agriculture and the food industry and can be significant benefit to creating activity in downtowns, town centers and other sections of a community. The USDA began publishing the National Directory of Farmers Markets in 1994, which list farmers' markets known to operate in the country. Because of their growing numbers and importance in delivery of fresh products to the consumer; USDA does a comprehensive update each year since 2008. The USDA identified over 6,200 farmers' market sites/locations as of 2011. The following graph shows the number of markets by year. The trend is obvious in the graphic.

According to USDA, a conservatively estimated 5 million people per week shopped at farmers' markets in 2009. The number continues to rise with their popularity spurred by consumers' growing demand for locally produced food.

There have been numerous studies of various farmers' markets around the country. The following are salient information from some of those studies related to sales volumes.

MAP OF OPERATING FARMERS MARKETS



Source: USDA-AMS - Marketing Services Division

AVERAGE SALES PER VENDOR BY REGION

Monthly Sales Per Vendor	U.S. (All)	Far West	Rocky Mountain	SW	North Central	SE	Mid-Atlantic	NE
Mean	\$1,070	\$1,075	\$607	\$781	\$571	\$927	\$2,187	\$1,612
Median	\$468	\$694	\$447	\$245	\$268	\$300	\$875	\$594
Customers/week	959	1,964	699	731	856	680	974	655
Monthly sales per vendor (seasonal markets)								
Mean	\$1,021	\$1,127	\$620	\$684	\$535	\$520	\$2,284	\$1,671
Median	\$450	\$691	\$447	\$175	\$257	\$280	\$875	\$594
Customers/week	601	1,379	694	348	608	367	474	352

Source: USDA-AMS - Marketing Services Division

ANALYSES

DEMAND FORECASTING

While more than two-thirds of markets operate in temporary facilities, the trend is toward permanent full year operating facilities with both indoor and outdoor components.

- The Peters Township survey indicates that many residents buy fresh items at other than supermarkets and box stores when available. More than four in ten households make such purchases at non-traditional food vendors at least twice per month.
- Fresh produce and fruit in season are the two items purchased from non-traditional operations by majority of the residents. On the other hand, significant numbers also purchase breads, other baked goods, and meats from such non-traditional operations.

As previously identified, there are three commodities upon which households typically spend the majority of their resources. Housing is the second of the three upon which information was generated. With respect to housing:

- The overwhelming majority own the housing units in which they live.
- About two in ten have lived in their current unit for more than twenty years. About one-third have lived in their current unit between ten and twenty years. Those living in their units for more than ten years most likely have equity in the units.
- About two in ten households do not have monthly rent or mortgage payments, most often correlating to tenure. About three of every ten households have rent or mortgage payments of at least \$1,500 per month. More than one-half of all households have monthly mortgage or rent payments of at least \$1,000.
- The average (mean) monthly rent or mortgage payment for Peters' residents is estimated at \$1,312. Excluding those without a monthly payment, the average is estimated to be \$1,676.

FREQUENCY OF PURCHASES FROM NON-TRADITIONAL FOOD VENDORS

Frequency	Percent
A few times/week	7.00%
About once/week	18.20%
About twice/month	18.20%
Once/ month	13.30%
4 to 9 times/year	17.80%
Once or twice/year	17.10%
Less often than once/year	8.40%

TYPE OF PRODUCT PURCHASED FROM NON-TRADITIONAL FOOD VENDORS

Product Purchased	Percent
Fresh produce in season	80.60%
Fresh fruit in season	71.60%
Fresh or smoked fish	9.20%
Breads	36.30%
Other baked goods	36.00%
Meats	24.40%
Other	10.60%

MONTHLY MORTGAGE OR RENT PAYMENTS

Monthly Rent	Percent
None	21.70%
Less than \$400/month	0.30%
\$400 to \$599/month	1.60%
\$600 to \$799/month	4.70%
\$800 to \$999/month	5.00%
\$1,000 to \$1,249/month	12.50%
\$1,250 to \$1,499/month	11.40%
\$1,500 to \$1,749/month	11.70%
\$1,750 to \$1,999/month	6.30%
\$2,000 to \$2,499/month	12.80%
\$2,500 or more/month	12.10%

**Developed by The Chesapeake Group, Inc., 2012.*

ANALYSES

DEMAND FORECASTING

HOUSEHOLDS LIKELY TO MOVE FOR WHATEVER REASONS IN NEXT FIVE YEARS

Likely to Move	Percent
Yes	17.50%
No	60.30%
Maybe	22.10%

LIKELIHOOD OF SUCH A MOVE BEING OUTSIDE OF PETERS TOWNSHIP

Outside of Peters	Percent
Yes	39.30%
No	31.80%
Uncertain	28.80%

SIZE OF NEW UNIT COMPARED TO EXISTING UNIT

Size of Unit	Percent
Larger	16.80%
Smaller	41.50%
Same	31.40%
Uncertain	10.40%

FREQUENCY TO MOVIE THEATERS

Frequency	Percent
A few times/week	0.30%
About once/week	1.20%
About twice/month	4.70%
Once/ month	10.30%
4 to 9 times/year	28.40%
Once or twice/year	34.10%
Less often than once/year	21.10%

**Developed by The Chesapeake Group, Inc., 2012.*

Impacting demand for future housing in Peters is potential out-migration or the desire or chance of changing units by current residents.

- Between 17% and 40% of all residents believe that they will move from their current housing unit to a different unit in the next five years.
- Of those likely to move, about four in ten believe the move will likely be outside of Peters Township. Almost another one-third is uncertain as to whether such a move will be outside of the Township.
- There can be many reasons for the need or desire to move and certainly some will seek a different climate when a move is made; however, the size of the housing unit is a significant factor. Importantly, about four in ten of those that may or are likely to move in the next five years will seek smaller units than that in which they currently reside. (From a planning perspective, this information raises the issue of whether or not there is the capacity within the Township to hold its existing residents that want to stay but want smaller units based on the current housing stock.)

In addition to primary spending, information was generated on other activities that consume income and also potentially impact the creation of permanent or temporary “entertainment” options in communities. The following provides a synopsis of the highlighted “entertainment” and other related activities.

- About 16% of the households has at least one member that frequents movies in theaters at least once per month. Trips to the movies most often are generally associated with food spending outside of the home before, after, or during the trip.

ANALYSES

DEMAND FORECASTING

- About one-half of the households have at least one member who attends professional sporting events a minimum of four times a year.
- About one in ten households have at least one member that attends arts and craft shows at least four times per year.
- About two in ten households have at least one member that attends collectibles shows at least four times per year.
- Of all forms of recreation, walking and running is the activity in which the participation rates are highest. Over 95% of the residents participate in this activity with some regularity; and 80% do so at least a few times per month. (The high participation rate indicates that Peters may want to consider increasing opportunities for the activity within its borders.)

WALKING OR RUNNING PARTICIPATION

No Interest/never	A few times/month	About once/month	6 to 9 times/year	Once or twice/year	Less often than once/year
3.12%	80.74%	5.81%	7.51%	2.55%	0.28%

**Developed by The Chesapeake Group, Inc., 2012.*

Whether for retail spending or spending on a variety of other activities, such as sports or various hobbies and related show residents of Peters Township export their incomes to surrounding areas or other locations.

- Most of the lunch and dinner trips are regularly made outside of the Township.
- All forms of entertainment dollars leak from the community as well.
- Yet the greatest and growing impact is from online purchases. About one-half of the residents make purchases online or from catalogs at a minimum of twice per month. About one-fourth make such purchases at least once per week. It is noted that such purchases do not often go to competitive local areas.

ATTENDANCE AT PROFESSIONAL SPORTING EVENTS

Frequency	Percent
A few times/week	0.70%
About once/week	2.50%
About twice/month	8.80%
Once/ month	6.90%
4 to 9 times/year	29.50%
Once or twice/year	32.80%
Less often than once/year	18.80%

ARTS AND CRAFTS SHOW ATTENDANCE

Frequency	Percent
About once/week or more often	0.30%
About twice/month	0.40%
Once/ month	1.60%
4 to 9 times/year	9.60%
Once or twice/year	34.50%
Less often than once/year	53.60%

ATTENDANCE AT ALL TYPES OF COLLECTIBLES SHOWS

Frequency	Percent
About once/week or more often	0.30%
About twice/month	0.80%
Once/ month	0.90%
4 to 9 times/year	2.90%
Once or twice/year	14.10%
Less often than once/year	81.00%

FREQUENCY OF DINNER AND LUNCH IN OTHER AREAS THAN PETERS TOWNSHIP

Frequency	Percent
A few times/week	15.90%
About once/week	22.90%
About twice/month	23.70%
Once/ month	15.30%
4 to 9 times/year	13.60%
Once or twice/year	7.20%
Less often than once/year	1.30%

ENTERTAINMENT TRIPS TO AREAS OUTSIDE OF PETERS TOWNSHIP

Frequency	Percent
A few times/week	2.70%
About once/week	7.20%
About twice/month	16.30%
Once/ month	17.80%
4 to 9 times/year	34.60%
Once or twice/year	17.00%
Less often than once/year	4.30%

FREQUENCY OF ONLINE AND CATALOG PURCHASES

Frequency	Percent
A few times/week	6.40%
About once/week	17.90%
About twice/month	24.80%
Once/ month	18.40%
4 to 9 times/year	19.10%
Once or twice/year	9.40%
Less often than once/year	4.00%

**Developed by The Chesapeake Group, Inc., 2012.*

ANALYSES

HOUSING DEMAND

To a large extent and with the exclusion of transient/visitor accommodations (which are not significant in Peters) and employment activity, business operations need to generate a sustainable revenue flow from the indigenous population base. Support for Peters Township area goods and services and related businesses is generated by essentially one general market cluster. That market consists of those residing within the Township and those within five miles of Peters Township. As in any area and is obvious by such businesses as the auto dealerships, inevitably there are people who travel beyond this distance to purchase goods and services within Peters just as there are those who generally go outside of Peters for goods and services.

This market has been divided into two components for planning purposes. The first, defined as the primary market, is associated with residents within the Township. The second, defined as the secondary market, is associated with those living beyond the Township but within roughly five miles.

The focus of the demand forecasts are on current revenue generation from the local population and new growth in the Township. As previously identified, sales or revenues and related space associated with new growth does not come at the expense of existing operations, assuming existing entities are competitive with any new space or activity. The revenues and sales do not exist at present. Therefore, they are not extracted from existing operations.

Based on the historic growth rate in Peters Township, estimates of future housing units and related households were developed. Two scenarios are provided. Both are considered conservative in nature, more likely to underestimate than overestimate the future. The first assumes that over the next ten years roughly 100 new units will be added per year in the Township. The second is based on an average of about 150 units per year.

There are many factors that will impact annual growth in housing units. These include:

Changes to local regulations and zoning | Fluctuations in Interest rates | Fluctuations in the availability of loan funds from traditional sources | Emergence of new economic sectors or entities that stimulate in-migration into the region | Issues and challenges faced by other jurisdictions that could cause fluctuations in Peters' housing patterns

These factors are less likely to impact average growth over a ten more year time frame than for any individual year or shorter time frame.

Both scenarios are derived from the historic trends. However, to achieve the higher end estimate, about one-third of all new units would be: smaller single-family units on smaller lots; some form of townhouse, semi-detached, or like units; or units clustered either vertically or horizontally in complexes consisting of three or more units. Many of the added units would be expected to be some form of condominium ownership. Importantly, the quality of the units would be expected to match the quality of existing units, but would have a lower average sale price due to the size differential of the building and land.

HOUSEHOLD/HOUSING UNIT ESTIMATES FOR PETERS TOWNSHIP

HH growth scenario	Households
2012 low	7377
2012 high	7377
2017 low	7877
2017 high	8127
2022 low	8377
2022 high	8877
2032 low	9377
2032 high	10377

**Developed by The Chesapeake Group, Inc., 2012.*

ANALYSES

RETAIL DEMAND

No matter the success of any region, jurisdiction, commercial center, or any other facility where consumers spend dollars; none will be able to capture all the dollars of market-area residents. As examples, people employed elsewhere often spend resources at or near their places of employment. At other times, people make visits and spend money with relatives and friends living in other locations or while on vacations. The rapidly increasing exportation of dollars today is from “online” or catalog activity.

It is also noted that:

- All estimates are in 2012 dollars.
- There have been some substantial changes nationally in consumer spending in the past three years that are anticipated to remain relatively constant over the next few years, if not longer. They include a significant shift away from discretionary spending that impacts what is often termed “shopper goods” categories of retail associated with general merchandise, furniture, apparel and many miscellaneous operations.

Aggregate retail sales figures represent a compilation of sales associated with ten major categories and the types of operations within those categories. The ten major categories of retail goods and related services follow.

- Food, such as groceries and related merchandise generally purchased for home preparation or consumption.
- Eating and drinking, consisting of prepared food and beverages generally consumed on the premises or carried to another location.
- General merchandise, including variety stores, department stores, and large value oriented retail operators.
- Furniture and accessories, including appliances and home furnishings.
- Transportation and utilities, including the sale of new and used automotive and other personal vehicles and parts and basic utilities for the home.
- Drugstores, including those specializing in health and beauty aids or pharmaceuticals.
- Apparel and accessories.
- Hardware and building materials, including traditional hardware stores and garden and home improvement centers.
- Auto services, including gasoline and vehicle repair.
- Miscellaneous, including a plethora of retail goods and services ranging from florists to paper goods.

PETERS TOWNSHIP POPULATION SUPPORTABLE RETAIL SPACE ESTIMATES BY SUB-CATEGORY (LOW END)

RETAIL DEMAND

Sub-category	2012 Sales	Sales Change 2012-2017	Sales Change 2017-2022	Sq. Ft. 2012	Change Sq. Ft. 2012-2017	Change Sq. Ft. 2017-2022
Food	\$53,964,000	\$3,658,000	\$5,683,000	100,781	6,832	10,614
Eat/Drink	113,662,000	7,704,000	11,971,000	284,155	19,260	29,928
General Merchandise	109,106,000	7,395,000	11,491,000	355,894	24,123	37,483
Furniture	35,662,000	2,417,000	3,756,000	109,845	7,445	11,570
Transportation	122,146,000	8,279,000	12,864,000	355,429	24,091	37,433
Drugstore	59,855,000	4,057,000	6,304,000	119,710	8,114	12,608
Apparel	52,236,000	3,540,000	5,501,000	162,542	11,014	17,118
Hardware	95,124,000	6,447,000	10,018,000	404,370	27,405	42,587
Vehicle Service	73,287,000	4,967,000	7,718,000	178,416	12,092	18,790
Miscellaneous	70,460,000	4,776,000	7,421,000	272,138	18,447	28,664
TOTAL	\$785,502,000	\$53,240,000	\$82,727,000	2,343,280	158,823	246,795

*Developed by The Chesapeake Group, Inc., 2012.

PETERS TOWNSHIP POPULATION SUPPORTABLE RETAIL SPACE ESTIMATES BY SUB-CATEGORY (HIGH END)

Category	2012 Sales	Sales Change 2012-2017	Sales Change 2017-2022	Sq. Ft. 2012	Change Sq. Ft. 2012-2017	Change Sq. Ft. 2017-2022
Food	\$53,964,000	\$5,486,000	\$8,941,000	100,781	10,245	16,698
Eat/Drink	113,662,000	11,556,000	18,831,000	284,155	28,890	47,078
General Merchandise	109,106,000	11,093,000	18,076,000	355,894	36,184	58,964
Furniture	35,662,000	3,626,000	5,908,000	109,845	11,169	18,198
Transportation	122,146,000	12,418,000	20,237,000	355,429	36,135	58,886
Drugstore	59,855,000	6,085,000	9,917,000	119,710	12,170	19,834
Apparel	52,236,000	5,311,000	8,654,000	162,542	16,527	26,928
Hardware	95,124,000	9,671,000	15,760,000	404,370	41,111	66,995
Vehicle Service	73,287,000	7,451,000	12,142,000	178,416	18,139	29,559
Miscellaneous	70,460,000	7,163,000	11,673,000	272,138	27,666	45,083
TOTAL	\$785,502,000	\$79,860,000	\$130,139,000	2,343,280	238,236	388,223

*Developed by The Chesapeake Group, Inc., 2012.

With the higher housing growth, retail goods and related services demand will grow at a sufficient rate to support more than an additional 600,000 square feet of space by 2022. The accompanying table contains the breakdown of the new supportable space by type of operation based on the “high end” growth assumption of an average of about 150 households associated with 150 housing units annually.

Many of today’s better known operations in fact fall into more than one category. For example, many of the “big box” general merchandisers, such as WalMart, have traditional supermarket components within their operations.

Sales productivity levels vary for each sub-category, type of business operation, or store-type. The productivity levels vary from low figures for bowling centers to hundreds of dollars for others. Supportable space is derived by dividing the amount of sales by the appropriate productivity level.

With the estimated growth in households, retail sales generated by residents of Peters Township are expected to grow from \$785.5 million in 2012, by more than \$53.2 million in 2017, and by an additional \$82.7 million in 2022. This growth in sales will yield an additional supportable space at any and all locations of 159,000 square feet by 2017, and 247,000 square feet by 2022. The information indicates:

- Substantial amounts of new space are related to vehicle purchases and services.
- Based on the growth in space and general trends in the size of operations, food service activity represents an opportunity as indicated also in the cluster analyses.
- Within ten years, there should be an added opportunity for a significant hardware/home improvement center.
- There is sufficient demand for the creation of a seasonal farmers’ market.

The category space is a compilation of sub-categories. The accompanying table contains the breakdown of the new supportable space by type of operation based on the “low end” growth assumption of an average of about 100 households associated with 100 housing units per year.

ANALYSES

RETAIL DEMAND

In summary, Peters Township residents will support between 406,000 and 626,000 square feet of additional space by 2022, or a total of between 2.75 million and 2.97 million square feet of space.

The surrounding area market, or the area within the five-mile radius beyond Peters Township, has a substantially larger purchasing power than the residents within Peters. Once again, this is a result of the concentration of the population within that area west of Peters. By comparison, this area's population supports about 3.8 million square feet of space compared to 2.3 million square feet by Peters Township residents.

It is important to recognize that in driving to, from and within Route 19, which contains the bulk of the area's commercial activity, one cannot well discern the jurisdiction in which any or all commercial is in fact situated. It does not matter to the average consumer in which jurisdiction the shopping is done.

SECONDARY 5-MILE RADIUS AREA MARKET ESTIMATES OF RETAIL SALES AND SPACE FOR 2012 BY SUB-CATEGORY

Sub-category	2012 Sales	2012 Sq. Ft.
Food	\$87,855,000	164,075
Supermarkets	73,358,925	124,337
Independents	7,028,400	17,571
Bakeries	1,932,810	6,443
Dairies	1,142,115	3,173
Others	4,392,750	12,551
Eat/Drink	185,046,000	462,615
General Merchandise	177,629,000	579,410
Dept. Stores	62,880,666	209,602
Variety Stores	12,789,288	49,190
Jewelry	12,256,401	17,263
Sporting Goods/Toys	19,361,561	64,539
Discount Dept.	66,610,875	222,036
Antiques, etc.	888,145	3,862
Others	2,842,064	12,918
Furniture	58,059,000	178,833
Furniture	8,766,909	28,280
Home Furnishings	12,076,272	34,504
Store/Office Equip.	9,173,322	30,578
Music Instr./Suppl.	2,496,537	12,483
Radios,TV, etc.	25,545,960	72,988
Transportation	198,857,000	578,647
New/Used Vehicles	69,599,950	174,000
Tires, Batt., Prts.	87,695,937	292,320
Marine Sales/Rentals	10,539,421	28,485
Auto/Truck Rentals	31,021,692	83,842
Drugstore	97,446,000	194,892
Apparel	85,042,000	264,628
Men's and Boy's	11,140,502	27,851
Women's and Girl's	28,233,944	76,308
Infants	1,785,882	5,953

Sub-category	2012 Sales	2012 Sq. Ft.
Family	23,641,676	78,806
Shoes	17,773,778	64,632
Jeans/Leather	340,168	1,134
Tailors/Uniforms	1,530,756	7,654
Others	595,294	2,290
Hardware	154,866,000	658,331
Hardware	74,955,144	299,821
Lawn/Seed/Fertil.	2,942,454	8,654
Others	76,968,402	349,856
Vehicle Service	119,314,000	290,468
Gasoline	40,566,760	27,977
Garage, Repairs	78,747,240	262,491
Miscellaneous	114,711,000	443,050
Advert. Signs, etc.	1,835,376	6,674
Barber/Beauty shop	6,997,371	34,987
Book Stores	5,276,706	14,261
Bowling	2,638,353	26,384
Cig./Tobacco Dealer	802,977	1,606
Dent./Physician Lab	4,588,440	14,118
Florist/Nurseries	8,603,325	20,243
Laundry, Dry Clean	3,900,174	13,001
Optical Goods/Opt.	2,753,064	7,866
Photo Sup./Photog.	7,915,059	22,614
Printing	9,291,591	33,788
Paper/Paper Prod.	4,932,573	24,663
Gifts/Cards/Novel.	16,403,673	54,679
Newsstands	917,688	1,835
Video Rent/Sales	14,912,430	74,562
Others	22,942,200	91,769
TOTAL	\$1,278,825,000	3,814,949

*Developed by The Chesapeake Group, Inc., 2012.

ANALYSES

ENTERTAINMENT DEMAND

TOTAL MARKET ENTERTAINMENT SPENDING

Entertainment Spending	2012
Average Spending Per Household for Peters HH	\$11,500
Average Spending Per Household for Non-Peters HH	\$4,500
Total Entertainment Spending for Peters Township	\$84,836,000
Total Entertainment Spending for 5-Mile Radius	\$132,515,000
Total Entertainment Spending for Both Markets	\$217,351,000

**Developed by The Chesapeake Group, Inc., 2012.*

Spending on entertainment, increasingly coupled with the retail experience and retail trips, is also significant as indicated in the survey findings. Dollars are spent on trips to movie theaters, professional sports, collectible and other shows, and other activity. The following estimates are associated with entertainment.

- Because of the relatively high average household income, the average Peters Township household spends about \$11,500 annually on all forms of entertainment.
- The average surrounding area household spends about \$4,500 based on a lower average household income.
- Total spending on entertainment generated by Peters' residents alone is estimated at \$84.8 million.
- The surrounding area residents spend about \$133 million on entertainment.
- The combined area residents spend about \$217.4 million on entertainment.

Whether from residents of Peters Township or the surrounding area, little of the entertainment dollars are likely to be captured in Peters Township at present.

ANALYSES

OFFICE DEMAND

RANGE OF FUTURE MULTI-TENANT OFFICE SPACE ESTIMATES FOR PETERS TOWNSHIP

Scenario	Supportable Office Space
2012 low	1,368,943
2012 high	1,368,943
2017 low	1,461,728
2017 high	1,508,120
2022 low	1,554,512
2022 high	1,647,297
2032 low	1,740,082
2032 high	1,925,651

**Developed by The Chesapeake Group, Inc., 2012.*

There is also the potential for multi-tenant office development based on a review of R & D opportunities. In reaching this conclusion, the following was investigated:

- Greater area emerging economic activity.
- Current global, national and regional R & D activity associated with the emerging activity.
- Current natural resources associated with indigenous and invasive flora and fauna and the waterways.
- Current global, national and regional R & D activity associated with the indigenous and invasive flora and fauna and the waterways.

The growth in households anticipated for Peters also generates demand for increases in professional and other services and growth in employment needs. As previously defined, much of the occupants of spaces in the Township are classified as some form of professional, personal, or other services. A particular niche, based on the inventory, is in the medical arena. Demand for medical services is likely to continue to rise with changing demographics, particularly the aging of the population; changes in medical insurance; and other factors.

It is estimated that currently residents of Peters Township support about 1.4 million square feet of multi-tenant office space in any and all locations both within and outside of Peters. The amount of additional multi-tenant office space demand is expected to grow to a range of 1.46 million and 1.5 million square feet by 2017, based on the two housing growth scenarios. Further growth is anticipated, with demand reaching a level of between 1.55 million and 1.65 million square feet of space by 2022.

It is noted that the previous office space estimates do not include any single purposed uses, multi-tenant office space that would be derived or necessitated by the pursuit of Research and Development activity, or the attraction of a higher education institution to Peters Township.

POTENTIAL OPPORTUNITIES

RESEARCH + DEVELOPMENT ASSESSMENT

An analysis of R & D activity that could result in a new focus for activity and related non-residential related space in Peters was conducted. The assessment identified activity that would either use the area's natural resources, agricultural production, or be linked to internal or nearby linked external activity but would not harm the environment and would be non-exploitive of the resources. The analysis indicated a significant range of opportunities for which the following are considered to be the strongest opportunities. Each is linked to human medical, bio-medical, energy consumption or other emerging areas impacting the way we live and consume resources.

1. RENEWABLE CHEMICALS

The explosion in federal and state mandates and incentives for renewable energy in recent years has led to a greatly increased demand for cheap and plentiful biomass from a variety of plants and microorganisms. This increased demand for bio-energy has led to considerable interest in a number of non-native and potentially invasive species that are currently being cultivated or considered for use as bio-energy crops.

2. BIO-PLASTICS OR ORGANIC PLASTICS

Bio-plastics or organic plastics are fabricated from renewable biomass sources such as vegetable oil, corn starch, pea starch and are unlike fossil-fuel plastics derived from petroleum. Bio-plastics provide the twin advantages of conservation of fossil resources and reduction in CO2 emissions, which make them an important innovation of sustainable development. In addition, the use of algae opens up the possibility of utilizing carbon, neutralizing greenhouse gas emissions from factories or power plants.

3. DIATOMS

Diatoms are abundant in rivers, streams, and springs throughout the Appalachian Mountains. They inhabit clean and polluted waters, including those affected by acid mine drainage.

4. BIRDS

Birds live about 3 times as long as an average mammal of similar size. They exhibit this remarkable resistance to the degenerative processes of aging despite traits such as elevated body temperature, a rapid metabolic rate, and high blood glucose that might lead one to expect them to be especially short-lived. Studying birds may reveal novel mechanisms of resistance to senescence (the process of becoming old).

POTENTIAL OPPORTUNITIES

FRACKING ASSESSMENT

Other opportunities are directly related to fracking. There are an estimated 84 trillion cubic feet of gas to extract; and 800 wells have been drilled since 2005. Exploration is expected to generate 300,000 new jobs, \$6 billion in tax revenue, and \$25 billion in added value to the U. S. economy by 2020. This year (2012), BHP Billiton invested \$5 billion in Arkansas and Shell signed China's first shale gas production with U. S. technology. In May, 2012, the EPA stated that it will delay requiring green technology for completion of hydraulic fractured natural gas wells until 2015.

Fracking requires between 4,000 m³ and over 22,000 m³ (25,000 bbl to 140,000 bbl) of water per well and produces toxin-laced brine that can be more than six times as salty as the sea. Its growth has energized the water industry, inspiring new water treatment startup companies vying to treat the highly challenging flowback water.

The Frack Water Market is predicted to grow nine-fold to \$9 Billion in 2020, boosting new technologies. The following are research opportunities directly associated with the fracking. Fracking related opportunities follow.

1. WATER RECYCLING:

Many companies are jockeying to clean up the briny, metal-laden water that pours out of wells nationwide. This has prompted a scramble among recycling companies, pushing various technologies for removing contaminants from water before it is pumped into the ground at wells and cleaning it up after the jobs are done.

2. DESALINATING FRACKWATER:

The fracking wastewater has several times the salinity of seawater and contains known carcinogens. A Fracturing Responsibility and Awareness of Chemicals Act was proposed this year (2012) to repeal the extractive industry's exemption from the Safe Drinking Water Act.

3. UTICA/DEVONIAN SHALES:

Utica Shale is a rock unit located a few thousand feet below the Marcellus Shale and also has the potential to become an enormous natural gas resource. Utica Shale is thicker than the Marcellus; it is more geographically extensive; and it has already proven its ability to support commercial production. Its thickness is typically 200 to 400 feet at a depth of 4,000 to 10,000 feet, which is 2,000 to 6,000 feet beneath the Marcellus.

It is impossible to say how large the Utica Shale resource might be because it has not been thoroughly evaluated and little public information is available about its organic content, the thickness of organic-rich intervals, and how it will respond to horizontal drilling and hydraulic fracturing. However, the results of early testing indicate that the Utica Shale will be a very significant resource. Further research is necessary and may require modified, advanced, or totally different process.

POTENTIAL OPPORTUNITIES

FRACKING ASSESSMENT

4. POLYPROPYLENES

Propylene, also known as propene, is one of the major building blocks of the petrochemical industry. It is typically obtained either as a co-product of the refinery catalytic cracking process used to make gasoline (resultant product known as refinery grade propylene) or as a co-product of the steam cracking process used to make ethylene (known as chemical grade propylene).

Propylene is a key component of countless end use products, including, but not limited to: automobile headlights, taillights, disk brake pads and bumpers; carpets; CDs and optical disks; clear film food wrap; eyeglasses; flexible foams used in bedding and furniture; rigid foam insulation; impact-resistant and bullet-proof windows; molded plastic goods such as buckets, food containers, kitchen utensils and wastebaskets; nitrile rubber hoses, seals and gaskets; paints and protective coatings; grocery bags; synthetic fibers for blankets, sweaters, socks and fleeces; water cooler bottles; and wood products such as plywood, oriented strand board and laminates.

5. FUTURE METHODOLOGIES

In the future, fracking will make better use of seismic technology and computer-aided reservoir modeling to focus drilling on the parts of the shale formation which have the most production potential. Only those parts of the horizontal section that cross zones with significant potential will be fracked. Massive fracks will likely be replaced by smaller, more targeted ones.

By reducing the volume of materials used, smart fracking can reduce the impact on local communities from shale gas and oil development, which will become increasingly important if the industry is to win acceptance and expand into more sensitive areas outside traditional oil and gas producing heartlands.

Waterless Fracking:

Waterless fracking opportunities need to be addressed. The potential prize could disappear if to fracture dense rock formations take hold. Several companies are exploring low- or zero-water methods as alternatives. These include using propane to break up the underground rock. If water is removed from the process altogether, there's no fracking wastewater to treat.

Pursuit of R & D activity, either that identified or others in non-scientific endeavors, will require a partnership with higher education brought to the table, whether or not that institution is situated in Washington County, elsewhere in the Pittsburgh Region, or from elsewhere in the United States or North America. Thus, there could well be the opportunity to attract one or more components of one or more higher education institutions to Peters Township in the future.

POTENTIAL OPPORTUNITIES

SYNOPSIS

The following are the identified general opportunities associated with primary land uses in Peters Township.

- By 2017, the number of housing units in Peters is expected to be between 7,877 and 8,377 depending upon local policies. The number will increase to between 8,377 and 8,877 by 2022. The larger numbers are only achievable through the development of greater numbers of non-single-family, large lot units.
- Peters Township residents will support between 406,000 and 626,000 square feet of additional retail goods and related services space by 2022, or a total of between 2.75 million and 2.97 million square feet of space. The surrounding area market, or the area within the five-mile radius of Peters Township, supports about 3.8 million square feet of space.

Demand is sufficiently strong for potentially a seasonal, temporary farmer's market in the town center, increasing retail activity in that area. While demand is not sufficient to support a major entertainment complex or mass because of the competitive disadvantage associated with not being located at an interstate interchange; entertainment functions could be incorporated into food service establishments that become destinations. Demand from residents is sufficient to support additional food service establishment space both for the "town center" and Route 19.

- It is estimated that currently residents of Peters Township support about 1.4 million square feet of multi-tenant office space. Much of the current non-residential space users or tenants in the Township are associated with office-service activity. The amount of additional multi-tenant office space demand is expected to grow to a range of 1.46 million and 1.5 million square feet by 2017, reaching a level of between 1.55 million and 1.65 million sqft of space by 2022.
- While requiring a concerted effort to achieve; there is also the potential for multi-tenant office development based on review of R & D opportunities.
- Greater area emerging economic activity.
 1. Current global, national and regional R & D activity associated with the emerging activity and invasive flora and fauna and the waterways
 2. Current natural resources associated with indigenous and invasive flora and fauna and the waterways.
 3. Current global, national and regional R & D activity associated with the indigenous and invasive flora and fauna and the waterways.
- Areas of opportunity include:
 1. Renewable chemicals
 2. Bio-plastics or organic plastics
 3. Diatoms
 4. Birds
 5. Water recycling
 6. Desalinating fracking water
 7. Utica/Devonian shale
 8. Polypropylenes
 9. Future extraction methodologies
- Potential for a future branch of one or more higher education institutions if scientific or non-scientific research is pursued.

POTENTIAL OPPORTUNITIES

MARKET WEAKNESSES

- No direct access to the interstate system. This places Peters at a competitive disadvantage at developing or recruiting certain activity that requires higher traffic volume and the ability to draw from major population areas in other parts of the region, such as significant entertainment activity and related complex masses. The location without major employment activity is also not conducive to transient accommodations, such as hotels, motels, or others.
- The Township's primary market being relatively small, consisting of more than 7,300 households. Most current activity along Route 19, where most non-residential activity is concentrated, is dependent upon drawing populations from neighboring communities for economic viability at present and in the future.
- The population density or "rooftop" numbers being low compared to areas nearer the interstates to both the east and west of Peters Township. This limits the market population that would likely to be served by Peters. Those with greater population density and reasonable aggregate income are likely to represent greater viable options for commercial activity, particularly non-destination activity.
- Concerns among current residents for the quality of the "town center" and its activity level.
- Changes in technology and the increased expansion of sales via the internet resulting in growing challenges to the commercial sector. These could impact the viability of commercial space in the future.
- The school system enrollment not having grown significantly in recent years. The age and income demographics associated with the current population in Peters suggests that student yield from current households may continue to decline should current households remain in their respective units or if new households replacing those that may move have on average a lower number of children than the household that resided in such units in the past.
- The relative decline in the population likely to purchase and seek the primary type of housing in Peters based on the current housing stock. The decline in the proportion of population seeking large lot, single-family larger households has diminished and will continue to diminish with demographic changes in the greater Pittsburgh area and around the country. There is significant evidence nationally to indicate that the decline in relative market share associated with the current units is speeding up with lower fertility rates, lower marriage rates and other noted factors. This pattern is particularly discernable in more affluent and educated households. The lack of perceived "walkability" could grow in importance as a factor in the future.

POTENTIAL OPPORTUNITIES

MARKET STRENGTHS

- Location near Allegheny County, but not in that county.
- The relatively high income level of residents. This along with current age composition results in larger discretionary incomes than would result from households with lower income levels and different age demographics.
- Past and anticipated future growth in “rooftops” within the Township, enhancing demand for non-residential goods and services, related space and employment.
- The Township’s reputation for relatively low taxes and a quality school system driving the residential market in both the past and in recent years. The two will likely combine to drive the market in the future as well.
- The recognized high quality of life by current residents. The perceived quality of life bolsters the image of a community and increases its desirability as a place to live, raise families, and work.
- The proximity to new significant employment areas and related development, such as Southpointe, and growing industries, such as natural gas exploration. Peters is close enough to capture potential “spin-off” and far enough away to not be directly impacted by the majority of traffic or environmental factors.
- The current traditional linear strip development pattern along Route 19, where the bulk of non-residential activity is situated, providing many opportunities to expand commercial on existing sites through increased density or redevelopment coupled with possible changes to regulations, such as those associated with parking.
- The opportunity to capitalize and capture defined opportunities.