



## RETAIL MARKET STUDY

Mount Joy, Pennsylvania | 11.12.09

### General Observations

The Borough of Mount Joy's downtown is a working rural commercial center that provides many of the essential goods and services needed by its residents and employees. The downtown has an attractive historic character, with good vehicular access and a transit station allowing for easy access into the greater Philadelphia region. Mount Joy's retail trade area is well defined by surrounding agricultural uses.

The central business district is walkable and made up of a collection of small local-serving businesses. These businesses receive much of their trade from purpose-driven trips, rather than by casual cross-shopping. The shopping area is hampered by limited parking availability, poor pedestrian lighting, high vehicular speeds and noisy heavy truck traffic. Additionally,

the downtown lacks enough critical mass and retail anchors large enough to provide visitors with an extended shopping experience.

The downtown has numerous attractive retailers and restaurants including a noted historic brew pub, pharmacy, coffee shop, churches, home furnishings and gift shops. The Mount Joy Main Street program has successfully implemented a business incubator facility and organizes numerous popular community festivals. However, many downtown businesses reported flat or weak sales and faulted the lack of parking and the need for more retailers as primary contributing factors.

The greater Mount Joy region is experiencing a strong economy with considerable residential



*Mount Joy's downtown has numerous popular retailers and restaurants.*

growth, especially by empty nesters. These new residents, combined with the transit station, present an opportunity for additional retailers and residents. However, much of the new commercial growth is likely to occur east of the downtown, unless a coordinated planning, business recruitment and development program is implemented in the near future.

### Retail Market Study

This study finds that there is unmet demand for neighborhood retail development to meet today's existing consumer expenditure in the Downtown Mount Joy, Pennsylvania, study area. There is also the demand for retail development to meet the projected consumer expenditure driven by the population growth through 2014. Gibbs Planning Group, Inc. (GPG) predicts that the existing unmet demand, and that which is projected from household growth through 2014, will be enough to support a variety of restaurants and community serving retailers.

GPG concludes that statistically, 84,300 sf of new retail and restaurant development is likely to be supportable TODAY in Downtown Mount Joy. Please find below a summary of the statistically supportable retail in Downtown Mount Joy:

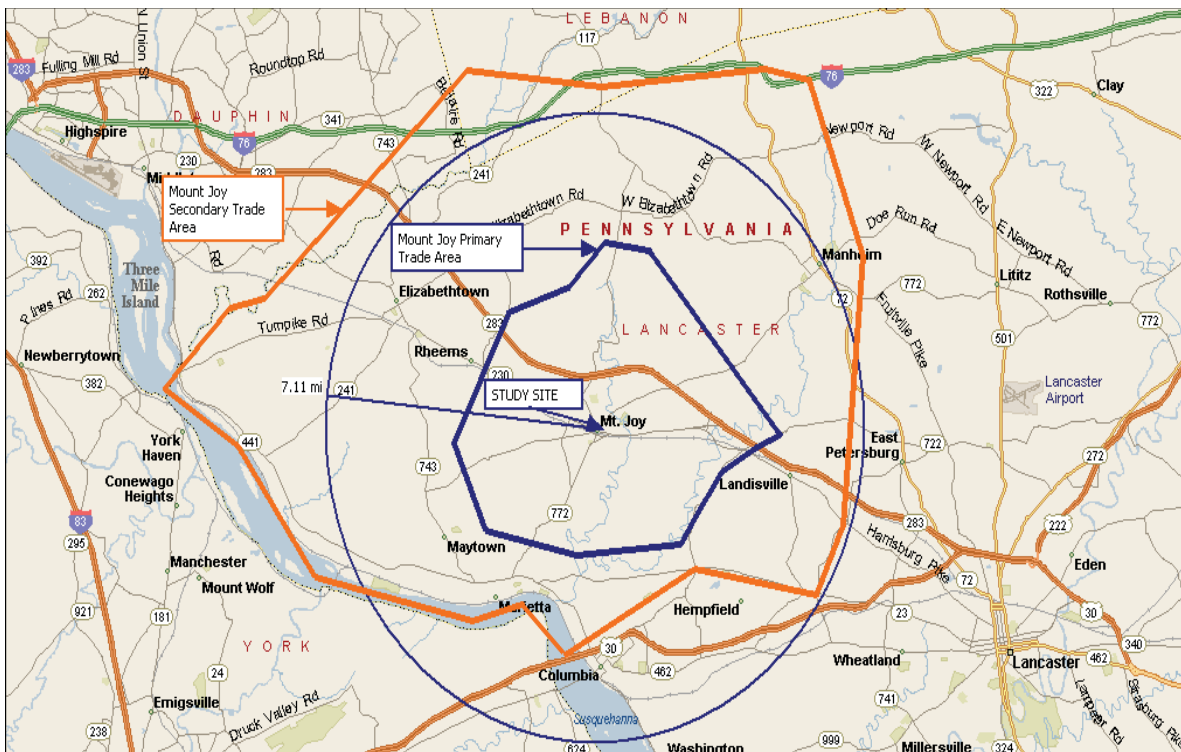
- 16,900 sf Apparel & Accessories Retail
- 14,200 sf Full Service and Limited Service Restaurants
- 13,100 sf Miscellaneous Retail (Office Supply and Card/Gift Stores)
- 9,400 sf Health Care & Personal Services
- 8,900 sf Hardware & Lawn Care Retail
- 6,600 sf General Merchandise Retail (General Store, Dollar Store, Junior/Discount Department Store)
- 6,300 sf Food & Beverage (Grocery, Convenience, Package Alcohol)

- 5,300 sf Furniture & Home Furnishings Retail
- 3,600 sf Books, Music, Arts & Crafts Retail

This study also finds that statistically, 93,900 sf of new retail and restaurant development is likely to be supportable in 2014. Please find below a summary of Downtown Mount Joy's statistically supportable retail:

- 18,300 sf Apparel & Accessories Retail
- 16,500 sf Full Service and Limited Service Restaurants
- 14,500 sf Miscellaneous Retail (Office Supply and Card/Gift Stores)
- 10,600 sf Health Care & Personal Services
- 9,800 sf Hardware & Lawn Care Retail
- 7,300 sf General Merchandise Retail (General Store, Dollar Store, Junior/Discount Department Store)
- 7,300 sf Food & Beverage (Grocery, Convenience, Package Alcohol)
- 5,700 sf Furniture & Home Furnishings Retail
- 3,900 sf Books, Music, Arts & Crafts Retail

The Downtown Mount Joy study area is made up of two trade areas. The primary trade area has a significant competitive advantage because of access, design, lack of competition, traffic & commute patterns, and close proximity to the consumer base. This competitive advantage equates to a domination of the capture of consumer expenditure by the retailers in the downtown area. The secondary trade area is an extension of the primary trade area. Consumer expenditure attracted to Downtown Mount Joy from the secondary trade area is not dependent on convenience or accessibility, but is drawn downtown because of tenant mix, design, consumer preference for particular retailers, uniqueness of products, and a favorable shopping experience for the consumer.



Mount Joy's downtown primary trade area is shown above inside of the blue line, and its secondary trade area is inside of the orange line. The primary trade area accounts for 55-60 percent of the downtown's visitors.

These projections are based on the following assumptions:

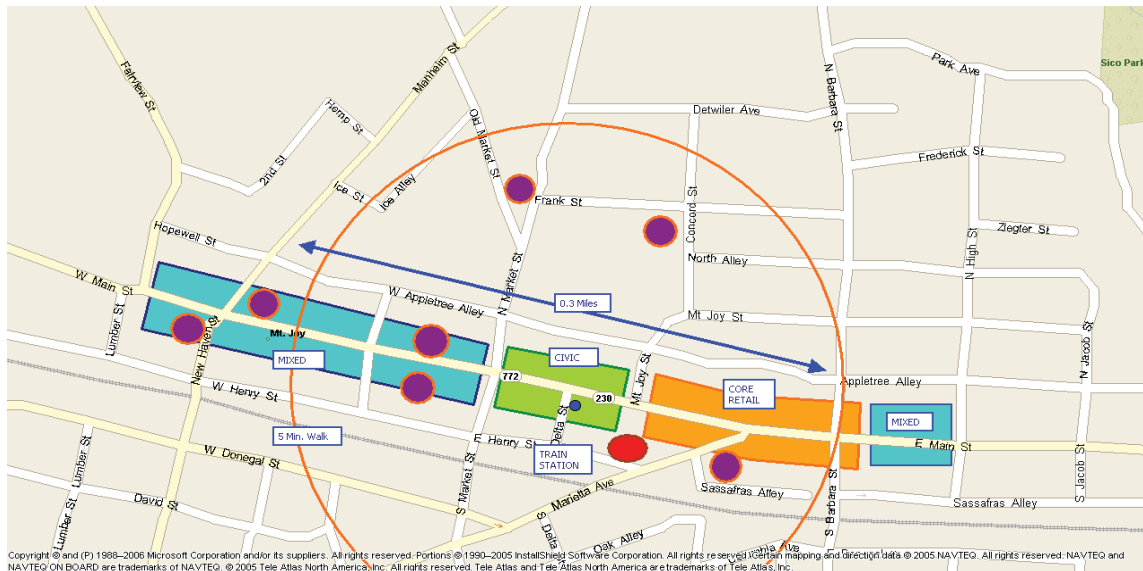
- No other major retail centers are planned or proposed at this time and, as such, no other retail is assumed in our sales forecasts.
- No other major retail will be developed within five miles of the subject site.
- The region's economy will stabilize at normal or above normal ranges of employment, inflation, retail demand and growth.
- Expansion of the existing retail center will be planned, designed, built and managed as a walkable town center, to the best practices of The American Planning Association, The Congress for the New Urbanism, The International Council of Shopping Centers and The Urban Land Institute.
- Parking for the area is assumed adequate for the proposed uses, with easy access to the retailers in the development. An overall minimum parking ratio of 3.5 cars per 1000 square feet gross, or higher, will be maintained throughout the expansion of the existing center.
- Visibility of the retail is also assumed to be very good, with signage as required to assure good visibility of the retailers.

## Merchandising Plan

Mount Joy has a linear shopping district that is presently subdivided into various small clusters of shops and restaurants. This study recommends that the Borough strive to form four focused commercial zones that complement each other and accommodate market growth in the area. It is acknowledged that this plan should only serve as a general planning and business recruitment guild for the Borough, and that the properties have individual owners.

**Core:** The core retail district is centered on its existing retail and restaurants, and is planned to be a walking destination offering a moderate selection of goods and services that are desired and needed by the community and its visitors. This core (shown as orange above) could include the re-opened historic theatre building (as a cinema or other supporting use), additional restaurants, apparel, gifts, home furnishings, shoes, and professional services.

**Civic:** Located in the geographical center of Mount Joy's downtown, the civic area (shown in green above) includes several churches, the train station, a funeral home and several small popular businesses. Although this area lacks enough critical mass to be a commercial destination, it does attract a considerable number of



*Recommended general merchandising mix plan: mixed residential, office and retail along the east and west ends of Main Street; civic and community businesses located in the west-middle; and an enhanced retail core proposed for the east-central areas of Main Street.*

visitors to the downtown area. This study recommends that smaller infill businesses such as bakeries, cafés and restaurants be promoted to open in the civic area to better support the existing larger non-commercial land uses.

**Mixed-Use:** The east and west of ends of Main Street (shown as blue above) are proposed as mixed-use areas that could be a combination of professional offices and neighborhood services such as hair care, florists, hardware, groceries and banking. Additionally, the mixed-use areas could accommodate larger commercial users that require on-site parking such as: banks, furniture stores, supermarkets, restaurants, sporting goods, and large format apparel stores. These areas may also include corporate campuses, educational centers, places of worship and residential.

**Anchors:** Restaurants and large retailers such as grocery stores, small department stores, sporting goods, and hardware and furniture stores can bring shoppers to the downtown area on a regular basis. These shoppers will likely also visit other smaller specialized businesses, and contribute towards creating a commercial destination.

**Time Line:** This study recommends the following general schedule to enhance Mount Joy’s downtown business area:

#### Short Term

- Calm traffic speeds throughout the downtown
- Install advertising at the train station to promote the downtown’s businesses
- Improve street parking, beta test meters along one block

#### Mid-Term

- Install retailers and vendor carts near the train station
- Attract additional retail anchors into the downtown (see supportable table above)
- Encourage additional outside dining, consider renting on-street parking for temporary dining decks

#### Long Term

- Reopen historic theater as a cinema or an alternative adaptive reuse that supports downtown businesses
- Develop additional infill retail space



*Looking south towards the train station and Delta Street from Main Street. Infilling this area with additional bakeries, cafés and restaurants could support the existing train station, churches and other uses in this area.*

### **Limits of Study**

The findings of this study represent GPG’s best estimates for the amounts and types of retail tenants that should be supportable in the Downtown Mount Joy area by 2014. Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. It should be noted that the findings of this study are based upon generally accepted market research and business standards. It is possible that Mount Joy could support lower or higher quantities of retailers and restaurants yielding lower or higher sales revenues than indicated by this study, depending on numerous factors including respective business practices and the management and design of the study area.

This study is based on estimates, assumptions, and other information developed by GPG as an independent third party research effort with general knowledge of the retail industry, and consultations with the client and its representatives. This report is based on information that was current as of November 1, 2009, and GPG has not undertaken any update of its research effort since such date.

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

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

This study *should not* be the sole basis for designing, financing, planning, and programming any business, real estate development, or public planning policy. This study is intended only for the use of the Borough of Mount Joy and is void for other site locations, developers, or organizations.

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