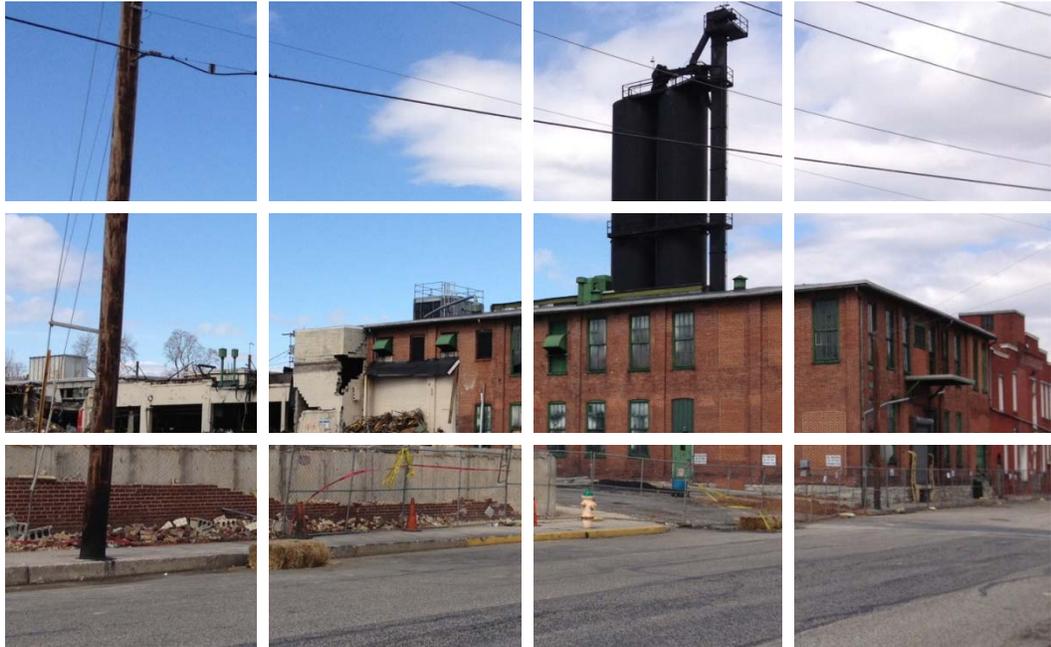


Borough of Carlisle
Office, Residential & Retail Market Study



Prepared for:
The Borough of Carlisle

Prepared by:
Gibbs Planning Group

Appendix C

28 March 2013
Rev. 25 June 2013



Figure 1: The three subject development (former industrial) sites are located north of historic downtown Carlisle and total approximately 63 acres.

Executive Summary

This study finds that the combined 63-acre Carlisle Tire and Wheel, IDA and 759 Hamilton sites offer the potential for in-town living, shopping and employment that is presently not widely available in the greater Carlisle region. Please find below a summary of this study's findings for the subject land uses by 2018:

- **Office:** 11,000 square feet (sf) of local services offices such as financial, medical, professional, governmental, real estate and local services.
- **Residential:** 260-300 new residential for-sale and rental dwelling units by 2018.
 - 180-200 Active adult dwellings - owner and rental
 - 80-100 Midrise condominiums and rentals
 - Potentially, apartments and village-style single-family homes if developed in a quality mixed-use walkable setting
- **Retail:** 119,600 sf of new retail including:
 - 25,600 sf Grocery Store
 - 16,000 sf Drug Store
 - 12,900 sf Wholesale Retail
 - 14,800 sf Electronics & Appliances

An absorption of 30-35 mid-rise residential units per year over the next five years is possible, at an average price point of approximately \$1.10/sf (rental) to \$180,000 including amenities such as: six to nine rooms; 1st floor retail or services; both passenger and freight elevators; a

variety of units including those with and without balconies; walkable site linkages to Main Street or convenient neighborhood shopping; and immediate access to public transportation. The inline ranch style, four- to six-unit condominium product demand will be met for the next year by the S & A Homes Stonehedge project.



Figure 2: The three parcels can support approximately 11,000 sf of local-serving offices and nearly 120,000 sf of retail by 2018.

Background

Gibbs Planning Group, Inc. (GPG) has been retained by Stromberg/Garrigan & Associates, Inc. to conduct an office, residential and retail feasibility analysis for Carlisle Events and the Borough of Carlisle on three former industrial sites located north of the historic downtown area (see its commercial area). The sites total approximately 63 acres and are surrounded by existing neighborhoods and the north end of Hanover Street's commercial corridor. The Borough is a main traffic hub, with interstate highways accessible from Hanover to both the north and south and state roads to Mechanicsburg and Chambersburg. This study is intended to provide the planners with a general understanding of the types of office, residential and retail that are likely supportable on the three subject sites.

Carlisle Area Office Market

The Carlisle Area office market was impacted by the 2008-2009 national financial crisis and office space sales prices are still declining after a 15 percent reduction from early 2008 levels. At the end of the third quarter of 2012, average lease rates had fallen to \$14.35/sf, well off the \$15.00/sf highs of 2008. Loopnet property records list 99 buildings containing a total of 841,000 sf of office space. The office space vacancy rate is estimated at 18.5 percent.

Demand for office space has two main components: a need for office space for local services such as financial, medical, legal and general businesses, and the need for office space for non-local services, such as management for regional and national companies. Office space demand driven by the public sector is statistically limited because of the tendency of governmental entities to meet their workplace needs on civic campuses, mixing different government services at one central location. Satellite government offices, like those required by Department of Motor Vehicles or public assistance offices, typically locate in convenient retail locations.

Office Property Asking Rent - Carlisle Lease Trends

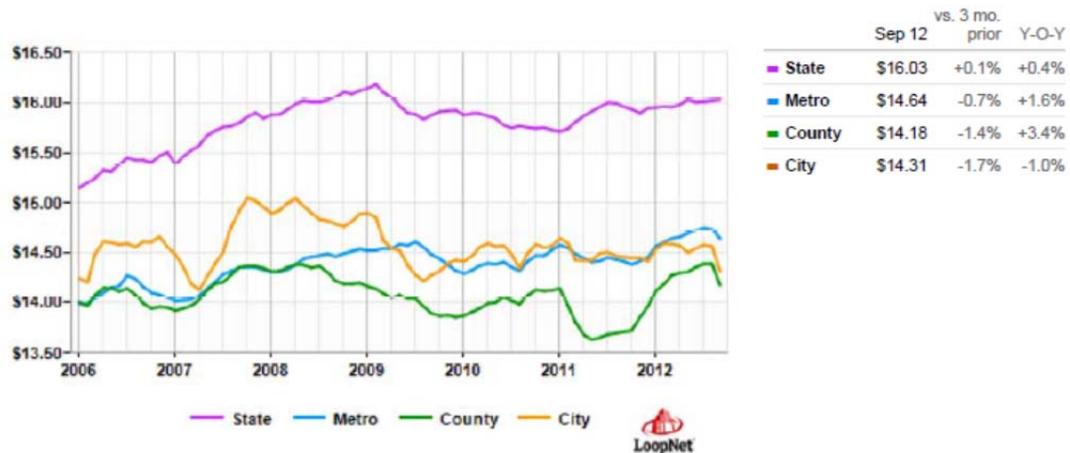


Figure 3: Listed lease rates for Carlisle are less than both State and Harrisburg MSA prices, but greater than Cumberland County asking amounts. (Source: Loopnet)

Estimating office space gap (need or oversupply) is based on inventorying the existing office square footage in a submarket, less the current vacancy rate, quantifying and disaggregating the base employment by category, determining the number of employees who require office space by employment category, and then estimating the market-specific existing office space per square foot per employee. This statistic is multiplied by the estimated job growth, which is a derivative of the additional need for local services and businesses, and generated by population or household income increases.

Therefore, the demand for office space has an indirect link to the population and employment growth. The new demand created indirectly by growth is then added to the existing demand, adjusted by a market specific Stabilized Vacancy Factor, and compared to the office space supply. Former office space inventory plus the amount of new space delivered into the market, less that which is functionally obsolete or demolished, is the new office space supply.

Closed Sales, Office Space Carlisle Pennsylvania				
Address	Close Date	Sales Price	Size (SF)	Price per Square foot
325 S. Hanover Street	08/31/09	\$165,000	1,300	\$127
241 York Road	12/19/08	\$219,000	3,500	\$63
816 Belvedere Street	03/31/08	\$350,000	5,000	\$70
1701 Spring Rd.	01/15/07	\$150,000	1,616	\$93
21-23 South Hanover St.	12/31/06	\$150,000	4,490	\$33
1615 Ritner Highway	10/31/06	\$975,000	15,000	\$65
10 W. Pomfret St.	07/28/06	\$169,000	1,792	\$94

Figure 4: Very few office properties have been sold over the last six years. (Source: Loopnet)

For purposes of this study, the existing office space inventory in the Borough of Carlisle submarket is 840,600 sf found in 99 buildings (*source: Loopnet Property Records*). These properties identified by Loopnet include information on properties listed on the Loopnet service and commercial properties in the Borough which its staff has researched. For example, at the time of this study, there are seven properties for lease and for sale, but there are 99 office buildings in the database. GPG acknowledges other offices have closed

recently, but are not listed in our third party database and therefore are not factored into this study.

The Stabilized Vacancy Factor for the office submarket is 15.5 percent, four percent lower than the current 18.5 percent vacancy rate. Based on the “WorkPlace & Employment Summary: Borough of Carlisle” found in the appendix of this report, the total number of employees in this submarket is 15,400, of which 4,900 are dedicated office employees. The 2013 office space required per dedicated office worker is 142 sf per worker.

The 2018 total office space market demand for the Borough is 710,000 sf, based on an annualized employment growth rate of 0.73 percent (source: *ESR*). Adjusting for the stabilized vacancy factor and office space removed from the market because of obsolescence, total 2018 demand is estimated at 852,000 sf. The total office space gap captured by the Central Business District of Carlisle is 11,000 sf of unmet demand. GPG finds that by 2018, an additional 11,000 sf of local services office space is supportable in the three subject sites. These offices could include: financial services, professional services, medical, governmental, real estate and local services.

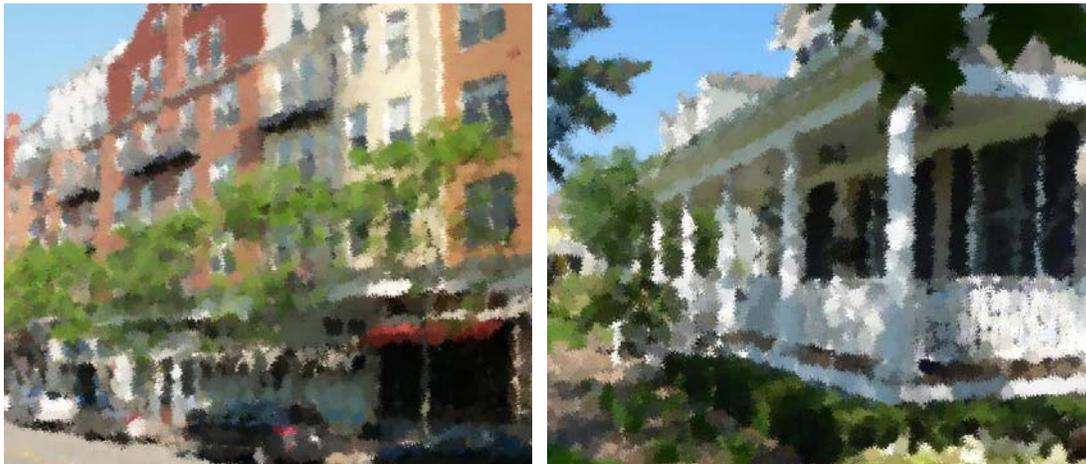


Figure 5: The subject sites can support approximately 280-350 active adult and mid-rise condominiums by 2018. In addition, the sites could potentially support apartments and village-style single-family residential dwellings if planned as an attractive walkable mixed-use town center.

Residential Market Summary

This study finds that the housing market in the Borough as a whole will support up to an additional 260-300 new rental and for-sale dwelling units by 2018. The Borough currently has an estimated 8,400 residences. It will see a population gain of approximately 400 persons over the next five years, including growth in the 55+ age group of almost 500 persons at the expense of other age groups. Product type for this bulging demographic includes full service for-sale and rental mid-rise, single floor living flats.

An absorption of 30-35 mid-rise units per year over the next five years is possible, at an average price point of approximately \$180,000 including amenities such as: six to nine rooms; 1st floor retail or services; both passenger and freight elevators; a variety of units including those with and without balconies; walkable site linkages to the Main Street or convenient neighborhood shopping; and immediate access to public transportation. The in-line ranch style four to six-unit condominium product demand will be met for the next year by the S&A Homes

Stonehedge project. After that, this popular style of ground floor semi-private ranch living will have demand which is being unmet.

This absorption is estimated specifically for the downtown area of Carlisle. Competing projects outside of the Borough proper, such as Lehman's Crossing and North Ridge Villas to the north, or Cumberland Crossings just south of the boundaries of the Borough are not included in this estimation. Modern demographic analysis allows GPG to avoid simple radius or drive-time statistics, and focus on census block or political boundary level information, which in this case is specifically for the Borough of Carlisle.

Carlisle Housing Market Trends

Carlisle has a 2012 population of 18,900 persons and 7,700 households. The population is projected to grow, at an annualized growth rate of 0.40 percent, to 19,300 in 2017, while households are projected to grow at an annual rate of 0.50 percent to almost 7,900 by 2017. Household size is 2.14 persons per household, which is predicted to remain stable throughout 2017.

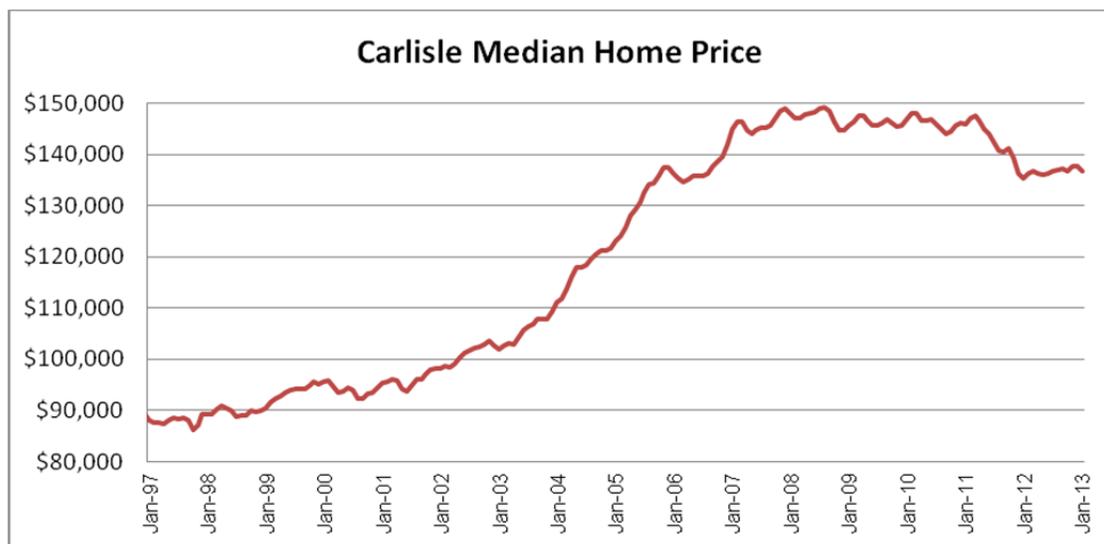


Figure 6: Median home prices are down eight percent from the 2007-2008 peaks. (Source: Zillow.com)

There are currently an estimated 8,400 homes in Carlisle, of which 45.6 percent are owner-occupied, while renters reside in 45.7 percent. In 2012, 8.7 percent of housing units were vacant. A shift in ownership/renter ratio is forecasted to occur by 2017. Renter units are likely to remain static at about 4,000, but owner-occupied residences are anticipated to increase by over 200 abodes to 3,900, a 5.8 percent increase. Based on population and household growth, there will be demand for at least an additional 190 dwelling units in the borough by 2017.

The housing market in the borough is showing some signs of recovery. The median home price in Carlisle is up 1.1 percent over January 2012; however, the five-year comparison is down by an annualized rate of 1.6 percent. Only 3.1 percent of the homes sold in Carlisle in 2012 were foreclosure sales, down 21.3 percent from 2011 levels. Median listing prices in 2012 were up to \$100 per sf, a 3.4 percent increase over the previous year. Median rental rates in the beginning of 2013 are at \$0.72 per sf, a 13.3 percent jump from the first quarter of 2012.

There are presently three new home communities in Carlisle, two single family and one attached condominium project. S & A Homes is building Chesterfield, an entry-level single family subdivision, as well as the Stonehedge neighborhood, an inline fourplex condominium site. Ryan Homes has the detached home Forgedale Crossing location, a first move up home destination. The Keystone Arms project, next to the Army War College, was begun as a townhome development, but has been converted from buyer-targeted townhomes to a renter-targeted apartment complex.

The population in Carlisle is greying, with the median age anticipated increasing from 34.4 in 2012 to 35.4 in 2017. The impact of this increase can be seen in the following Figure 7. The population in three of five adult age groups is decreasing, while there is an over 10 percent growth in the senior (60+) demographic. This older demographic, represented by ESRI's Tapestry Socioeconomic Segmentation groups "Midlife Junction" and "Silver and Gold", make up 21.8 percent of the population.

Age Group	2012 Population	2017 Population	Growth Percentage
0-19	4,672	4,685	0.28%
20-29	3,808	3,743	-1.71%
30-39	2,052	2,137	4.14%
40-49	1,989	1,855	-6.74%
50-59	2,203	2,196	-0.32%
60 & Up	4,181	4,666	11.60%
Total	18,905	19,282	1.99%

Figure 7: Carlisle will see a significant increase in its senior population over the next five years.

Residential Summary

The Carlisle housing market's median household age is increasing, with the active adult-empty nester demographic projected to increase by approximately 500 persons or about 225 households. The other adult age groups, from 20 to 59, are expected to lose one percent of their population, limiting new housing demand. Owner-occupied dwelling units are projected to expand by 5.8 percent to at least 190 residences by 2017. This site's in-town setting will also appeal to college faculty and staff, singles and young professionals.

Active Adult:

GPG anticipates residential opportunities for the overall borough region for the active adult-empty nester residential community equating to 180 to 200 additional for-sale or rental dwellings by 2018. This experienced consumer group looks for low maintenance dwelling units at or below the community average home value of \$185,000. Security is an issue for these inhabitants, because up to 15 percent have seasonal homes in a different part of the country. Home ownership for this demographic is over 70 percent, with first floor or single floor living often required because of current and future physical limitations.

The two ideal products for this many of these new home buyers is the inline ranch or stacked flat mid-rise condominium product or for sale dwelling. Ranches yield five to seven units per acre ranging in size from 900 to 1,500 sf, or the full service mid-rise building, with single floor

units ranging in size from 900 to 1,200 sf. The inline first floor master units have an advantage with lower owner maintenance fees. Mid-rise buildings achieve an economy of scale benefit because of density, up to an average of 30-35 flats per acre, but can be more expensive to construct than ranches on a per square foot basis. The S & A Homes Stonehedge project, located on Trindle Road, is currently meeting the ranch condo demand for a suburban location, but only has between 20 and 30 home sites remaining. Stonehedge should be sold out by the beginning of the second quarter of 2014. The three subject sites' walkable in-town location represents a different market segment than the area's suburban sites.

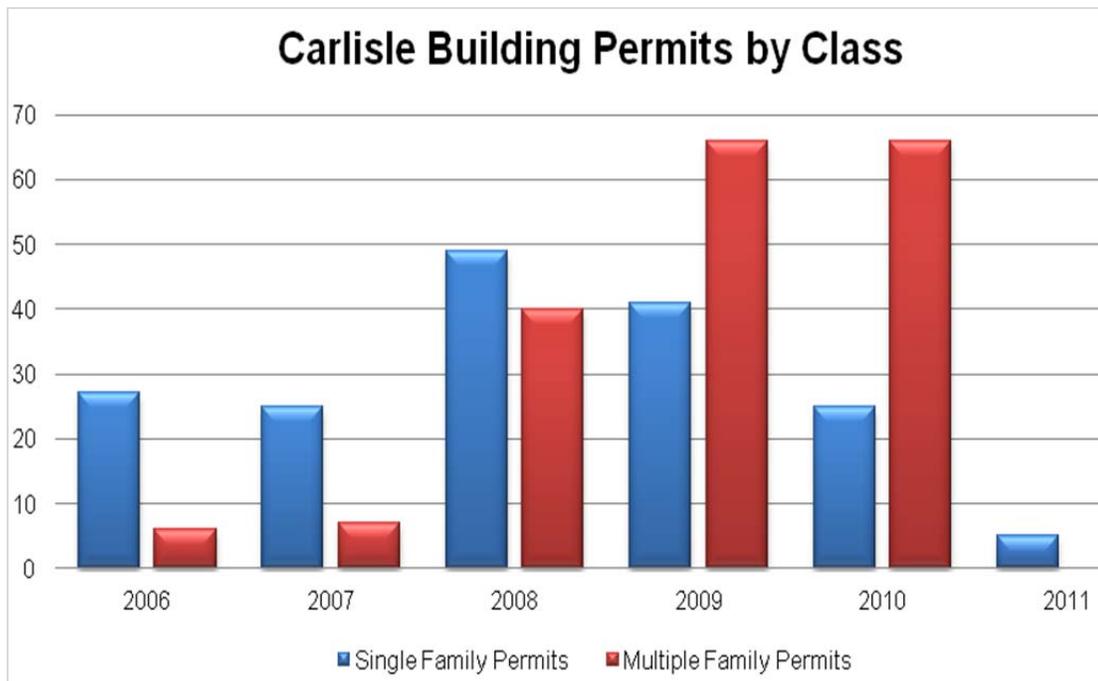


Figure 8: The national financial crisis of 2008-2009 substantially reduced the single family permit activity, while causing a multiple family project (Keystone Arms) to convert from For Sale units to For Lease product. (Source: HUD, State of the Cities Data System). 2012 saw 6 single family permits and 2 multiple family permits.

Rental Apartments: GPG's analysis of the rental market estimates that at this time there is no pent-up or excess demand for suburban rental units, as homeownership levels have begun to rise and the mortgage markets have resolved most of the 2009 delinquent and foreclosed mortgage problems. The cost of building new market rate apartments in Carlisle is higher than the potential rent revenue, and such a project cannot yield generally accepted market rates of return for the investor.

That being said, the Borough's downtown area has almost no new market rate rental homes and apartments. A creative apartment developer may be able to build an upscale, well-appointed apartment in a walkable urban center that could outperform the market, effectively creating a new demand for apartment living that could appeal to young professionals, singles, college staff and empty nesters seeking to downsize their Carlisle home, while purchasing a second home in the sunbelt or near their children. Typically, such apartment communities are developed with at least 60 units above lifestyle-type retailers and restaurants. The units frequently range from 900 to 1200 sf and include premium kitchens and baths, high ceilings, custom moldings, walk-in closets and large amounts of natural light.

Mid-rise Condominiums: This study finds a demand for 80 to 100 for-sale condominium multiple family units, located in three to five-story buildings. Although the area has an inventory of surrounding suburban condominium units, GPG finds that mixed use 'in-town' residences will appeal to a different sub-market including young professionals, college staff and faculty and empty nesters seeing a walkable urban lifestyle. These dwellings should be 900 to 1500 sf and one, two and three bedrooms. The units should be moderately finished, with 9 to 10-foot ceilings and priced to sell for \$140 to \$160 per sf. Each dwelling should be offered one to two reserved parking spaces in a surface lot, deck or freestanding private garage.

The units should be planned in a walkable urban setting, clustered around parks and active streetscapes. Nearby restaurants, retailers and a grocery are essential for the units to compete with the region's numerous suburban products. GPG estimates the units could sell at a rate of 20 to 25 per year and be completely absorbed over 48 months. This estimate is based on national trends in other markets, and there are no in-town condominiums in Carlisle to provide comparable sales and absorption support for this estimate.

Village Single Family: Although GPG could not find data to support single family residential at the subject sites, similar locations have successfully absorbed small lot village homes when planned and developed with traditional town principles. These homes can appeal to first time homebuyers, single parents, empty nesters and active seniors. The homes should be 1,000 to 1,800 sf, located on 32- to 50-foot-wide lots with alleys and clustered around small parks.

These homeowners typically prefer the convenience of walkable downtowns, but with the privacy only available in a single family, free standing home. If developed, these homes should have front porches, generous landscaping, picket fencing, high ceilings, quality kitchens and bathrooms with traditional architectural design and materials. The homes can only compete with larger suburban developments if they are near restaurants, shops and grocery stores.

Retail Market Study

The greater Carlisle region remains a viable retail market with considerable opportunities. This study finds that at present the subject infill sites can support an additional 119,600 sf of retail and restaurants, generating over \$48 million in new sales. These new businesses could complement the downtown's existing businesses while filling a void for many of the goods and services that are desired and needed by the area's residents, college students and employees, as well as its many visitors.

Carlisle is located in the heart of Pennsylvania's Cumberland Valley, at the intersection of four state highways and two interstate freeways, making it an attractive location for industry, logistics, and leading retailers. State Highways 34, 11, 641 and 74 cross through the downtown's center and The Pennsylvania Turnpike (I-76) and I-81 are situated north and south of the borough, intersecting only three miles east of the downtown. Five interchanges along the freeways provide Carlisle with unusually convenient regional accessibility. The borough has recently successfully implemented innovative traffic calming measures by redesigning its downtown state highways into shopper-friendly streets and bicycle lanes.



Figure 9: The subject sites can support approximately 120,000 sf of retail and restaurants by 2018, including a 25,000 sf grocery and a pharmacy.

Carlisle is also home to the U.S. Army War College, Dickinson College and The Dickinson - Pennsylvania State University School of Law. These institutions provide significant economic and cultural resources for the community and act as attractions for thousands of visitors. Carlisle is also the county seat and is located just 15 miles west of Harrisburg, the state capital, making it a desirable 'bedroom' community for governmental workers and its own educational institutions' faculty and staff. Located only 25 miles north of historic Gettysburg, Carlisle is in the position to attract many of its three million civil war battlefield visitors. The borough's downtown was also attacked by the Confederates and its courthouse has evidence of the cannon shell damage.

Further, this study finds that the study area has a strong 2011 primary trade area population of 152,200 persons that is estimated to grow to 160,000 persons by 2016. The projected annual growth rate is one percent, slightly exceeding both the state and national levels. Average household income in the primary trade area is \$68,300, which is greater than the state level but less than the national average. The district's per capita income is \$27,300—also larger than the state's number, but below the national measure. The primary trade area has a labor base of 75,000 employees, with 60.7 percent holding white-collar management level positions.

The average asking retail rent rate of \$11.80 per sf triple net is 10.5 percent lower than the pre-recession mid-2008 level of \$13.20 per sf. This rate has stabilized near the 2007 level of \$11.85 per sf and is trending flat near this recent low. Carlisle's asking retail rent has historically been lower than the state, Cumberland Valley and Harrisburg averages, and it remains so today. The Harrisburg-Carlisle metro market third quarter 2011 average asking retail sales price is down 1.3 percent from the third quarter 2010 values, currently at \$102.80 per sf. The median retail property sale price has plummeted over the last three years from \$98 per sf at the end of the third quarter of 2008, to 2011's third quarter level of only \$54 per sf.

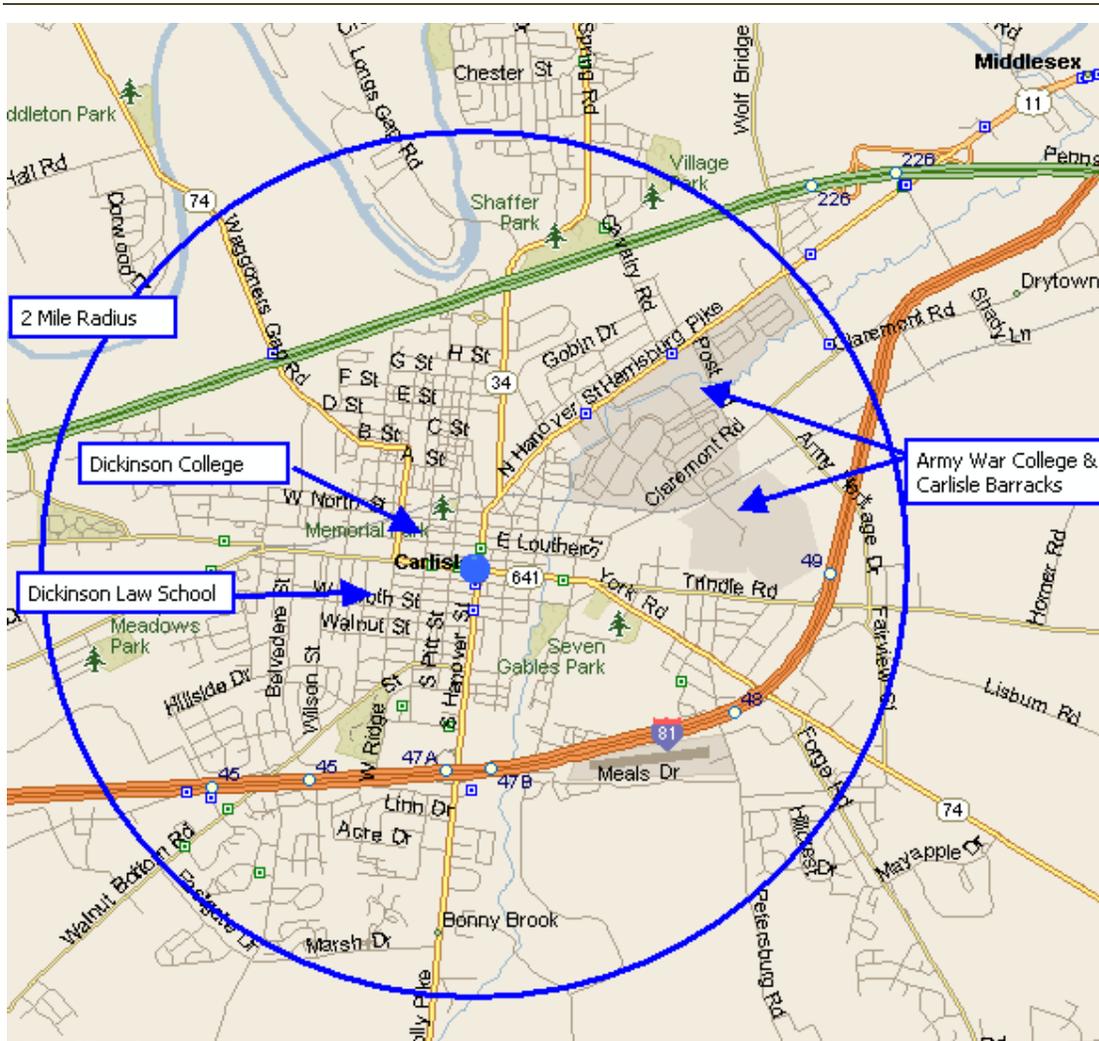


Figure 10: Carlisle is at the crossroads of central Pennsylvania, with four state highways merging through the downtown and two interstate freeways situated north and south of the borough. The Pennsylvania Turnpike, I-76 and Interstate 81 intersect three miles east of downtown Carlisle, and provide good regional access with five interchange exits.

Background

The retail character of downtown Carlisle is that of small, neighborhood-class goods and service providers mixed with apparel, antiques, art, books, collectibles, gift shops, groceries and restaurants. Residents fulfill many of their primary retail shopping needs at the large format national retailers and shopping centers located outside of the downtown or in the cities of Harrisburg, Chambersburg, Hanover and York.

The primary trade area consumer base in Carlisle is growing at a rate greater than both the state and national levels. The local business community continues to outperform the state and national economies, with unemployment at only 6.7 percent, lower than both the state and national levels.

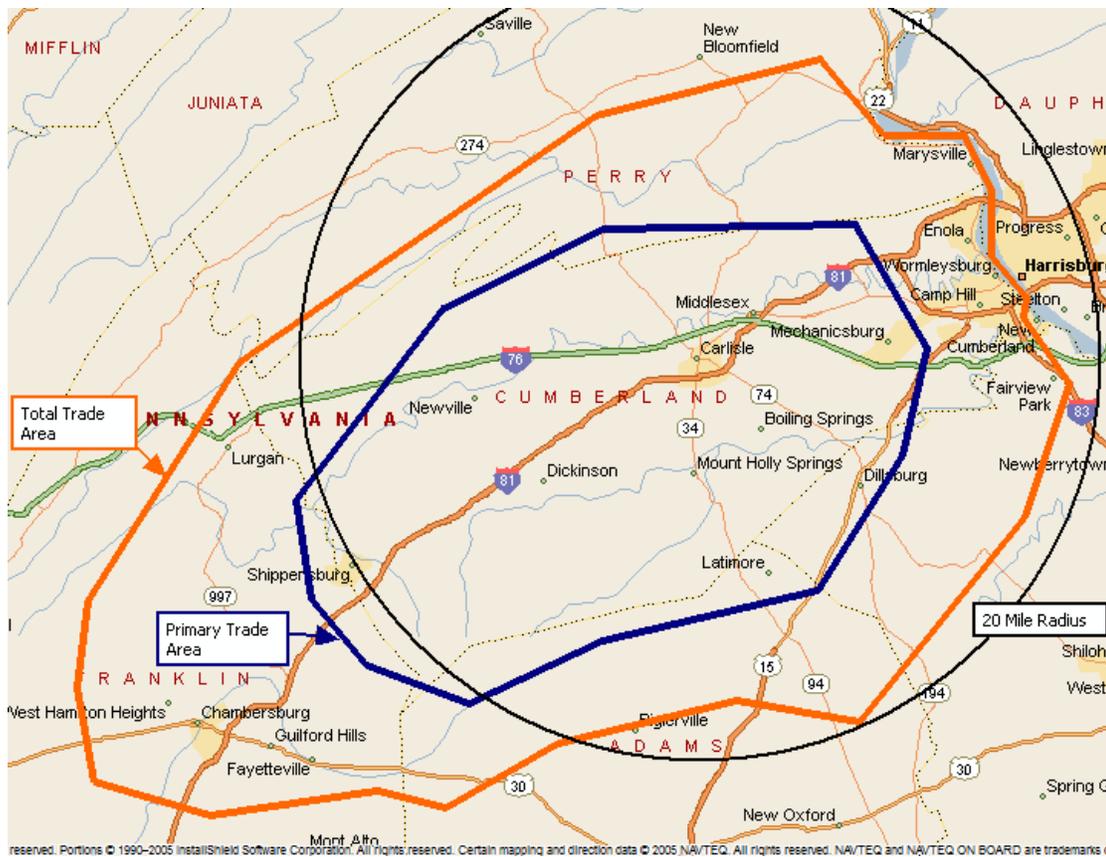


Figure 11: Consumers in the primary trade area account for 70 to 80 percent of the business generated in the study area.

The following issues are addressed by GPG in this study:

- What is the existing and planned retail market in the Carlisle study and trade areas?
- What are the primary and secondary trade areas for the study area?
- What are the population, demographic and lifestyle characteristics in the trade areas, currently and projected for 2017?
- What is the current and projected growth for retail expenditures, now and for the next five years?
- How much additional retail square footage is supportable in the Carlisle study area and what retail uses should be encouraged? What sales volumes can development achieve in or near the study area?
- Compile a list of potential local, regional and national retailers that could locate in Carlisle.
- A review of the downtown's policies and built environment as they impact retail commerce.

Methodology

To address the above issues, GPG conducted a detailed evaluation of most major existing shopping centers and retail concentrations in and surrounding Carlisle, including the primary and secondary trade areas. This evaluation was conducted during December 2011 and updated in March 2013. GPG visited and assessed most of the major and planned retail concentrations in and around the trade areas. In addition, GPG drove a 75-mile radius to seek out local and regional businesses that could potentially deploy a new or sister store in Carlisle.

GPG visited the area during the daytime, as well as the evening, to gain a qualitative understanding of the retail gravitational patterns and traffic patterns throughout the study area. GPG then defined a trade area that would serve the retail in the downtown based on the field evaluation, geographical and topographical considerations, traffic access/flow in the area, relative retail strengths and weakness of the competition, concentrations of daytime employment, and the retail gravitation in the market, as well as our experience defining trade areas for similar markets. Population, consumer expenditure and demographic characteristics of trade area residents were collected by census tracts from the U.S. Bureau of the Census, U.S. Bureau of Labor Statistics, InfoUSA, ESRI, CCIM, STDB, CBRE, Claritas, and COSTAR, and updated based on information gathered from local sources.

Finally, based on the projected consumer expenditure demand in the Carlisle trade area (the gross consumer expenditure by retail category less the current existing retail sales by retail category), GPG projected the potential net consumer expenditure (gap) available to support new development. The projected net consumer expenditure capture is based on household expenditure and demographic characteristics of the primary and secondary trade areas, existing and planned retail competition, traffic and retail gravitational patterns and GPG's qualitative assessment of the Carlisle study area. Net potential captured consumer expenditure (gap) is equated to potential retail development square footage with the use of retail sales per square foot data provided by Dollars and Cents of Shopping Centers (a publication of the Urban Land Institute and International Council of Shopping Centers), qualitatively adjusted to fit the urbanism of the Carlisle study area.

Study Assumptions

This study is based on the following assumptions:

- Other major community retail centers may be planned or proposed, but only the existing retail is considered for this study. The quality of the existing retail trade in the study area is projected to remain constant. Gains in future average retail sales per square foot reflect higher sales per square foot in newly developed retail and selected increases in sales per square foot by individual retail categories.
- No major regional retail centers will be developed within the trade area defined by this study through 2016.
- The study area is properly zoned to support infill and redevelopment projects with current and innovative standards, and the existing infrastructure (water, sewer, arterial roadways, etc.) can support additional commercial development.

-
- Annual population growth for the primary trade area is estimated to be 1.0 percent throughout the five-year period of this study.
 - Employment distribution is projected to remain constant, without a spike or decline in employment by NAICS categories.
 - The projected lease and vacancy rate model is based on our proprietary econometric model of the relationship between changes in employment and changes in vacancy and lease rates. Data was gathered from the U.S. Census Bureau, Experian, ESRI, CBRE, COSTAR Group, Inc., LOOPNET and local brokerage services.
 - The region's economy will continue at normal or above normal ranges of employment, inflation, retail demand, and growth.
 - Any new construction on the subject sites area will be planned, designed, built, and managed to the best practices of the American Institute of Architects, American Planning Association, Congress for the New Urbanism, International Council of Shopping Centers, the National Trust for Historic Preservation, the National Main Street Program and the Urban Land Institute.
 - The study area will capture an additional 0.025 to 2.80 percent of the existing gross household, visitor and employment retail and restaurant spending that is presently not occurring or that is currently being spent outside of downtown Carlisle.
 - Visibility of any new retail is assumed to meet or exceed industry standards, with appropriate signage to advertise the business to the consumers.
 - Infill or redevelopment projects in the study area will open with sustainable amounts of retail and anchor tenants at planned intervals and per industry standards.
 - The site's developers will implement a business improvement district, lighting improvements, marketing programs, parking management practices, building façade design standards, signage standards, and other planning and management policies and practices generally accepted by the shopping center industry and downtown shopping districts.

Figure 12: Carlisle Supportable Retail Summary

Retail Category	2016		
	Supportable Retail (SF)	Annual Sales	Sales Per S/F
General Electronics	7,800	\$2,526,000	\$324
Appliances	7,000	\$1,330,000	\$190
Total Electronics, Appliances & Computers	14,800 sf	\$3,856,000	\$257
Full Service Restaurant	3,500	\$3,602,000	\$456
Limited Service Restaurant	8,200	\$6,512,000	\$354
Total Food & Restaurant	11,700 sf	\$10,114,000	\$405
Grocery Store	21,700	\$7,334,000	\$338
Specialty Food Store	3,900	\$1,419,000	\$364
Total Grocery or Public Market	25,600 sf	\$8,753,000	\$351
Discount Dept. Store	4,700	\$1,019,000	\$217
Warehouse Club	12,900	\$3,921,000	\$304
Total General Merchandise	17,600 sf	\$4,940,000	\$261
Drug Store/Pharmaceutical	16,000	\$9,615,000	\$601
Optical/Vision Care	1,200	\$1,860,000	\$372
Personal Services	3,200	\$2,017,000	\$354
Total Health Care & Personal Services	20,400 sf	\$13,492,000	\$442
Furniture Store	3,100	\$2,121,000	\$312
Home Furnishings	1,200	\$702,000	\$270
Total Home Furnishings Store	4,300 sf	\$2,823,000	\$291
Jewelry Store	700	\$489,000	\$699
Total Jewelry, Luggage & Leather Goods	700 sf	\$489,000	\$699
Sporting Goods Store	3,900	\$1,220,000	\$313
Total Sporting Goods, Hobby, Books & Music Stores	3,900 sf	\$1,220,000	\$313
Florists	600	\$139,000	\$232
Office Supplies, Stationary	3,800	\$1,037,000	\$273
Pet Supply Store	14,100	\$1,082,000	\$264
Video/Entertainment	2,100	\$315,000	\$150
Total Miscellaneous Retailers	20,600 sf	\$2,573,000	\$230
Total Identified Retail Expenditure	119,600 sf	\$48,260,000	\$404

Figure 12: Sales stated in constant 2012 dollars.

Key Definitions

This study utilizes the shopping centers typologies defined by the International Council of Shopping Centers (ICSC) as follows:

- **Convenience Centers:** Convenience centers are 30,000 sf or less, unanchored, and generally will service a trade area of up to one mile. These centers include banking, carryout foods, florists, mail centers, small restaurants, small food markets and professional services such as real estate and financial consulting. The centers typically include six to eight businesses.
- **Neighborhood Centers:** Neighborhood centers are anchored with a full-sized supermarket and typically range from 60,000 to 100,000 sf. They service a trade area of two to three miles and can include apparel, banks, carryout food, hardware, mail centers, restaurants, sporting goods and professional services such as financial consulting and real estate.
- **Community Centers:** Community centers typically range from 150,000 to 300,000 sf and are almost always anchored with a full-sized department store. They also include junior anchor retailers selling books, crafts, shoes and sporting goods. Community centers often include large home improvement stores and medium-sized discount apparel stores. Their service area is typically five to seven miles in suburban locations.
- **Lifestyle Centers:** Lifestyle centers average 150,000 to 200,000 sf and feature popular apparel, book and home furnishing stores, as well as cinemas and a wide selection of themed restaurants. The centers are frequently planned as walkable areas with main streets. Recently, lifestyle centers have included large anchors such as department stores, public libraries and supermarkets. These centers typically have a trade area of four to six miles when developed in suburban settings. Lifestyle centers that include civic, employment and residential buildings with the retail land use are defined as 'town centers.'
- **Regional Centers:** Regional centers average trade areas of eight to 12 miles and are anchored with multiple department stores. The centers can range from 800,000 to 1,500,000 sf, and often include cinemas along with 200,000 sf of national brand fashion.

This study also utilizes the trade area typologies as defined by MapInfo and listed below:

- **Primary Trade Area:** The primary trade area (PTA) refers to that area from which the retail offerings at the site will draw approximately 70 to 75 percent of their business, and includes a population base that will make the area a primary shopping destination by typically shopping there on a weekly basis.
- **Secondary Trade Area:** The secondary trade area (STA) represents that area from which the site will draw an additional 10 to 15 percent of its business. Those residents who live in the STA, but not within the PTA, will shop the Carlisle retail zones frequently (one to two times a month), but the area will not be their primary shopping destination.

- **Tertiary Trade Area:** The tertiary trade area accounts for additional retail expenditures that the area derives from more distant communities that may not shop on a regular basis in Carlisle, but will consistently account for some percentage of sales.

Trade Area Growth

GPG's assessment was based on our field evaluation and discussions with industry professionals, and took into account the existing retail hubs, population clusters, highway access and retail gravitation in the market. Relying on that information, along with our experience defining trade areas for similar communities, GPG determined that consumers in the Carlisle trade area generate demand to support a wide variety of additional neighborhood- and community- scale retailers totaling \$50.3 million in annual sales in 2013. This potential will continue to grow over the next five years, sustained by an annual population growth rate of 1.0 percent and average household income growth of 2.5 percent. Nearly 200,000 sf of additional retail, potentially yielding almost \$200 million in new gross sales revenue, will be supportable by 2016.

The primary trade area is the consumer market where the study area has a significant competitive advantage because of access, design, lack of competition, and traffic and commute patterns. This competitive advantage equates to a potential domination of the capture of consumer expenditure by the retailers in the study area. The secondary trade area is the consumer market that provides some capture of consumer expenditure, but the study area does not hold the same position of supremacy in this market as it does in the primary trade area.

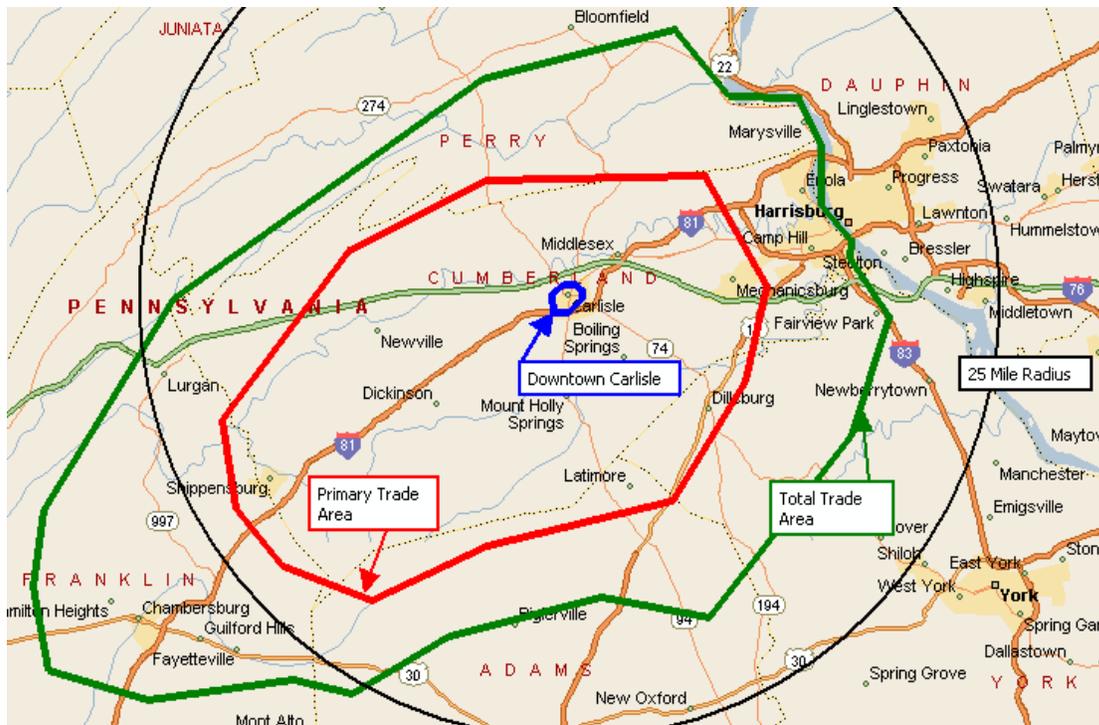


Figure 13: The Carlisle primary trade area is within the red line. The green line delineates the total trade area. The black ring illustrates a 25-mile radius to provide a scale for the graphic.

GPG defined a primary trade area by topography, vehicular access, strength of retail competition and residential growth patterns. Consumers inside of the primary trade area will account for 70 to 80 percent of the total sales captured by retailers in the Carlisle study area. Due to the strong retail gravitational pull of Harrisburg and York, limited population density to the immediate north/west/south, limited convenient access to the north and south and a lack of strong competition to the west along Interstate 81 or the Pennsylvania Turnpike, GPG finds that the primary trade area is centered on the downtown, while being elongated to the west along the axis of Interstates 81 & 76.

The following borders approximately delineate the primary trade area:

- State Road 944 to the north.
- Highway 581 & the Gettysburg Pike to the east.
- Downtown Shippensburg to the west.
- Pinegrove Road to the south.

Demographic Characteristics

Using data from ESRI, Experian, and Claritas, GPG obtained the population and demographic characteristics, present and projected for 2016, for the defined trade areas, as well as national and statewide statistics.

Table 2: Demographic Comparisons

Characteristics	Primary Trade Area	Pennsylvania	U.S.
2012 Population	152,200	12,587,000	311,213,000
2017 Projected Population	160,000	12,650,000	323,209,000
2012-2017 Projected Annual Growth Rate	1.00%	0.10%	0.76%
Persons Per Household 2012	2.44	2.44	2.59
2012 Median Household Income	\$59,100	\$54,100	\$54,400
2012 Per Capita Income	\$27,300	\$27,200	\$26,700
Households w. incomes \$75,000 or higher	34.3%	31.4%	32.9%
% White	93.0%	82.6%	71.9%
% Hispanic	2.3%	5.2%	16.2%
% Median Age	40.2	40.7	37.0
% White-Collar Employed	60.7%	62.1%	61.6%

Figure 14: This side-by-side table compares and contrasts primary trade area demographic statistics with those of Pennsylvania and the United States.

The Carlisle primary trade area's estimated 2011 population is 152,000 persons, which is expected to grow to 160,000 by 2016, a 5.1 percent projected increase over the total five-year period. This annual growth rate is substantially greater than the state level of 0.5 percent, and the national rate of 3.9 percent.

The number of households in the primary trade area is estimated at 59,000, holding 2.44 persons per household, and is projected to grow to 63,500 by 2016, a 7.5 percent total increase over the five-year period of 2011-2016. A small decline in persons per household, from 2.44 to 2.43, over the next five years is the cause of the imbalance in the 2.4 percent

gain of households over population. Approximately 69.5 percent of households are owner-occupied—a number that is estimated to decrease by 0.4 percent in 2015. A decline in owner-occupied and rental housing is causing the projected vacant housing units statistic to increase from 5.3 percent in 2010 to 6.0 percent in 2015.

As shown in Table 2, the median household income of \$59,100 in the primary trade area is significantly higher than the Pennsylvania and national levels. The average household income by census tract map found in the appendix of this report depicts divergent incomes in the primary trade area, with lower incomes in the center and western portions and higher incomes in the northeast sector.

The median age of 40.2 years is slightly younger than the state’s average of 40.7 and older than the national level of 37.0. This median age statistic has grown by 2.9 years since the 2000 Census, and is projected to continue to rise slowly to 40.8 by 2015.

The Carlisle residential employment base is concentrated in white-collar positions at 60.7 percent, blue-collar jobs at 23.4 percent, and service occupations at 15.9 percent. White-collar employment lags marginally behind both the state’s 62.1 percent and the national statistic of 61.6 percent.

Persons per household in the primary trade area and the state are the same at 2.44 persons, but are less than the national level of 2.59. This lower amount reflects an older population where some of the children have left the household. Younger families still have all of their dependents living in the household.

Tapestry Lifestyles

ESRI has developed Tapestry Lifestyles, which is an attempt to create 65 classifications, or lifestyle segments, that help determine purchasing patterns. These segments are broken down to the U.S. Census Block Group level throughout the United States and used by many national retailers to help determine future potential locations.

The following table details the top Tapestry Lifestyles found in the primary trade area.

Figure 15: Tapestry Lifestyles

Lifestyle	Trade Area Statistics	Short Description
 <p>Salt of the Earth</p>	<p>Population 31,200</p> <p>Median HH Income \$50,500</p> <p>20.5% Carlisle Study Area Market Share</p> <p>2.7% National Market Share</p>	<p>Salt of the Earth households are dominated by married couples with children (36 percent) and without (29 percent). Both household percentages are higher than the U.S. values. One-fifth of households are composed of singles that live alone.</p> <p>The average household size for this market is 2.60, extremely close to the U.S. value of 2.59; however, the average family size is 2.99, falling below the U.S. average of 3.14. With a median age of 41.3 years, this is a slightly older market. Because ethnic diversity in these neighborhoods is negligible—94 percent of the residents are white—Salt of the Earth neighborhoods are the least diverse of all the Community Tapestry segments.</p>

Lifestyle	Trade Area Statistics	Short Description
 <p>Green Acres</p>	<p>Population 22,700</p> <p>Median HH Income \$63,900</p> <p>14.9% Carlisle Study Area Market Share</p> <p>3.2% National Market Share</p>	<p>Married couples, with and without children, comprise 71 percent of the households in Green Acres. Many families are comprised of blue-collar baby boomers, many with children aged 6-17 years. With more than 10 million people, Green Acres represents the third largest population of all the Community Tapestry markets, currently more than 3 percent of the U.S. population, and growing by 1.6 percent annually.</p> <p>The median age is 40.6 years. This segment is not ethnically diverse; 93 percent of the residents are white.</p>
 <p>Midland Crowd</p>	<p>Population 16,300</p> <p>Median HH Income \$49,700</p> <p>10.7% Carlisle Study Area Market Share</p> <p>3.8% Nation Market Share</p>	<p>The approximately 11.6 million people in Midland Crowd neighborhoods represent the largest market of Community Tapestry, nearly 4 percent of the U.S. population, and it is still growing. Since 2000, the population growth has been 2.34 percent annually.</p> <p>The median age of 36.9 years parallels that of the U.S. median. More than half of the households (62 percent) are composed of married-couple families, half of whom have children. One-fifth of households are occupied by those who live alone. Most residents are white.</p>
 <p>Cozy & Comfortable</p>	<p>Population 16,100</p> <p>Median HH Income \$65,800</p> <p>10.6% Carlisle Study Area Market Share</p> <p>2.8% National Market Share</p>	<p>Cozy and Comfortable residents are middle-aged, married couples, comfortably settled in single-family homes in older neighborhoods. The median age is 41.9 years, slightly older than that of the U.S. median. Most residents are married, without children, or married couples with school-age and adult children.</p> <p>This is a relatively large segment, with 8.6 million people (the fifth largest population of all the Community Tapestry segments), and growing moderately by 0.7 percent annually. Most of the residents in this segment are white.</p>
 <p>Old & Newcomers</p>	<p>Population 9,100</p> <p>Median HH Income \$43,000</p> <p>6.0% Carlisle Study Area Market Share</p> <p>1.9% National Market Share</p>	<p>Old and Newcomers neighborhoods are in transition, populated by renters who are starting their careers or those who are retiring. The proportion of householders in either their 20s or aged 75 or older is higher than the proportion at the U.S. level. The median age of 37.0 years simply splits this age disparity. These neighborhoods have more single-person and shared households than families. The majority of residents are white, but the racial diversity is very similar to the U.S. level of diversity.</p>

Figure 15: The top five Tapestry Lifestyle groups above portray a concentration of married families with children in the primary trade area.

The most common trade area tapestry lifestyle group is “Salt of the Earth”, representing 20.5 percent of households. They are rooted in their settled, traditional and hardworking lifestyles. Independent and self-reliant, they take on small home improvement and remodeling projects themselves. They also spend a lot of time and money on their vegetable and flower gardens, owning the necessary tools and equipment to make them a success. Twenty-eight percent of the households own three or more vehicles, making Salt of the Earth one of the top segments with this distinction. These rural households typically own or lease many vehicles including a truck. Many own a motorcycle. Overall, they prefer domestic vehicles to imports and handle the maintenance themselves. Most residents carry insurance policies to protect themselves and their families and invest in annuities, certificates of deposit and U.S. savings bonds. Families often have two or more pets, either dogs or cats.

Salt of the Earth residents enjoy dining out, generally at family restaurants such as Ponderosa, Big Boy and Bob Evans Farms. However, baking is a favorite home activity. They enjoy fishing, hunting and target shooting, attending country music concerts and auto races, and flying kites. They read fishing and hunting magazines. Their radio dials are often tuned to country music stations, but they also like to follow auto racing. Many households have a satellite dish. Favorite stations include CMT, Outdoor Life Network and the Speed Channel. They enjoy watching horse racing, auto racing, and truck and tractor pulls/mud racing on TV. Families travel to vacation destinations by car; for overnight stays, they prefer a Super 8 motel.

Tapestry Lifestyles Segmentation

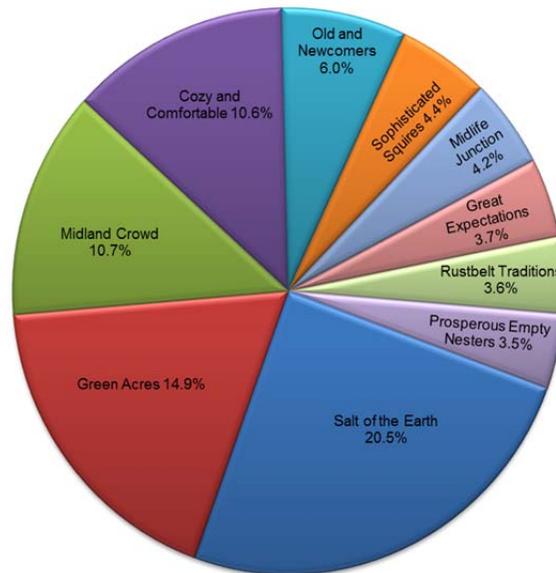


Figure 16: This pie chart shows the relative proportions of the top ten Tapestry Lifestyle segments found in the primary trade area.

Employed Salt of the Earth residents work in a variety of occupations, ranging from management and professional positions to unskilled labor jobs. Above-average proportions work in skilled labor occupations. Approximately one-fifth works in the manufacturing industry. The 66 percent labor force participation is high, and unemployment is low at five percent. The median household income is \$50,500, close to the U.S. median. Besides wages, household income is supplemented by interest income, dividends, rental income, self-employment

income, retirement income, and Social Security benefits, all above national proportions. The median net worth for this market is \$108,600. One-fourth of Salt of the Earth residents aged 25 years and older has attended college; 13 percent hold a bachelor's or graduate degree.

Salt of the Earth neighborhoods are located in rural areas throughout the United States. Nearly half of the households are in the Midwest; the other half are found almost entirely in the South and Northeast. States with the highest concentrations of these households are Pennsylvania, Ohio, Indiana and Michigan. Homeownership is at 86 percent, and the median home value is \$139,060. The majority of households are single-family units (83 percent); 12 percent are mobile homes. Twenty-two percent of the housing units were built before 1940.

Employment

The employment picture found in the study area reflects a service, retail and manufacturing base, with additional elevated levels in transportation, wholesale trade and construction. The services sector accounts for 32.3 percent of employment found in the trade area.

As shown in Table 4 below, the above-average levels of employment in the retail, transportation, construction and wholesale sectors are at the expense of the finance, insurance and real estate classification, and the government and services sectors. Underrepresentation in these segments of the economy explains the lower levels of white-collar employment found in the trade area.

Figure 17: Employment in the Primary Trade Area by Sector

Sector	Primary Trade Area	Pennsylvania	U.S.
Agriculture and Mining	1.0%	1.2%	1.5%
Construction	5.1%	3.8%	4.5%
Manufacturing	11.2%	11.7%	9.7%
Transportation	8.4%	3.6%	3.0%
Communication	0.6%	0.9%	0.9%
Utility	0.1%	0.5%	0.6%
Wholesale Trade	8.5%	5.3%	5.4%
Retail Trade	23.6%	19.3%	19.8%
Finance, Insurance & Real Estate	3.8%	6.7%	7.0%
Services	32.3%	40.8%	40.4%
Government	5.4%	5.8%	6.7%
Other	0.1%	0.4%	0.4%

Figure 17: Retail Trade, Transportation, Construction and Wholesale Trade sector employment in the Carlisle primary trade area is greater than state or national levels.

Carlisle's large daytime employment base plays a major role in supporting the downtown commercial. The borough is the county seat and houses the county courthouse and numerous law firms, as well as Dickinson College and the Dickinson-Penn State School of Law. Additionally, the Comfort Inn Hotel located downtown attracts business travelers. Carlisle's downtown is estimated to have almost 14,000 employees working within a five-minute drive, including the Carlisle Regional Medical Center. The mix of downtown employees is similar to that of the primary trade area, with services and retail trade having 4,800 and 3,300, respectively. Government is the third leading sector of employment in the downtown at just over 2,000 positions. It should be noted that jobs at educational institutions, such as those at Dickinson College and Dickinson Law School, are classified as service industry occupations, not in the government classification.

Figure 18: Existing Employment/Jobs by Industry & Distance from Downtown Carlisle*

Employment Sector	Downtown	5 minute Drive-time	10 minute Drive-time	15 minute Drive-time
Total Employment	13,962	19,971	30,330	39,246
Agriculture, Forestry, Fish & Hunt	2	5	18	40
Mining	0	0	9	16
Utilities	3	3	4	6
Construction	432	597	965	1,639
Manufacturing	592	1,182	1,724	2,177
Wholesale Trade	1,373	2,376	3,022	3,158
Retail Trade	2,129	2,973	4,561	6,827
Motor Vehicle & Parts Dealers	94	153	317	1,345
Furniture & Home Stores	34	48	74	99
Electronics & Appliance Stores	65	81	101	103
Building Material & Garden	55	309	413	608
Food & Beverage Stores	456	672	1,449	1,615
Health & Personal Care Stores	82	103	141	206
Gasoline Stations	344	375	527	530
Clothing & Accessories Stores	75	87	105	158
Sporting, Hobby, Book & Music	54	83	111	158
General Merchandise Stores	735	889	1,074	1,657
Miscellaneous Store Retailers	126	157	210	306
Nonstore Retailers	9	16	38	42
Transportation & Warehousing	789	1,431	3,972	4,331
Information	316	412	535	558
Finance and Insurance	207	287	412	826
Credit & Related Activities	151	203	275	393
Securities & Financial Investments	17	27	45	159
Insurance Carriers & Related Act.s	38	57	92	274
Real Estate and Rental & Leasing	313	414	599	720
Professional, Scientific, & Technical Serv.	649	865	1,166	1,706
Legal Services	209	217	233	281
Waste Management & Remediation	106	179	337	405
Educational Services	1,353	1,405	1,780	3,298
Health Care & Social Assistance	1,501	2,516	4,026	4,743
Arts, Entertainment, Recreation	227	304	521	643
Accommodation & Food Services	1,222	1,975	2,988	3,836
Accommodation	91	166	434	459
Food Services and Drinking Places	1,131	1,809	2,553	3,377
Other Services (except Public Admin.)	705	882	1,206	1,687
Automotive Repair & Maintenance	85	127	247	303
Public Administration	2,040	2,162	2,478	2,627
Unclassified Establishments	3	3	7	7

Figure 18: Existing Employment Jobs by type: Retail Trade, Public Administration, Health Care & Social Assistance, Wholesale Trade, and Educational Services are the main sources of employment in downtown Carlisle.

* Note, figures represent actual jobs, and does not include residents that work elsewhere.

The Bureau of Labor Statistics reports that between November 2010 and October 2011, the Carlisle/ Harrisburg market saw a 3.6 percent jump in construction employment, a 3.3 percent gain in the number of education/health workers, a 1.4 percent rise in leisure & hospitality, a 1.0 percent improvement in manufacturing and a 0.6 percent bump in the “other services” category. Weakness in the job market appeared in the information segment, which lost 3.6 percent of its workers. The government sector saw a 3.4 percent loss and the trade/transportation/utilities division fell by 1.7 percent. Carlisle’s major employers include Giant Food Stores with 3,300 employees, Cumberland County with 1,050 employees, Dickinson College’s 750 full-time staff members and Keen Transport’s 610 workers.

Consumer expenditure from daytime employment compliments that which is captured in the evenings and on weekends by households in the trade area. *Office Worker Spending Patterns*, published by the International Council of Shopping Centers in 2004, provides insight into the impact of downtown employment. Weekly office worker expenditure, adjusted for 2012 dollars, is estimated at \$157.

Figure 19: Downtown Carlisle Worker Expenditure

	Weekly Expenditure	Annual Expenditure	CBD Capture	CBD Office Worker Expenditure 4,095	CBD Non-Office Worker Expenditure 9,867	Total CBD Worker Expenditure
Prepared Food & Beverage						
Limited & Full Service Restaurants	\$25	\$1,300	75.0%	\$3,513,510	\$3,132,378	\$6,645,888
Drinking Places	\$16	\$832	25.0%	\$851,760	\$759,364	\$1,611,124
Retail Goods						
General Merchandise, Apparel, Home Furnishings, Electronics	\$68	\$3,536	20.0%	\$2,751,185	\$2,452,746	\$5,203,931
Grocery	\$29	\$1,508	15.0%	\$1,173,299	\$1,046,024	\$2,219,323
Convenience Items	\$19	\$988	33.0%	\$768,713	\$685,326	\$1,454,039
Total	\$157	\$8,164		\$9,058,467	\$8,075,838	\$17,134,305

Figure 19: Employees in Carlisle’s CBD expend over \$17.1 million dollars annually.

Non-office workers are estimated to have slightly less disposable income, to have multiple work locations, including at home, and typically are on the road more during their workweek. Retail purchases (general merchandise, apparel, home furnishings, electronics, grocery and convenience items) make up the majority of the office worker dollars at \$116. Restaurant expenditures (full service, limited service and drinking places) account for the balance at \$41 per week. Annualized, each office worker expends \$8,164 before, during and after work. Much of this potential expenditure can be captured within the CBD.

The annual impact of the almost 14,000 daytime employees working near the Carlisle study area is: \$8.3 million in prepared food and beverage establishments, \$5.2 million in retail goods sales, \$2.2 million in grocery purchases, and \$1.5 million in convenience items, totaling \$17.1 million in captured expenditure.

Dickinson College



Figure 20: Rector Science Complex at Dickinson College is located only two blocks west of the downtown.

Dickinson College, a highly respected residential liberal arts college with 2,400 students and 200 faculty, is located adjacent to the west edge of the downtown. Ninety-four percent of the students live in campus housing, while only six percent live off campus. While the typical college student has a limited discretionary expenditure budget, many students at this affluent private school are the exception to the rule. Some form of need-based financial aid goes to 54.4 percent of Dickinson College undergraduates, averaging \$29,000 of the \$53,900 annual cost.

The impact of college students is often minimal on downtown shopping districts for a variety of reasons, including narrow category bands of retail purchasing, lack of access to the retail district due to limited links to college campus enclaves, on-campus retailers meeting narrow student needs, and rationed discretionary expenditure budgets.

The 180-acre Dickinson campus is well-integrated into the fabric of the downtown, with access along Louthier, High and Pomfret Streets. On-campus retail consists mostly of coffee and snack shops located in the Holland Union Building, Waidner-Spahr Library, and the Quarry. The campus bookstore is located in the Holland Union Building.

Student, faculty, staff and visitor spending equates to \$4 to \$6 million in potential annual retail spending, or approximately 20,000 sf of retail (equivalent to 10 to 15 restaurants and stores).

United States Army War College



Figure 21: U.S. Army War College Logo (left); Students and faculty (right). (Source: the Army War College website)

The United States Army War College is located adjacent to the northeast edge of Carlisle's downtown on a 500-acre campus, which was formerly the Carlisle Barracks during the Civil War. At any one time, this institution trains approximately 600 senior American and allied service members, as well as some civilians. The War College offers a two-year, internet-based program and a 10-month on-site course in strategic studies. Students are offered the option of on-campus barracks housing or off-campus private lodging.

On-site retail for the War College includes the Commissary and the Post Exchange. The Commissary is a small grocery including prepared food to go. The Post Exchange is made up of limited service restaurants and personal service businesses, including a dry cleaner, barber shop and optical shop. Students attending the College are career officers who have achieved at least the rank of Lieutenant Colonel, designated as O-5. The 2012 military pay scale shows that an O-5 officer with more than 10 years of military service has an annual base pay of \$81,200—much higher than the average household income in Carlisle. The domestic and foreign students are welcome consumers to the local retail community and bring further opportunity for captured expenditure. Many of the base's visitors, students and staff frequently dine in downtown Carlisle and often return to live in the community upon retirement from military service.

Carlisle Special Events



Figure 22: Carlisle Special Events conducts 10 seasonal auto shows that attract thousands of visitors. There is a significant opportunity to increase commerce in the downtown from the events' visitors. (Above, photos from the Fall 2011 car show. Source: Carlisle Events website)

Carlisle has a full calendar of events geared to attract the Pennsylvania day-tripper or leisure overnight traveler. Center stage among these events are the ten national collector auto show events held at the Carlisle fairgrounds between April and October each year. Surprisingly, many downtown businesses reported that they experienced only slight increases in trade during the auto shows and the events represent a significant opportunity for increased sales.

Cumberland County, for which Carlisle is the county seat, received \$726.1 million in tourism-related expenditure in 2011, up 7.1 percent from 2010. This placed Cumberland fifth among the nine counties in the Dutch County Road tourism region. Dauphin and Lancaster counties lead the Dutch County Roads region in tourism expenditure capture with \$2.14 billion and \$1.80 billion, respectively. Shopping and Food & Beverage direct sales accounted for \$291.1 million, or 40 percent of the total Cumberland County tourism expenditure. An Oxford Economics Company report on Pennsylvania tourism estimates that tourism in Cumberland County accounts for 5,935 full time jobs, and \$145.4 million in labor income to residents.

Gettysburg National Tourism

Gettysburg, approximately 25 miles south of Carlisle, is a national tourism destination, with over three million visitors each year. Tourism is the top industry in Adams County and in 2011 accounted for over \$605.4 million in expenditure, while employing almost 4,800 people. Most of Gettysburg's vacationers come from the Mid-Atlantic region, consisting of Pennsylvania, Virginia, New Jersey, New York and Maryland. Average length of stay is 1.25 nights, with 10 percent of visitors staying over three nights.

Highlighting the opportunity for Carlisle to capitalize on Gettysburg's national draw is the fact that 56 percent of sightseers have been to Gettysburg on more than one occasion. Linking with Gettysburg tourism activities to make a day trip to see Carlisle's civil war sights would benefit both communities by providing another destination to uncover the historic significance of the region. Currently, Carlisle has linked with the Gettysburg Convention and Visitors Bureau to be part of the interactive map depicting sites of interest, things to do, or places to shop.

TRADE AREA CHARACTERISTICS



Figure 23: High and Hanover Streets were recently rebuilt and reduced in size from four lane state highways into two lane streets with bicycle lanes. The redesign has improved the downtown's walkability and appeal to shoppers. The bicycle lanes also make it easier for parallel parking.

Location

The Carlisle primary trade area is well defined by a combination of strong retail competition to the east and southeast, low residential density and poor vehicular access to the north, and distant towns and commercial concentrations to the far west and south. The strongest competition to the three subject sites comes from the combined Carlisle Pike community shopping and US-15 regional/community shopping corridor, which limits the eastern boundary of Carlisle's trade area with strong and dense competition and a regional draw to the east.

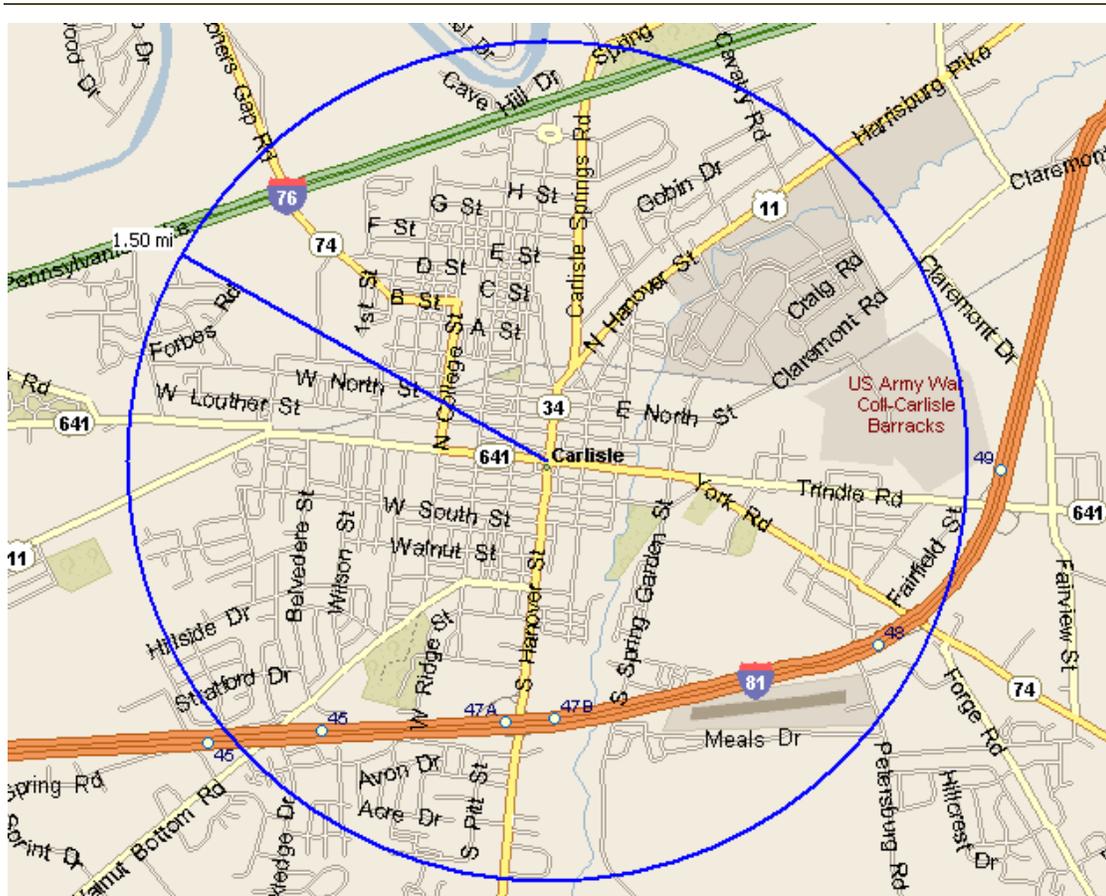


Figure 24: Regional linkage and local circulation to the study area is excellent from all directions but the north.

Access

Regional linkage to the study area is excellent from the east and west, with multiple interchanges to Interstate 81 and toll plaza access to the Pennsylvania Turnpike. Local circulation to eastern, southern and western neighboring communities is also easy via Trindle Road, the Harrisburg Pike, York Road, SR-34, Walnut Bottom Road and Ritner Highway. Access to the north is hampered by the Ridge-and-Valley Appalachian mountain formations, including the Tuscarora State Forest and state game lands.

The study area is fed by heavier volumes on the surface roads from the east, Trindle and York Roads and from the north, like Harrisburg Pike, which indicates that consumers and employees live in relative close proximity to their jobs and shopping destinations. The Pennsylvania Turnpike, with a low highway volume of 21,000 cars per day, does not feed a significant volume of people to the three subject sites. Interstate 81, which offers exceptional regional access from Harrisburg, Chambersburg and Shippensburg, does not show a heavy traffic flow into downtown; only 13,000 cars per day travel on the north side of the Hanover Street interchange. The 14,000 cars per day on the south side of the Hanover Street/Interstate 81 interchange suggest that this interchange is important to commuters on the south side of Carlisle. The traffic counts in the area are provided by the Pennsylvania State Department of Transportation, and are measured in terms of two-way average daily traffic volume.

Figure 25: Traffic Counts

Location	Traffic Count, AADT	Year
Hanover Street just north of High Street	15,000	2010
Hanover Street just south of High Street	15,000	2009
High Street just west of Hanover Street	12,000	2009
High Street just east of Hanover Street	16,000	2010
Hanover Street just north of Interstate 81	13,000	2010
Interstate 81 between York and Trindle Roads	57,000	2010
Interstate 81 just west of Hanover Street	69,000	2010
Interstate 81 just east of Hanover Street	69,000	2010
Interstate 81 just west of Allen Road	40,000	2010
Hanover Street just south of Interstate 81	14,000	2009
York Road just south of High Street	12,000	2009
Trindle Road just west of Interstate 81	14,000	2009
Trindle Road just east of Interstate 81	13,000	2009
Interstate 81 just north of Trindle road	65,000	2009
Harrisburg Pike just west of Pennsylvania Turnpike	15,000	2009
Pennsylvania Turnpike at the Carlisle/Harrisburg Pike Plaza	21,000	2009
Ritner Highway west of High Street	8,000	2009

Figure 25: The traffic chart shows heavier traffic from local roads to the east.

Other Shopping Areas

As part of GPG’s field evaluation, neighborhood, community and regional shopping centers near the three Carlisle subject sites were visited to assess their retail appeal, strength of tenant mix, general maintenance and accessibility. In addition to the on-site inspection of the most significant competing shopping concentrations to the study area, GPG used information from the Directory of Major Malls, Inc., field analysis and discussions with shopping center leaders as the basis for each center’s data.

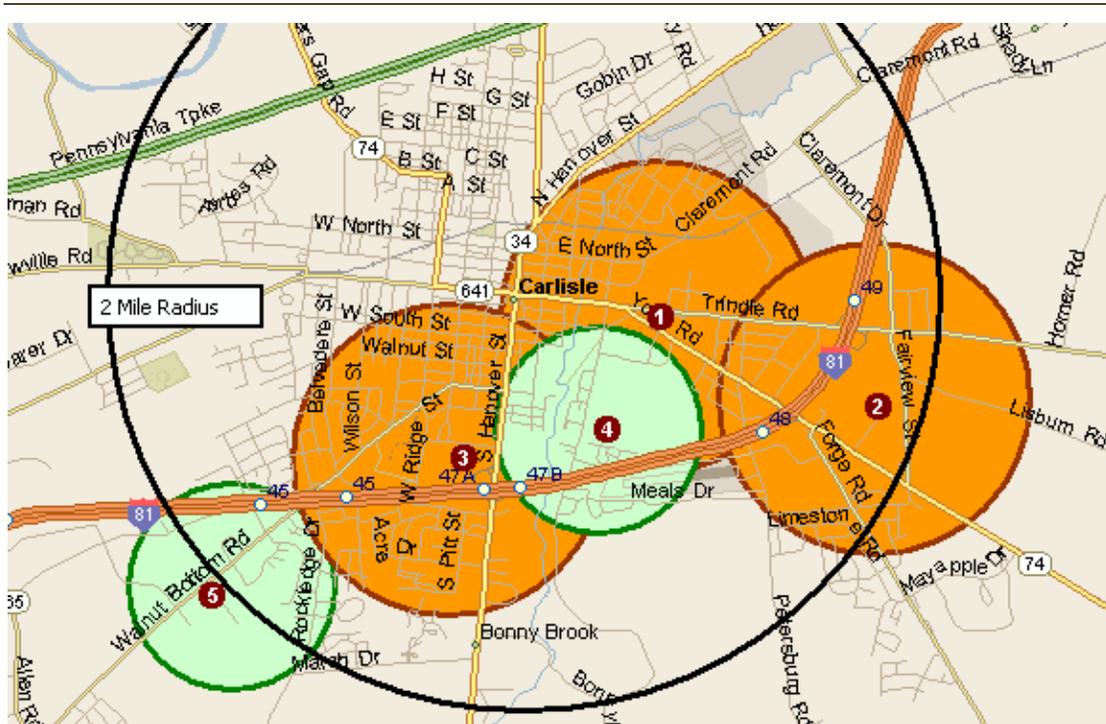


Figure 26: Local Competition Map. All of Carlisle’s shopping centers are located to the east and south of the downtown. Community centers are marked with gold rings and neighborhood centers are indicated with green rings.

Figure 27: Existing Local Competition to Downtown Carlisle

Map Designation	Retail Center Name	Map Designation	Retail Center Name
1	The Point at Carlisle Plaza Mall	4	Carlisle Market Place
2	Carlisle Crossing	5	Stonehedge Square
3	Carlisle Commons	--	--

Figure 27: There are three community centers and two neighborhood centers in close proximity to the Carlisle study area.

1) The Point at Carlisle Plaza

The only enclosed mall in the immediate vicinity of the study area is The Point at Carlisle Plaza, which is a mix of in-line retail, enclosed mall with department store anchors and big box retailers. This former Crown America property has evolved over time. Originally it had three anchors: The Bon-Ton, Kmart and JCPenney, as well as an on-site Giant Foods flagship store. As two of the three anchors and the grocery store closed, this mall shifted to local business, but never again thrived as it did in the 1980s. Today, The Bon-Ton remains as an anchor, but over half of the original mall has been torn down for a Lowe’s store, with new junior anchors of Office Max and Dunham’s. The mall was 30 to 40 percent vacant at the time of our site visit, with very limited holiday shopping traffic. This site may still be suitable for future redevelopment as a lifestyle center, although Lowe’s parking requirements may limit the size of a redevelopment project.



Figure 28: Anchored by the Bon-Ton department store, The Point at Carlisle Plaza, above left. Carlisle Crossing, shown above on the right, is a vibrant retail concentration with popular community-scale retailers.

2) Carlisle Crossing

Located just two miles north of the downtown, the Carlisle Crossing center opened in 2005 and contains a Super Target, Kohl's, Aldi, Old Navy, Michaels, Pier 1, Starbucks, Red Robin and PetSmart. This 368,000 sf center offers many of the brands and merchandise that are preferred by the community and that were formerly sold in downtown Carlisle. Some of this center's retailers could have potentially located in the downtown.

3) Carlisle Commons

The former location of Carlisle's second enclosed mall was razed in 2000 to make room for a new Walmart, which is now adjacent to today's strong mix of community and neighborhood retailers at Carlisle Commons, including Walmart, TJ Maxx, Ross, Staples, Rent-A-Center, AT&T, Panera Bread, Subway, Regal Cinemas 8 and Applebee's. This center is well located off South Hanover Street at the Interstate 81 interchange. In addition to the on-site community retail, there is a Home Depot store less than a quarter of a mile south, on the other side of the highway. Carlisle Commons has location, convenience, tenant mix, and access to thank for its three percent vacancy rate and continued strong draw of local consumer expenditure.



Figure 29: Carlisle Commons is a 394,000 sf neighborhood/community-scale center located at South Hanover and the Interstate 81 interchange.

4) Carlisle Market Place

Carlisle Market Place is a neighborhood center of only 90,000 sf. The Giant Food & Drug store which anchors the center is a dominant grocery in the area, but the weak supporting

tenant mix comprised of local restaurants and personal service businesses limits the draw for this center. The center was purchased by Kimco Realty Trust in October 2005.

5) Stonehedge Center

Stonehedge Center is a 112,000 sf center located along Walnut Bottom Road in southwest Carlisle. Anchored by a Nell’s Market, and offering a wide mix of neighborhood scale retailers and personal services, the draw for this center is helped by a Kmart property just to the south. (This K-mart property has not been identified in the initial list of closures published in December 2011 by Sears/Kmart.)

6) Capital Mall

Located in the West Shore community of Camp Hill along US-13 and Hartzdale Road, the Capital Mall is a 609,000 sf enclosed shopping center. This regional destination mall is anchored by Macy’s, Sears and JCPenney. Built in 1974 and remodeled in 2005, the owner, Pennsylvania Real Estate Investment Trust, claims that occupancy has been greater than 90 percent for the last five years and sales per square foot have been reported at more than \$360 (150 percent above the industry average) for the last four years. In addition to its three anchor tenants, it includes The Limited, Men’s Warehouse, Aeropostale, The Children’s Palace, Hollister Co. and Toys R Us.

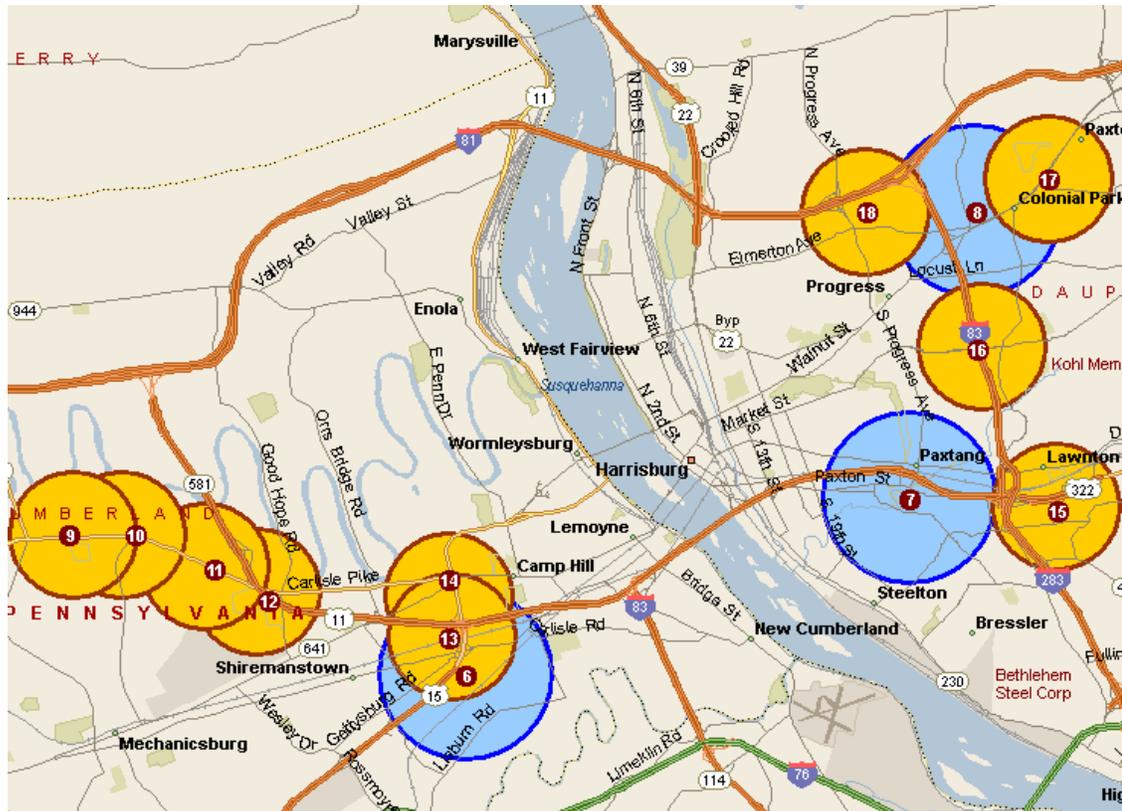


Figure 30: Harrisburg Competition Map. Harrisburg provides strong retail competition 15 miles to the east of Carlisle. The capital city has the full spectrum of national tenants, from the upscale Shoppes at Susquehanna Market Place (#18) to the discount retailers located in the community cluster #13 along Hartzdale Drive.

Figure 31: Existing Harrisburg Competition to Downtown Carlisle

Map Designation	Retail Center Name	Map Designation	Retail Center Name
6	Capital City Mall	13	Hartzdale Drive Community Cluster
7	Harrisburg Mall	14	Camp Hill Shopping Center
8	Colonial Park Mall	15	High Pointe Commons
9	Silver Spring Commons	16	Union Deposit Road & I-283 Cluster
10	Silver Spring Square	17	Colonial Commons
11	Hampden Commons	18	Shoppes at Susquehanna Market Place
12	Gateway Square		

Figure 31: Harrisburg Competition Map: There are three regional malls and ten community shopping concentrations in the Harrisburg area which compete for secondary trade area consumer expenditure.

7) Harrisburg Mall

The region’s largest shopping center is the 992,000 sf, two-story Harrisburg Mall, which is anchored by Macy’s, Bass Pro Shop and the Great Escape Theater. The property also has a 188,000 sf vacant anchor space. Tenants include Express, Bath & Body Works, New York & Company, Victoria’s Secret, AT&T Wireless and Footlocker. The numerous vacancies may be the reason behind its listing for sale on the Jones Lang LaSalle website. No sale price is listed, although the broker recommends cash offers.

8) Colonial Park Mall

Owned by Glimcher Realty Trust, the 741,000 sf enclosed Colonial Park Mall is a significant regional destination with 95 stores, including four anchors: Boscov’s, Sears, The Bon-Ton and Colonial Park Cinema. Additional tenants include Hollister Co., American Eagle, Gap, Express, Aeropostale and Victoria’s Secret. The center is easily accessible for most of Carlisle’s residents, and offers many of the brands, goods and services that they desire and need. However, the center does not offer Carlisle’s walkability, placemaking, or historical character. It is likely that many of the mall’s retailers will eventually deploy second stores close to Carlisle as the region grows.

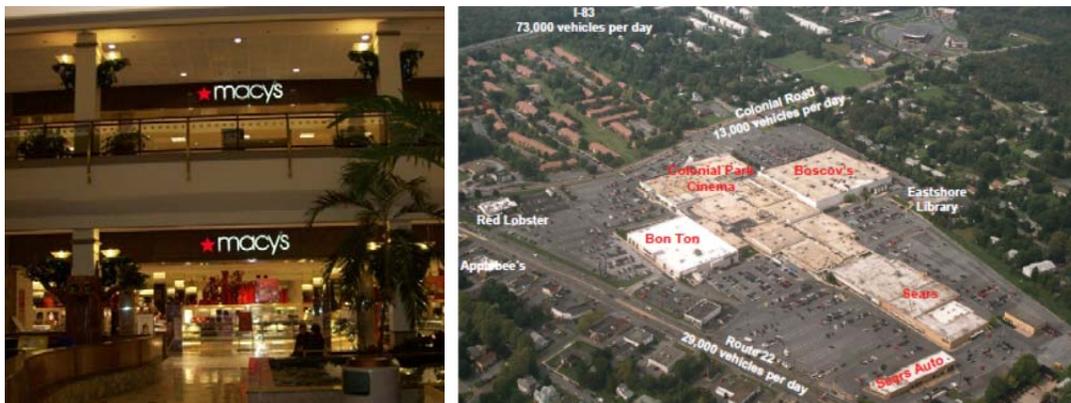


Figure 32: The Harrisburg Mall, above left, has a traditional anchor in Macy’s and a 188,000 sf vacant anchor space. The Colonial Park Mall, above, right, is a 741,000 sf single-story enclosed mall.

9-12) Carlisle Pike Community Shopping Cluster

Shopping centers 9-12 make up the Carlisle Pike corridor community shopping cluster. These centers, from west to east, include: #9 Silver Spring Commons, #10 Silver Spring Square, #11 Hampden Commons and #12 Gateway Square. This shopping corridor contains over two million sf of retail, with 876,000 in the Hampden Commons project alone. Anchor tenants include Walmart, Marshalls, Value City Furniture, Wegmans, Best Buy, Target, Petco, Ross Dress for Less, Bed Bath & Beyond, Office Max, Kohl's, Home Depot, Lowe's, Kmart, Staples, hhgregg, Dick's Sporting Goods, PetSmart and TJ Maxx. The Carlisle Pike concentration has low vacancy, although there are vacant anchor locations in the Silver Spring Commons and Gateway Square community centers. Since the Carlisle Pike connects Carlisle to Harrisburg, the convenient direct access makes this intense shopping district a prime destination for consumers in the primary trade area.



Figure 33: The Carlisle Pike community retail corridor contains a wide variety of national big box retail as well as multiple neighborhood centers, making it strong competition for the three Carlisle subject sites.

13) The Hartzdale Road Community Shopping Cluster

Another community-sized shopping center surrounds the Capital City Mall, from Gettysburg Road, south of the Harrisburg Expressway, to Hartzdale Road, #13 as depicted in Figure 30. This assortment of retailers includes The Bon-Ton, Michaels and BJ's Wholesale Club, as well as multiple neighborhood centers. Although this regional/community/neighborhood collection has more vacancies than the Carlisle Pike corridor, it still has a wide variety of national and local retailers meeting consumer needs in one convenient location with good freeway access.

14) Camp Hill Shopping Center

Retail center #14 is Camp Hill Shopping Center, a supersized community center at 523,000 sf of gross leasable area. This project has the strongest tenant mix of any single community center in the region and very good access from the Harrisburg Expressway and local arteries Trindle Road and Carlisle Pike. Anchored by a 168,000 sf Boscov's department store and a 115,000 sf Giant Food Store, this center also draws with four junior anchors: LA Fitness, Barnes & Noble, Staples and Pier 1 Imports. Camp Hill includes some personal service businesses including Lenscrafters, a barber shop, hair salon, tailor shop, medical offices and four banks. Parked at approximately five spaces per 1,000 sf of leasable space, this center offers strong competition, even at fifteen miles distance from Carlisle.



Figure 34: Camp Hill Shopping Center offers a robust tenant mix and convenient access, attracting consumers to Harrisburg's West Shore from as far away as Carlisle and Chambersburg. High Pointe Commons, pictured on the right, opened in 2006 in the East Shore area and is anchored by JCPenney and Target.

15) High Pointe Commons

The High Pointe Commons project, which opened in 2006, is community center #15 on the retail competition map. The anchors include a 99,000 sf JCPenney and a 127,000 sf Target. Additional retailers include Kelly's Sports, Famous Footwear, Five Guys, Christmas Tree Shops, Verizon Wireless, Lane Bryant, Sleepy's and GNC. Well-positioned along Interstate 283, this 341,000 sf center has only three suites vacant, totaling 5,700 sf.

16) Union Deposit Road Community Retail

Community retail cluster #16 is located at the Union Deposit Road-Interstate 83 interchange, where community and retail centers are located along Union Deposit Road on both the east and west sides of I-83. Anchored by Lowe's, Burlington Coat Factory, Staples, Ashley Furniture, Office Max and Weis Market, these centers have both neighborhood and community appeal. However, this retail concentration does not extend its consumer draw very far into the West Shore area.

17) Colonial Commons

Colonial Commons is a 421,000 sf community center, located along Jonestown Road near Interstates 81 and 83. This center is anchored by a Giant Food & Drug and an AMC Theater, as well as multiple junior anchors including Ross, TJ Maxx, Office Max, Dick's Sporting Goods, Marshalls and Pier 1 Imports. Although Colonial Commons has a desirable tenant mix, it does not have a significant portion of its trade area extending west of the Susquehanna River.

18) Susquehanna Marketplace

The upscale Shoppes at Susquehanna Marketplace, at the North Progress Avenue and Interstate 81 interchange, is center #18 on the Harrisburg competition map. This fashionable project, which opened in the fall of 2004, hosts a variety of retailers common to lifestyle centers, including: Williams Sonoma, Chico's, White House/Black Market, Talbots, Banana Republic, Ann Taylor Loft, Eddie Bauer, Coldwater Creek, J. Jill and Claire's Icing. The center is only 108,000 sf but the tenant mix and design are somewhat unique in the market and access is good via Interstate 81. This project is somewhat exceptional among the East Shore retail centers, in that it does extend its trade base across the river into the West Shore

communities. If this project had more upmarket, custom eateries, it would generate much more traffic and expand its trade area further.

Figure 35: Existing Regional Competition to Downtown Carlisle

Map Designation	Retail Center Name	Map Designation	Retail Center Name
19	Chambersburg Mall	25	Gettysburg Community Shopping
20	North Hanover Mall	26	Dillsburg Shopping Center
21	East Manchester Mall	27	Eisenhower Road Community Shopping
22	Galleria Mall	28	West York Community Shopping
23	Chambersburg Community Shopping	29	East York Community shopping
24	Shippensburg Community Shopping		

Figure 35: Regional Competition Map: There are four regional malls and seven community shopping concentrations in the south central Pennsylvania region, which compete with Carlisle for secondary trade area consumer expenditure.

19) Chambersburg Mall

Enclosed mall #19 is the Chambersburg Mall. This 454,000 sf regional collection includes Sears, JCPenney, The Bon-Ton and Burlington Coat Factory as anchors, as well as Aeropostale, Bath & Body Works, The Finish Line, The Shoe Department, Victoria's Secret and Zale's. This mall, which opened in 1982, has a sprawling trade area stretching over 40 miles, bordering Carlisle to the northeast and continuing south along Interstate 81 to the Maryland state line. This trade area contains only 185,000 consumers. The mall is situated in Chambersburg to take advantage of a market void created by the low residential density found in south central Pennsylvania.

20) North Hanover Mall

The North Hanover Mall, located approximately 30 miles south of Carlisle, is a 356,000 sf enclosed regional mall owned by the Pennsylvania Real Estate Invest Trust. This older center, identified as #20 on the regional competition map, was built in 1967 and transformed by a major renovation in 1999. It is anchored by Sears and JCPenney, but also has a vacant anchor space. Almost a clone of the Chambersburg mall, which is also owned by PREIT, it contains many of the same tenants: Aeropostale, American Eagle Outfitters, Finish Line and Bath & Body Works. Although this enclosed facility is not located along a major highway, it is only 10 miles from Gettysburg.

21) West Manchester Mall

The West Manchester Mall in York is a 706,000 sf enclosed regional mall anchored by Macy's, Walmart, Kohl's and a Regal 13 Cinema. The Bon-Ton anchor just announced that it is closing. This property also has many desirable national tenants, including f.y.e., Bath & Body Works, GNC, AT&T Wireless, Payless Shoe Source and the Shoe Department. The combination of anchors Macy's and Walmart offers little cross shopping opportunities and suggests that the mall may be trying to reposition itself to more of a discount tier. This mall is reported to be for sale and may become one of at least seven properties that its owner, the Lightstone Group, has sold or lost to the bank over the last five years.



Figure 36: York has two enclosed regional malls, the West Manchester Mall and the York Galleria. The West Manchester Mall just lost its Bon-Ton anchor and is reported to be for sale.

22) The York Galleria

The second of York's regional malls is the York Galleria, a 765,000 sf, two-story enclosed mall with four anchors: Sears, JCPenney, Bon-Ton and Boscov's. This desirable shopping location features popular national tenants like Hollister Co., Aeropostale, The Children's Place, Gap and Gap Kids, PacSun and Best Buy Mobile. The center is well situated along US 30, and has good regional access to Carlisle, Harrisburg, Philadelphia and Baltimore.

23) Chambersburg Community Retail Cluster

The Chambersburg retail concentration, # 23, is located approximately 30 miles southwest of Carlisle along Interstate 81 and consists of multiple community and neighborhood retail centers at three highway interchanges: the Walker Road, US 30 and Wayne Avenue exits. The community-sized retail center at the US 30/I-81 interchange includes the following discount community retailers: Walmart, Aldi, Lowe's, JoAnn Fabrics, Hobby Lobby and Lumber Liquidators. Just north of the US 30 interchange, Interstate 81 and Walker Road is a second retail cluster anchored by Target, Giant Foods, Wolf Furniture, Staples, Kohl's and Michaels. This northern Chambersburg retail is the newest of the three clusters. The Wayne Road and I-81 collection includes Kmart, Giant Foods and Dollar Tree. Although Chambersburg has three medium retail districts with convenient access right off of Interstate 81 for consumers from the Carlisle trade areas, its distance and lack of unique tenant mix does not create a strong draw for consumers.

24) Shippensburg Area Shopping

The Shippensburg community retail concentration is found along Interstate 81 at the Walnut Bottom Road exit, identified as #24 on the regional competition map. This small, two-center cluster is anchored by a newer Walmart and Lowe's on the north side of the road and an older Kmart center on the south side. These freeway retail developments serve the local community, but do not have much of a draw beyond there because of the lack of exceptional tenants, or a unique product mix.

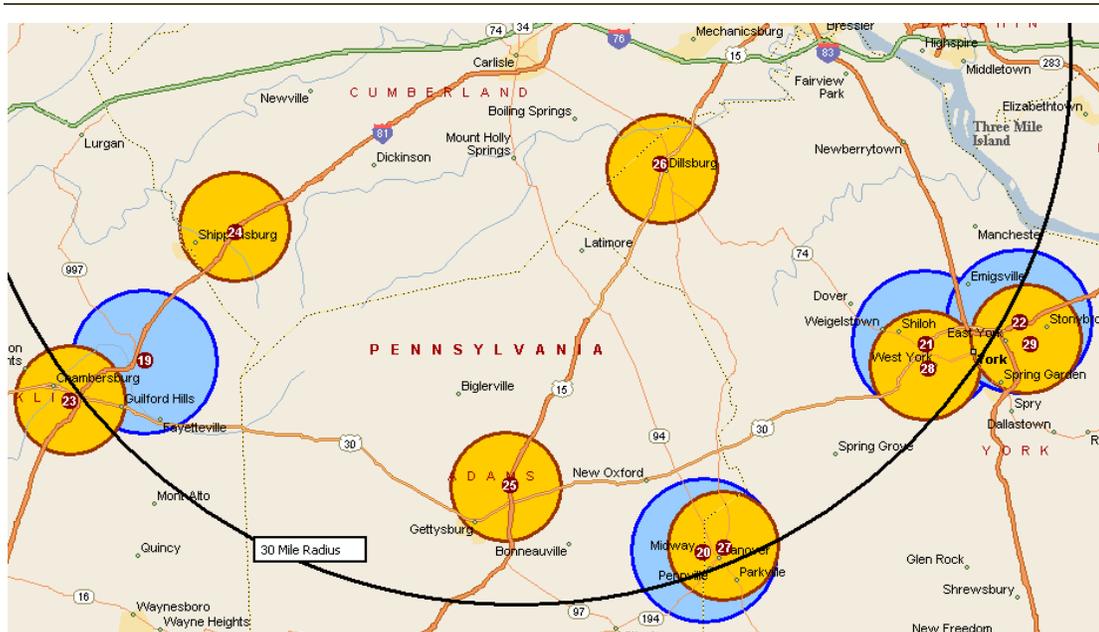


Figure 37: Regional Competition Map. There are four enclosed regional malls and six community concentrations competing for consumer expenditure with downtown Carlisle.

25) Gettysburg Area Shopping

A national landmark, Gettysburg is also a major leisure tourist destination in the region, with a historic downtown complete with neighborhood goods and services, as well as retail geared toward the historic nature of the community. The community-scale shopping has been located along US 30, to the east of the downtown, at two major exits at York and Baltimore Road. Identified as #25 on the competition map, these retail clusters complement each other. The Outlet Shoppes at Gettysburg, at the Baltimore Road interchange, has over 70 name brand retail outlets and 260,000 sf, sitting on 110 acres. The York Road community retail will soon be supplemented by Gettysburg Crossing, a 540,000 sf center anchored by a Walmart supercenter, BJ's Warehouse Club, and five additional junior anchors. Expected to open in October 2012, this community concentration will provide strong competition once the Gettysburg Crossing project opens.

26) The Dillsburg Shopping Center

The Dillsburg Shopping Center is a very small community/neighborhood center located 10 miles outside of Carlisle. Identified as #26 on the regional map, this center has a very strong local Giant Food & Drug location, which is supported by Radio Shack, Verizon Wireless, Little Caesars, McDonald's and Rite-Aid. The center is approximately 25 percent vacant and has a junior anchor space available. Filling this space with a hardware or building supplies dealer would increase the consumer draw and strengthen its position as a community center.

27) The Eisenhower Road Corridor Shopping Cluster

Hanover, located approximately 30 miles south of Carlisle, has a very strong community retail corridor complementing the North Hanover Mall. The Eisenhower Road corridor is over a mile of concentrated big box and community retailers, identified as #27. It is anchored on the west by the enclosed regional mall, and contains: Kohl's, Target, Walmart, Best Buy, Lowe's, Home Depot, Sears, TJ Maxx and Staples. This commercial destination creates a strong draw for convenience, but is somewhat limited by a lack of highway access from Carlisle.

28-29) The York Community Retail Shopping Clusters

York has two community retail concentrations, the west York community cluster (#28), and the east York cluster (#29). Centered near the West Manchester Mall at the Lincoln Highway and Carlisle Road interchange in western York, this community retail concentration is anchored by Target, BJ's Wholesale Club, Lowe's and TJ Maxx. The eastern community collection is anchored by Walmart, Sam's Club and other junior anchors found in the York Marketplace center. These two community shopping districts enhance the retail experience found in the enclosed malls, but do not offer unique experiences by themselves.

SUMMARY of FINDINGS

This study finds that the three infill sites have a considerable opportunity to meet the desires and demands of its community and visitors by expanding its commercial goods and services offerings. Up to 119,600 sf will be supportable in the Carlisle study area by 2017.

The three subject sites can draw from a 2017 primary trade area population base of 158,400 people, 60.7 percent of whom are employed in management positions. There are nearly 14,000 daytime workers in the downtown area, with over \$17 million annual retail and restaurant spending potential. These workers spend almost \$6.6 million per year in restaurants, equaling from eight to 10 additional restaurants and specialty food businesses.

Household incomes are \$66,700 in the primary trade area, which is greater than the state and national averages. The per-capita income of \$26,700 is also higher than the state and national levels. Employment in the Carlisle primary trade area is concentrated in the services, retail, and manufacturing sectors, while being weak in the agriculture and mining, utility, and communications categories.

Tapestry lifestyles in the market reflect a majority base of "Salt of the Earth " households and are dominated by married couples with children (36 percent) and without (29 percent). Both household percentages are higher than the U.S. values. One-fifth of households are composed of singles living alone.

Rationale

The rationale for the findings in this study follows:

- **Existing retail infrastructure development:** Carlisle has valued and supported its downtown since 1980, with the initial formation of the Carlisle Economic Development Center, which has evolved into today's Downtown Carlisle Association. This business development entity has remained focused on encouraging professional standards for retailers, as well as concentrating on expanding its trade area and drawing new consumers who will stay for longer shopping/entertainment visits. Although there is sufficient retail in place now, the access, parking, daytime employment and consumer base exists to support new, conversion, or infill retail development.
- **Carlisle Special Events:** Special event planning in Carlisle draws hundreds of thousands of tourists to the region each year. The most popular events are the ten auto-orientated events held between April and October, drawing mostly during the summer months as is shown by the hotel occupancy rate fluctuations. Summer 2011 occupancy rates in the Dutch County Roads tourism region reached just over 70 percent, while winter months bottomed out at 35 percent.

-
- **Dickinson College:** Dickinson is a highly regarded liberal arts college with 2,400 students and offers limited on-campus shopping or dining opportunities. The campus is embedded into the western edge of the downtown, offering a walkable small-town setting. In general, most of Carlisle's shops are not catering to the preferred taste and brand names sought out by college students, which could be a considerable opportunity for commercial expansion. Apparel, shoes, athletic wear, outfitters, jewelry and specialty foods such as baked goods, coffee, sandwich shops and quality quick service food could fill this retail gap.
 - **Army War College:** The War College attracts 600 career officers for classes which last ten months. While the attendees have some retail available on base, the strength of the downtown tenant mix pulls consumer expenditure off of the base into the local retail businesses.
 - **Demographic growth:** Average and median household incomes are modest, but the encouraging annual growth rate in population and incomes will favorably affect new retail development. Regardless of disposable income levels, the growing base of population households in the primary study area need daily goods.
 - **Single site critical mass development:** Carlisle Downtown District's potential availability of a large single site development, assembled by private developers through market transaction, could attract new retailers to the market.
 - **Access to surrounding neighborhoods:** Access to surrounding neighborhoods, the college and the downtown are excellent.

Limits of Study

The findings of this study represent GPG's best estimates for the amounts and types of retail development that should be supportable in the Carlisle study area. 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. This study is based on estimates, assumptions, and other information developed by GPG independent research effort, general knowledge of the industry and consultations with the client and its representatives. This study and GPG has not conducted any environmental reviews or analysis for the three subject sites and does not represent or warrant that any of the supportable market uses can be constructed on the sites.

No responsibility is assumed for inaccuracies in reporting by the governmental agencies, the client and its representatives, or in any other data source used in preparing or presenting this study. This report is based on information that was current as of 15 March 2013 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, but 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 programming, planning, designing, financing, or development of any commercial center. This study is for the use of the Borough of Carlisle for general planning purposes only, and is void for other site locations or developers.

This study represents a third party analysis of the types and sizes of retail that are supportable in the Carlisle study area. GPG does not recommend that any or all of the supportable retail types or brands be recruited by the public or private sectors.

-- END OF REPORT -

Carlisle Residential Summary Appendix

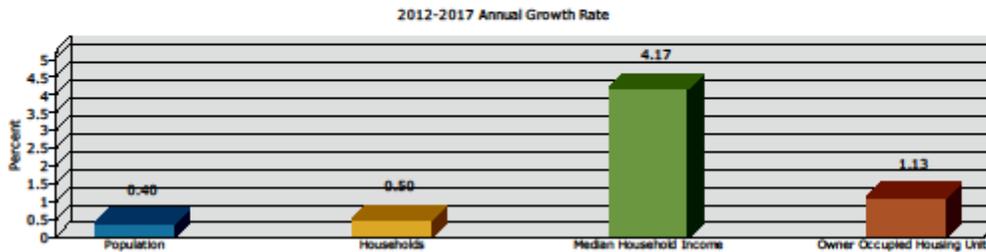
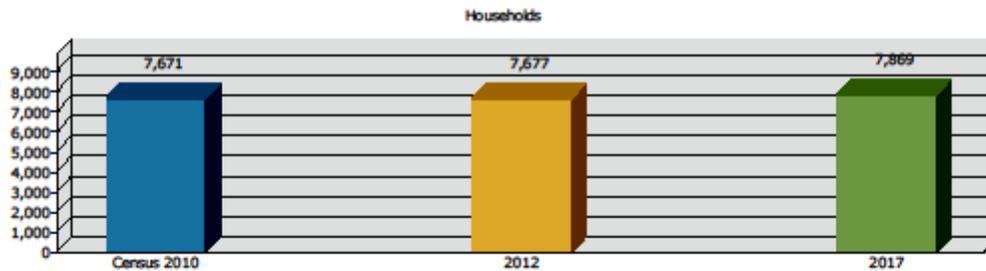
Carlisle Borough
Carlisle Borough, PA (4211272)

Prepared by Gibbs Planning Group

Population		Households	
2010 Total Population	18,682	2012 Median Household Income	\$42,493
2012 Total Population	18,905	2017 Median Household Income	\$52,134
2017 Total Population	19,282	2012-2017 Annual Rate	4.17%
2012-2017 Annual Rate	0.40%	2012 Median Age	34.4
		2017 Median Age	35.4

Housing Units by Occupancy Status and Tenure	Census 2010		2012		2017	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	8,404	100.0%	8,442	100.0%	8,629	100.0%
Occupied	7,671	91.3%	7,677	90.9%	7,869	91.2%
Owner	3,829	45.6%	3,672	43.5%	3,885	45.0%
Renter	3,842	45.7%	4,005	47.4%	3,984	46.2%
Vacant	733	8.7%	765	9.1%	760	8.8%

Owner Occupied Housing Units by Value	2012		2017	
	Number	Percent	Number	Percent
Total	3,672	100.0%	3,885	100.0%
<\$50,000	45	1.2%	23	0.6%
\$50,000-\$99,999	513	14.0%	375	9.7%
\$100,000-\$149,999	1,112	30.3%	1,089	28.0%
\$150,000-\$199,999	836	22.8%	898	23.1%
\$200,000-\$249,999	473	12.9%	602	15.5%
\$250,000-\$299,999	291	7.9%	368	9.5%
\$300,000-\$399,999	268	7.3%	337	8.7%
\$400,000-\$499,999	72	2.0%	103	2.7%
\$500,000-\$749,999	59	1.6%	87	2.2%
\$750,000-\$999,999	2	0.1%	3	0.1%
\$1,000,000+	1	0.0%	0	0.0%
Median Value		\$159,928		\$175,362
Average Value		\$184,484		\$200,753



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

Carlisle Residential Summary Appendix

Carlisle Borough
Carlisle Borough, PA (4211272)

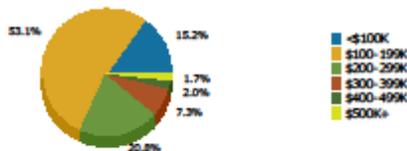
Prepared by Gibbs Planning Group

Census 2010 Owner Occupied Housing Units by Mortgage Status		
	Number	Percent
Total	3,829	100.0%
Owned with a Mortgage/Loan	2,619	68.4%
Owned Free and Clear	1,210	31.6%

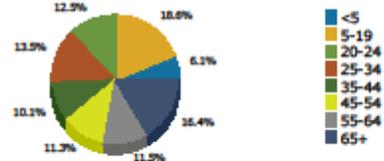
Census 2010 Vacant Housing Units by Status		
	Number	Percent
Total	733	100.0%
For Rent	348	47.5%
Rented- Not Occupied	26	3.5%
For Sale Only	112	15.3%
Sold - Not Occupied	11	1.5%
Seasonal/Recreational/Occasional Use	64	8.7%
For Migrant Workers	0	0.0%
Other Vacant	172	23.5%

Census 2010 Occupied Housing Units by Age of Householder and Home Ownership			
	Occupied	Owner Occupied Units	
		Number	% of Occupied
Total	7,671	3,829	49.9%
15-24	589	43	7.3%
25-34	1,412	448	31.7%
35-44	1,145	544	47.5%
45-54	1,366	734	53.7%
55-64	1,306	875	67.0%
65-74	836	571	68.3%
75-84	666	442	66.4%
85+	351	172	49.0%

2012 Home Value



2012 Population by Age



Census 2010 Occupied Housing Units by Size and Home Ownership			
	Occupied	Owner Occupied Units	
		Number	% of Occupied
Total	7,671	3,829	49.9%
1-Person	2,976	1,095	36.8%
2-Person	2,476	1,534	62.0%
3-Person	1,066	565	53.0%
4-Person	733	413	56.3%
5-Person	275	141	51.3%
6-Person	87	49	56.3%
7+ Person	58	32	55.2%

Source: U.S. Census Bureau, Census 2010 Summary File 1.