

Existing Conditions Analysis

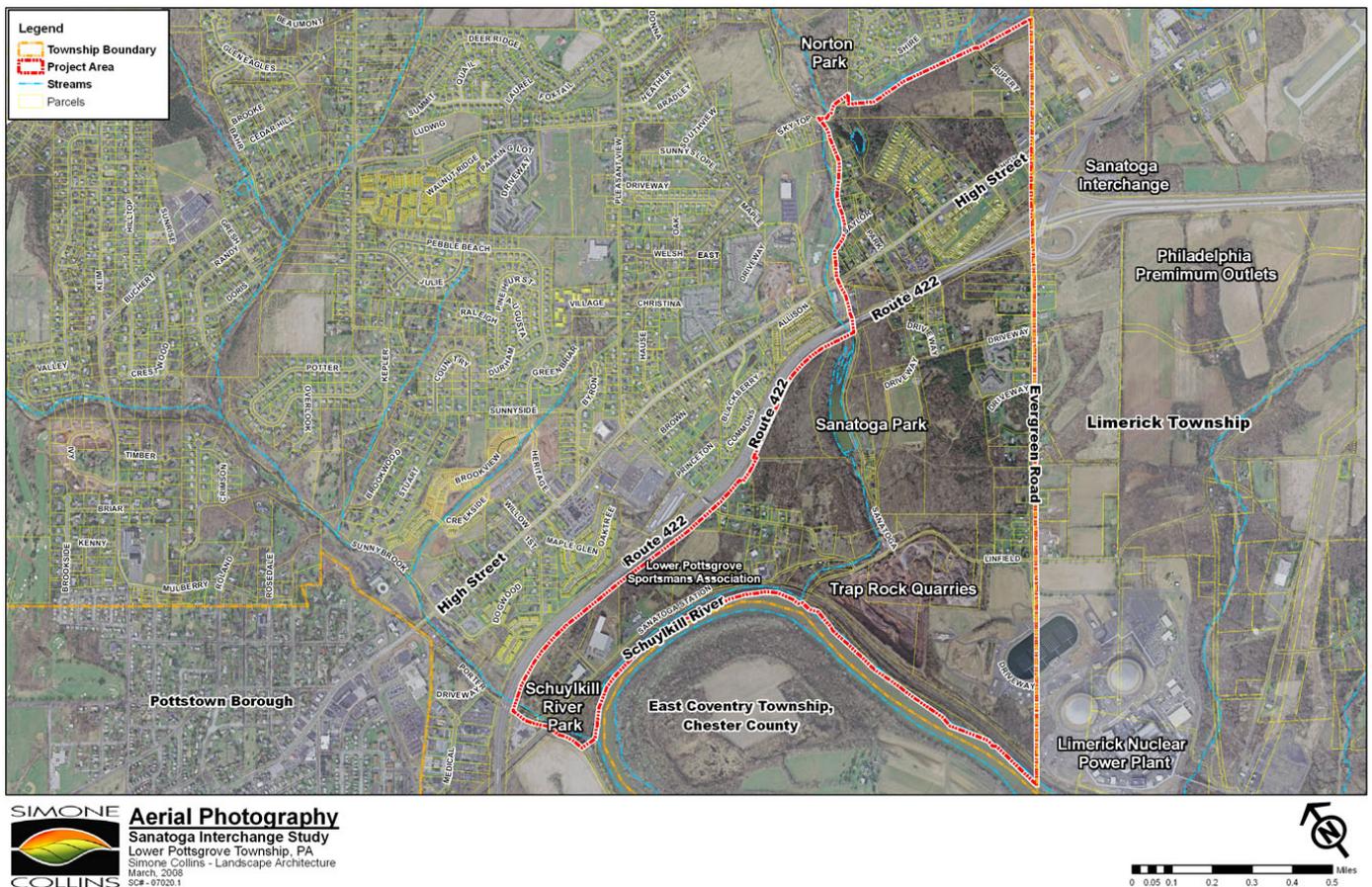
Local Context

The Sanatoga interchange study area is located in the vicinity of Evergreen Road and U.S. Route 422 in Lower Pottsgrove Township, Pennsylvania. Located in western Montgomery County, the Sanatoga Interchange study area consists of two Census tracts that straddle Route 422 on the north and south, with the Lower Pottsgrove/Limerick Township line as the eastern boundary, the Schuylkill River creates the southern and western boundary, and Route 422 acts as the northern edge through the western portion of the study area.

Just outside the study area residential areas are located in close proximity to the north and the west. Snell and Norton Park are located to the north. High Street forms a commercial spine for the area running northeast to southwest. Across the Schuylkill River - in East Coventry Township – a large swath of undeveloped land exists. The Philadelphia Premium Outlets, undeveloped land, and the Limerick Nuclear Power Plant exist to the east, across Evergreen Road, in Limerick Township. Other significant destinations include; Trap Rock Quarries, Lower Pottsgrove Sportsmen Association, Sanatoga Park, and Schuylkill River Park.

Data Collection & Methodology

Data found within this report was compiled from many different sources including previous planning efforts, Township & County Information, and new field reconnaissance data provided by the consultant.



Local Context Map

Existing Conditions Analysis

GIS (Geographic Information Systems) Data

2005 Delaware Valley Regional Planning Commission (DVRPC) orthographic aerals, parcels with tax data, roads, hydrology, and topography were provided to the consultant by Lower Providence Township. Montgomery County Planning Commission provided similar data files for Limerick Township. Soils, wooded parcels, slopes, and watersheds were provided by Ray Ott & Associates. Field maps were prepared from the GIS database consisting of the base aerial photography and other identifying features.

Field Reconnaissance

The consultants performed field reconnaissance to inventory, analyze, and document existing conditions. Field data was recorded by the consultants and photographs were taken of existing site conditions for use in the evaluation of the existing study area conditions.

Parcel Identification

Parcels were identified using the GIS database and this information was later verified in the field. Assessments were made to determine the aesthetic qualities and conditions of the individual parcels and the buildings situated on them.

Oblique Aerials

Various oblique aerials were obtained from Windows Live Local, and an earlier study conducted by McMahon Associates, which allowed for numerous three-dimensional views of the interchange and the adjacent study area.

Zoning

The study area is comprised of 6 zoning districts which allow for a wide variety of uses. The following is a summarized list of permitted uses categorized by zoning district:

LI Limited Industrial:

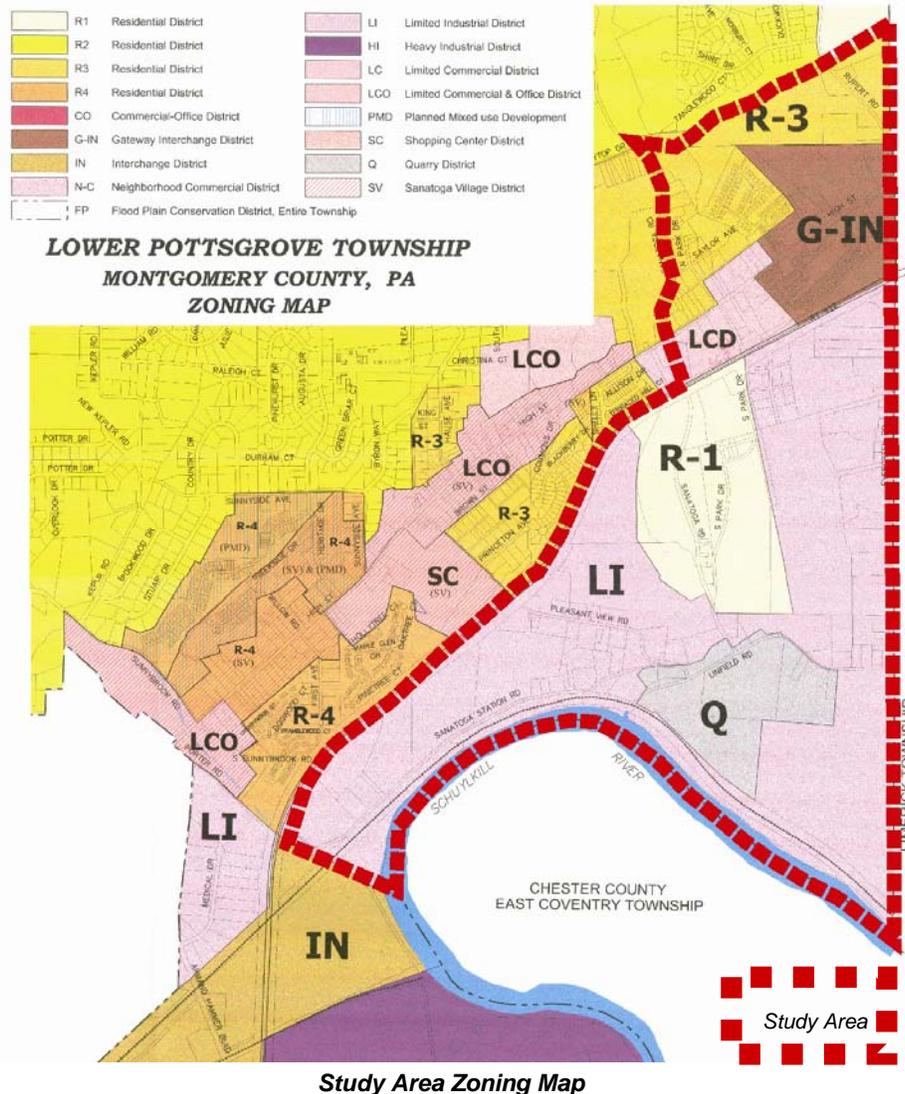
- Manufacturing
- Storage
- Laboratories
- Printing
- Wholesaling
- Office
- Bottling
- Canning

G-IN Gateway Interchange

- Retail
- Business Office
- Theater
- Auto Sales
- Restaurant
- Hotel
- Barber
- Drive-Through
- Gas Station

LCO Limited Commercial Office

- Professional Office
- Business Office
- Telephone
- Daycare
- Personal Service Shops
- Specialized Retail
- Studio





Existing Quarry Site Near Sanatoga Station Road

(LCO uses Continued)

- Travel Agency
- Single Family Dwelling
- Duplex
- Multi-Family
- Mixed-Use

R-3-Residential

- Single Family Dwellings
- Duplexes
- Townhouses
- Parks
- Mobile Home Park

R-1 – Residential

- Single Family Detached Dwelling.
- Agricultural Use
- Cluster Development
- Planned Residential Development

Q – Quarry

- Utility Operating Facility
- Agriculture
- Wholesale and Distribution Activities
- Storage Buildings and Warehouses
- Ready-Mix Concrete Plant
- Bituminous Asphalt Plant
- Quarry



Existing Commercial Uses Along High Street

Just outside the study area to the east in Limerick Township, the zoning designation is primarily LLI-Limited Light Industrial in the north and HI-Heavy Industrial in the south. Just outside the study area to the north and west the primary zoning districts are R-2-Residential, R-3, R-4-Residential, LCO, IN-Interchange, and SC-Shopping Center. Please refer to the zoning map on the previous page.

Topography/Hydrology

The topography of the study area is mostly comprised of gently rolling hills with the exception of areas near natural waterways where the topography becomes very steep. North of Route 422, High Street is situated on a slight ridge and forms the high point for this area. Low points are generally found along Hartenstein Creek and Sanatoga Creek. South of Route 422 the Sanatoga Nursing Center forms the high point and the low point is generally created by Sanatoga Creek. Please see the natural features plan for topographic information and more detailed information on steep slopes.



Steep Slopes Near Sanatoga Lake Looking West From Sanatoga Park

In addition to the Sanatoga Creek and Hartenstein Creek the Schuylkill River is also located within the study area. Two large lakes, Sanatoga Lake and an un-named lake in the northwest portion of the study area can also be found. For information on wetlands please refer to the natural features plan which identifies hydric soils, a general indicator of the existence of

wetlands. Also depicted on the natural features plan is floodplains, watercourses, watersheds, and natural drainage ways.

New stormwater regulations will be an important consideration for future site development in the study area. Careful planning should be conducted to allow for shared stormwater basins and efforts should be made to identify and implement best management practice areas and to protect and mitigate riparian corridors from damage and development.

Transportation

Existing Traffic Volumes

The following intersections in Lower Pottsgrove Township, along the Lower Pottsgrove boundary with Limerick Township, and in Limerick Township, were included in the traffic analysis:

- High Street and Park Road
- High Street and Rupert Road
- Evergreen Road and Rupert Road/Route 422 Westbound Off-Ramp
- Evergreen Road and Route 422 Westbound On-Ramp
- Evergreen Road and Route 422 Eastbound Ramps
- Evergreen Road and Lightcap Road

These intersections were included in the study area to evaluate the impact of local traffic on High Street and the regional impact of traffic that will heavily rely on Evergreen Road and Route 422. Manual turning movement counts were completed at the intersection of High Street and Park Road in 2007. Traffic volumes for the Evergreen Road intersections were taken from the Traffic Impact Study prepared by TPD for the Philadelphia Premium Outlets, dated September



Aerial Image of Sanatoga Interchange

Existing Conditions Analysis

26, 2006. The 2007 Projected Condition volumes from this study were used as existing conditions to account for the outlet center traffic.

The P.M. and Saturday peak periods were selected for the traffic analyses because the majority of the land development scenario that was projected for the study area will be commercial and retail uses. These types of uses generate the highest number of trips during P.M. and Saturday peak periods. The existing condition traffic volumes for the study intersections are shown in Figures 1 and 2 in the Appendix.

Existing Level of Service Analysis

Capacity analyses were conducted for the weekday P.M. and Saturday midday peak hours to determine levels of service at the study intersections. Generally levels of service A – D are considered acceptable operating conditions for roadways in urban and suburban areas. The existing conditions at the study intersections are summarized in Table 1.

Table 1
Existing Conditions
Level of Service Comparison

Intersection	Approach	Weekday P.M. Peak Hour	Saturday Midday Peak Hour
High Street & Park Road	Eastbound	B	A
	Westbound	A	A
	Northbound	E	E
	Southbound	F	F
High Street & Rupert Road	Eastbound	B	C
	Westbound	B	B
	Northbound	C	C
	Southbound	D	D
	<i>ILOS</i> ¹	C	C
Evergreen Road & Route 422 WB Off-Ramp	Eastbound	C	C
	Westbound	C	C
	Northbound	B	B
	Southbound	C	D
	<i>ILOS</i>	C	C
Evergreen Road & Route 422 WB On- Ramp	NB	B	C
Evergreen Road & Route 422 EB Ramps	Westbound	C	C
	Northbound	B	B
	Southbound	A	A
	<i>ILOS</i>	<i>B</i>	<i>B</i>
Evergreen Road & Lightcap Road	Eastbound	A	A
	Westbound	A	A
	Northbound	C	D
	<i>ILOS</i>	A	A

¹ ILOS = Overall intersection LOS at signalized intersections

Based on the existing conditions analyses summarized above, a traffic signal is needed at the intersection of High Street and Park Road to provide a level of service D or better on all approaches. It should be noted that although a traffic signal is needed to improve level of service, existing traffic volumes are unlikely to meet PennDOT signal warrant thresholds.



Existing Traffic Conditions At The Intersection Of North-Bound Rupert Road and High Street



Absence of Existing Sidewalks or Uniform Streetscape Along High Street



View of Sanatoga Interchange Looking South From High Street

Public Transportation

The study area is serviced by public transportation with the SEPTA bus route #93, which runs from the Norristown Transportation Center to Pottstown. This bus route has a stop adjacent to the study area at the Philadelphia Premium Outlets and a stop in the study area at Shaner's Trailer Park.

Future plans that call for a regional rail line connecting Philadelphia to Reading and Pottstown (known as the Schuylkill Valley Metro) have currently lost momentum. It should be noted that original plans called for a transit station near the study area. Township officials should push for a reinvigoration of this project since current and future development could warrant a transit stop near the Sanatoga interchange area and have the potential to mitigate Route 422 traffic.

Pedestrian Circulation / Safety

The streets that traverse the study area are by and large devoid of sidewalks. The limited number of existing sidewalks in the study area are disconnected and have various accessibility issues. Pedestrians must walk on the street, exposing themselves to obvious risk. With future development, it is anticipated that many more pedestrians will be forced to walk on roads if this problem is not addressed.

Although no formal trails currently exist in the study area, plans call for a Schuylkill River East trail near Sanatoga Station Road. Every effort should be made to construct sidewalks, trails, and bike lanes as a part of new development as outlined in this plan.

Identity / Image

The interchange area and the overall study area lacks a clear identity, in both tangible and intangible ways. Careful thought should be given to creating a "gateway" near the Sanatoga Interchange of Route 422. Several ideas for creating a "gateway" can be found in chapter three of this study.

The creation of a "sense of place" will also be crucial in providing for a cohesive and viable future development. The existing businesses located along High Street are comprised of mismatched building styles, a hostile pedestrian environment, and virtually no streetscape. Design standards – which help guide preferred development styles – are referenced in chapter three of this report.

Signage

During committee meetings it was mentioned that signage is a problem – both for way finding, as well as in regard to aesthetics. Future plans should call for uniform, attractive signage and way finding signage in key locations.

Utilities

Most of the residential areas of the study area are serviced by private water wells. In areas where municipal water is used service is provided by Pottstown Borough Authority. Currently

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the water capacity of the Pottstown Borough Authority is 8 million gallons per day. The authority currently uses 4.5 million gallons per day, leaving approximately 3 million gallons per day of extra capacity. Currently, there is a 12" water main that runs to the Sanatoga Nursing Center parcel from the west. Any new development north or south of the Sanatoga Nursing Center would necessitate additional water lines and at least one new pumping station.

The Pottstown Borough Authority is currently in negotiations to sell 1 to 1.5 million gallons a day to Aqua America (Limerick Township's water supplier). The specific user for this quantity of water is a large industrial user.

Sewer service is provided by Lower Pottsgrove Authority. The Pottstown Metropolitan Comprehensive Plan projects that excess sewer capacity is available to serve the regions needs until 2025. Much of the surplus capacity is attributed to abandoned or underutilized industrial areas in Pottstown.

It should be noted that Lower Pottsgrove Township has been put on notice by the Department of Environmental Protection (DEP) for sanitary pipes that are in need of repair due to leaks. The Township is working with the DEP to correct this problem and must do so before certain developments take place in the Township. The Township noted that their waste water capacity is able to handle an additional 1.2 million gallons of water per day. Township officials have stated that once the DEP moratorium is resolved, the Township would be in a position to embrace more development. It was also noted that Lower Providence Township will see the development of approximately 300 single-family dwellings once the moratorium is resolved.

Market Analysis

The market feasibility analysis of the Sanatoga interchange area examines the development opportunities in the vicinity of Evergreen Road and US Route 422 in Lower Pottsgrove Township. Located in western Montgomery County, the Sanatoga Interchange project study area consists of two Census tracts that straddle Route 422 on the north and south, with the Lower Pottsgrove/Limerick Township line as the eastern boundary. The Schuylkill River creates the southern and western boundary, and Route 422 acts as the northern edge through the western portion of the study area (see **Map 1 of chapter 1 entitled : Sanatoga Interchange Study Area**).

This market analysis examines the potential development environment of the Sanatoga interchange area by investigating current housing, retail, commercial, hotel, and entertainment market conditions in surrounding Lower Pottsgrove and Limerick. The analysis offers a foundation for how Lower Pottsgrove can best position itself to capture development opportunities at the interchange that support its goals for future growth.



Sanatoga Nursing Center



Existing Conditions Along South Park Road



Construction Of A New Baseball Field In Sanatoga Park

Population

The Limerick/Lower Pottsgrove area is a very rapidly growing portion of Montgomery County. Census data from 1990 and 2000 indicates that the overall population had exploded during the 1990s (see **Table 1**) by almost 60%, including a growth rate of 102% in Limerick and 27% in Lower Pottsgrove during the decade. Limerick continues to be one of the fastest growing municipalities in the region and state. By comparison, Montgomery County grew by about 11% in the same period.

Table 1. Population Change

Community	1990	2000	1990-2000 Change	% Change
Limerick Twp.	6,691	13,543	6,852	102.4%
Lower Pottsgrove Twp.	8,808	11,213	2,405	27.3%
Total	15,499	24,756	9,257	59.7%
Montgomery County	678,111	750,097	71,986	10.6%

U.S. Census Bureau

The Delaware Valley Regional Planning Commission (DVRPC) forecasts sustained population growth in Limerick and Lower Pottsgrove from 2000 to 2025, but at a slower pace than was witnessed in the 1990s. The overall increase is projected to be about 45%, with Limerick growing by about 61% and Lower Pottsgrove by 26% in the next 20 years. For the same period, Montgomery County is expected to increase population by about 15%.

Housing

During the 1990s, the communities of Limerick and Lower Pottsgrove experienced a similar increase in housing units as population – about 68% (see **Table 2**). Limerick’s housing stock grew by 116%, while Lower Pottsgrove’s grew by 30%. Montgomery County experienced a 12% increase in housing units during the same period, which was just a fraction of the growth experienced by the two municipalities.

Table 2. Housing Units

Community	1990	2000	1990-2000 Change	% Change
Limerick Twp.	2,520	5,442	2,922	116.0%
Lower Pottsgrove Twp.	3,175	4,127	952	30.0%
Total	5,695	9,569	3,874	68.0%
Montgomery County	265,856	297,434	31,578	11.9%

U.S. Census Bureau

Occupied housing units in both communities and the county grew at a very similar rate (within a percentage or two) as total housing units during the ‘90s (see **Table 3**).

Table 3. Occupied Housing Units

Community	1990	2000	1990-2000 Change	% Change
Limerick Twp.	2,359	5,143	2,784	118.0%
Lower Pottsgrove Twp.	3,097	4,015	918	29.6%
Total	5,456	9,158	3,702	67.9%
Montgomery County	254,995	286,098	31,103	12.2%

U.S. Census Bureau

The pattern for vacant housing in Limerick, Lower Pottsgrove, and Montgomery County is a bit different from that of occupied housing (see **Table 4**). Although occupied housing grew significantly during the 1990s, vacant housing grew even more significantly in terms of percentages in some cases (less so in terms of absolute numbers), particularly in Lower Pottsgrove. While Limerick experienced an 86% increase in vacant housing, this does not

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exceed its 118% increase in occupied housing. In Lower Pottsgrove, however, its 44% increase in vacant housing in the '90s does exceed its 30% increase in occupied housing. This is reflected in its higher vacancy rate – 15% – than Limerick or the county.

Table 4. Vacant Housing Units

Community	1990	2000	1990-2000 Change	% Change	Vacancy Rate 2000
Limerick Twp.	161	299	138	85.7%	9.7%
Lower Pottsgrove Twp.	78	112	34	43.6%	14.7%
Total	239	411	172	72.0%	12.8%
Montgomery County	10,861	11,336	475	4.4%	6.9%

U.S. Census Bureau

The increase in vacant housing units can be explained by several factors. In Montgomery County and Limerick, the largest amount of vacant housing in the 2000 was housing for rent. In Lower Pottsgrove it was vacant housing for sale, both new and existing. Lower Pottsgrove's higher vacancy rate could possibly be explained by a new subdivision that was not yet completed and occupied in 2000. Other factors contributing to the vacancy rate could include units available for rent or sale that were not occupied, as well as seasonal housing.

A notable characteristic of the study area in the 1990s was the significant regional increase in both owner- and renter-occupancy housing (see **Table 5**). As the table shows, Limerick led the way with almost a 106% increase in owner-occupied housing and a 189% increase in renter-occupied housing. Both types of housing grew by about 30% in Lower Pottsgrove in the '90s. In Montgomery County, the 14% change in owner-occupied units was twice that of renter-occupied units. The notable gains in housing overall in Limerick and Lower Pottsgrove, both owner- and renter-occupied, can simply be attributed to an unprecedented amount of new construction that occurred in both townships in the 1990s.

Table 5. Housing Tenure

Community	Owner-Occupied Housing Units				Renter-Occupied Housing Units				% Owner-Occupied 2000
	1990	2000	1990-2000 Change	% Change	1990	2000	1990-2000 Change	% Change	
Limerick Twp.	2,008	4,129	2,121	105.6%	351	1,014	663	188.9%	75.9%
Lower Pottsgrove Twp.	2,550	3,310	760	29.8%	547	705	158	28.9%	80.2%
Total	4,558	7,439	2,881	63.2%	898	1,719	821	91.4%	77.7%
Montgomery County	184,317	210,233	25,916	14.1%	70,678	75,865	5,187	7.3%	70.7%

U.S. Census Bureau

Despite the overall increase in renter-occupied housing, both Limerick and Lower Pottsgrove had high rates of owner occupancy in 2000 that exceeded the county's rate of 71%. Lower Pottsgrove has the highest home ownership rate at 80%, compared to Limerick's rate of 76% despite Limerick's faster growth rate.

Census Bureau data on the number of authorized residential building permits indicates a tremendous growth in construction activity in Limerick and Lower Pottsgrove over the last seven years (see **Table 6**). During this period, construction activity peaked in 2001 at 509 units, dipped to 155 units in 2003, then rebounded to 256 in 2005 as the housing market surged. Table 6 also shows the type of construction that has taken place. Single-family homes by far have been the most common in Limerick and Lower Pottsgrove, while units in 3-4 family and 5+ family structures saw various spikes in construction throughout the period. While 2007 data is not yet available, we estimate that the number of total new units will hover around 100 based on recent housing real estate trends.

Table 6. Residential Building Permits: Limerick and Lower Pottsgrove

Year	Single-Family	Two-Family	3 or 4-Family	5 + Family	Total
2000	352	2	12	66	432
2001	338	4	48	119	509
2002	192	0	8	86	286
2003	153	2	0	0	155
2004	176	2	4	0	182
2005	208	0	48	0	256
2006	123	0	40	0	163
Total	1,542	10	160	271	1,983

U.S. Census Bureau

Sales Housing Market

The median sales prices for housing were obtained for a one-year period between January 2007 and January 2008 (see **Table 7**, as well as **Appendix 1** for a detailed list of all homes sold). As reported by Win2Data, there were 407 homes sold in Limerick and Lower Pottsgrove Townships during that period. Homes include detached homes, rowhomes, townhouses, and condominiums. This figure describes the number of addresses in the study area where a sale took place over the one-year period, but it includes only the latest sales per address and does not count any multiple sales of the same address that may have occurred.

Table 7: Total Home Sales, 1/2007-1/2008

Census Tracts	Total Sales	Median Sales Price
Limerick Twp.	243	\$250,200
Lower Pottsgrove Twp.	164	\$227,950
Total	407	\$236,950

Win2 Data

The median prices of homes in the area ranged from about \$228,000 in Lower Pottsgrove to \$250,000 in the Limerick. Limerick also had the higher number of transactions, at 243, of the two municipalities. These sales trends exemplify the characteristics of the Limerick/Lower Pottsgrove housing market in which more construction activity has been taking place in Limerick, while the pace in Lower Pottsgrove has remained slower and more stable. The total median sales price within the study area during the last year was about \$237,000.

New Construction

As evidenced by Census demographic and building permit data, new housing is continually being introduced to the Limerick/Lower Pottsgrove market, which will likely increase the median sales prices over the next few years. While multi-unit buildings have been occupying a larger portion of the new housing market over the last several years, new single-family infill construction is the predominant form of new construction. Active adult 55+ housing is also common in this area. Examining price points of existing new construction provides an idea of what future development can expect to demand.

Current new single-family construction options available in Limerick and Lower Pottsgrove start in the high \$200,000s and range to the upper \$600,000s. On the lower end, developments include Summer Grove in Lower Pottsgrove, with homes ranging from \$270,000 for a 1,716 SF home (\$157/SF) to \$370,000 for a 2,870 SF home (\$129/ SF). Also in that price range are homes in the new Greens at Ravens Claw subdivision near Brookside Country Club, also in Lower Pottsgrove. These homes range in price from \$300,000 for 1,540 SF (\$195/SF) to \$362,000 for 3,118 SF (\$116/SF).

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On the high end, new construction developments include Country Club Estates near Spring Ford Country Club in Limerick with homes selling for \$650,000 for 3,620 SF (\$180/SF). Also in the upper price range in Limerick are homes in the Enclave at Tall Tree development, selling for about \$620,000 for 3,845 SF (\$161/SF).

Higher-end new construction in Country Club Estates and Enclave at Tall Tree developments

Active adult 55+ communities also abound in the Limerick/Lower Pottsgrove area, with several proposals slated for the interchange area. Currently there are several new developments with homes for sale, including a community in Limerick near Linfield. Homes in this new community range from \$299,000 for 2,000 SF (\$150/SF) to \$427,000 for 4,000 SF (\$107/SF). New active adult communities in the Sanatoga interchange area should expect to demand a similar price per square foot.

Condominium developments are not as common in this part of Montgomery County, but a few examples of new developments exist, mainly in the denser boroughs. One example is Perkiomen Place in Collegeville, which is a new condominium/townhouse community on First Avenue. While a variety of floor plans are offered, a 2 bedroom/2 bath unit of 1,860 SF is currently selling for \$250,000 (\$134/SF).

Sales Housing Market Potential for the Sanatoga Interchange Area

Based on housing trends in Limerick and Lower Pottsgrove, the market potential for sales housing around the Sanatoga interchange appears to be impacted by several factors.

- There are several different unit types and sizes on the market within the Limerick/Lower Pottsgrove study area, including single-family residences, townhomes, and condominiums. Analyzing recent sales by municipality reveals that prices in the area range from about \$70/SF to \$550/SF. In general, typical sales of new construction (single-family and condominium) are averaging from about \$130/SF on the lower end to about \$170/SF on the upper end.
- Active adult 55+ communities are developing rapidly in the region due to the growing elderly cohort. Several such communities are currently proposed for the Sanatoga interchange area.
- Condominiums and townhomes are becoming more popular in the suburbs, particularly in more dense communities that are more urban nature with limited lot sizes. These could be appropriate products for the Sanatoga interchange area for similar reasons, particularly in conjunction with a mixed-use development.



Summer Grove



Summer Grove



Ravens Claw



Country Club Estates



Enclave at Tall Trees



***New Perkiomen Place Condominiums in
Collegeville***

- For comparison, new condominiums are selling for approximately 15% above the highest resale prices for similarly-sized condominiums in good condition that are approximately 15 to 25 years old.
- This information would suggest that sales prices for new condominiums and townhomes in the Sanatoga interchange area would approximate \$140 per square foot, or about \$250,000 for 1,800 SF condominiums or townhomes.

Given overall levels of home-buyer activity (more than 400 units annually) in the Limerick/Lower Pottsgrove trade area, quality new for-sale developments in this area could be absorbed at the rate of about 100 units annually. This analysis and projected absorption is likely to be valid through about 2010 considering the current housing market. Beyond 2010, we expect this pace to increase to about 250 units per year, assuming interest rates remain relatively low, sites are available at affordable rates, inflation rates remain low, and the overall housing market improves. We believe the Sanatoga interchange area could absorb approximately 1/3 of this growth. Therefore, we would refine this growth rate to about 35 units annually through 2010 increasing to approximately 80 units per year beyond 2010.

These developments must provide a positive living environment and competitive amenities. Given the location and physical constraints of the interchange area, successful sales housing developments at the Sanatoga interchange will likely be predominantly condominiums and townhomes geared toward young professionals and active 55+ adults. Typical minimum amenity packages would include garages, well-landscaped common areas, common area maintenance, and close proximity to commercial and recreational amenities.

Rental Housing Market

As Table 5 above shows, rental housing in the Limerick/Lower Pottsgrove area grew faster than owner-occupied housing in the 1990s. We feel that much of this is due to new construction. Table 5 also reveals that rental housing represented 27% of the housing in the market study area in 2000. Current rents in the Sanatoga area fluctuate depending on location, type of unit, and age of the structure. For rental housing in older structures, such as the basic Arbor Grove and Valley View apartments in Pottstown, the current range of rents (with associated facilities) are as follows:

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Arbor Grove

- 1-bedroom: \$685/month
- 2-bedroom: \$785/month
- Laundry facility, storage



Arbor Grove

Valley View

- 1-bedroom: \$812/month
- 2-bedroom: \$975/month
- 3-bedroom: \$1,472/month
- Laundry facility, storage



Valley View

New rental housing is commanding higher rents than units in existing structures, both due to convenient location close to Route 422 and the more luxurious amenities offered. Such is the case with Lakeview Park and Walnut Crossing in Royersford. Typical new units currently being offered include:

Lakeview Park

- 1-bedroom: \$1,025/month
- 2-bedroom: \$1,210/month
- Clubhouse, fitness center, covered parking



Lakeview Park

Walnut Crossing

- 1-bedroom (750 SF): \$1,020/mo.
- 2-bedroom (980 SF): \$1,225/mo.
- 3-bedroom (1,300SF): \$1,495/mo.
- Clubhouse, fitness center, pool, tennis courts



Walnut Crossing

Similar in size and offerings, Fox Ridge at Lakeside and Summer Chase in Limerick command the following rents and amenities:

Fox Ridge at Lakeside Park

- 1-bedroom: \$1,025/month
- 2-bedroom: \$1,210/month
- Fitness center, covered parking



Fox Ridge at Lakeside Park

Summer Chase

- 1-bedroom (714-910 SF): \$1,025-\$1,185/mo.
- 2-bedroom (1,099-1,327 SF): \$1,235-\$1,525/mo.
- 3-bedroom (1,400-1,495 SF): \$1,675-\$1,720/mo.
- Clubhouse, fitness center, pool, business center



Summer Chase

At the time this report was written, all complexes contacted had available apartments for rent in each size category.

Rental Housing Market Potential for the Sanatoga interchange area

Based on this information, we can reach the following conclusions regarding the rental housing market for the Sanatoga interchange area.

- The lowest rents in the Limerick/Lower Pottsgrove market tend to be smaller units in older complexes with no amenities. These rent levels are in the range of \$.86 to \$1.00 per square foot per month.
- It appears that renters in the Limerick/Lower Pottsgrove market will pay a small premium for better amenities in existing buildings, such as fitness centers, tennis courts, and pools.

- New complexes are commanding much higher levels of rent than older complexes. For example, units at the Walnut Crossing complex are currently listed with rent levels ranging from about \$1.15 to \$1.36 per square foot per month. The largest units tend to be the best value. Similar monthly rents (\$1.12 to \$1.44/SF) can be found at Summer Chase.

Since most apartment complexes in the immediate area are low-rise garden-style apartments, and both municipalities are mostly composed of single-family detached homes, low-rise building types would be the most appropriate. A new development should emphasize the popular two-bedroom units, but should also offer one-bedrooms for balance and breadth. We recommend that one-bedroom units be larger and oriented toward the luxury market, similar to those commonly found in Limerick and Royersford. Garden apartments constructed north of High Street and south of Route 422 in the interchange area would anchor each proposed residential district, both current and planned, while taking advantage of future commercial and mixed use development closer to the interchange.

Taking these market conditions into consideration - including the newer rental product currently being offered within the market area - we believe new construction rental units in a garden-style building brought onto the market in the Sanatoga area oriented to the luxury one-bedroom and two-bedroom markets could achieve the following rents:

- \$1,100 to \$1,300 per month for 750 SF to 1,000 SF for luxury one-bedroom units (\$1.30 to \$1.47 per SF)
- \$1,300 to \$1,500 per month for 1,000 SF to 1,200 SF for two-bedroom units (\$1.25 to \$1.30 per SF)

Such new rental developments will require substantial amenities to maintain a high status including on-site parking, nearby retail amenities, in-unit washer/dryers, exercise facilities, and pool.

Office Market

To analyze the potential for office development in the Sanatoga interchange area, we have assessed market conditions in the Limerick/Lower Pottsgrove market area, and examined such popular office centers such as King of Prussia and Conshohocken to compare rents.

According to the latest publication of Black's Guide, multi-tenant office space along the Route 422 corridor (including Audubon, Oaks, Collegeville, Limerick, Royersford, and Pottstown) totaled 1,120,000 SF. Among this total space, 220,000 SF was available, resulting in an overall vacancy rate along the Route 422 corridor of just under 20%. Eight of the buildings had no vacancy.

As reported by Black's Guide, rental rates along the Route 422 corridor ranged from a low of \$8.00/SF plus electric for a 25 year old building in Pottstown to \$23.50 plus electric for a four year old building in Collegeville. While the size of available space ranged from 400 SF to 42,860 SF, the majority of available space fell into the range of 3,000 SF to 15,000 SF.

To get a better sense of the office market in the Limerick/Lower Pottsgrove area, we investigated a few examples of Class A office space currently available for lease to get a sense of rents and amenities offered. We were particularly interested in office space available in mixed-use or commercial districts that would be more applicable to a village setting proposed for the Sanatoga interchange. The following are examples:

Existing Conditions Analysis

Royersford: 10th Avenue

- \$21.00/SF + electric
- 3,000 SF currently available
- Smaller building in a commercial district setting near shopping

Collegeville: 2nd Avenue

- \$21.50/SF + electric
- 4,600 SF currently available
- Smaller building in a suburban setting near a denser commercial district

Limerick: Lewis Road

- \$21.00/SF + electric
- 15,000 SF currently available
- Smaller building in a suburban setting near shopping

Lower Pottsgrove: Sunnybrook Village

- \$16.50/SF + electric
- 27,000 SF currently available
- Village/commercial district setting

Rents in the King of Prussia and Conshohocken areas appear to be slightly higher for Class A office space at about \$23.50/SF.

Office Development Potential

The vacancy rate for multi-tenant office space along the Route 422 corridor hovered around 20% at the time of the assessment, although several buildings in Pottstown and Collegeville were completely occupied. However, given the fairly large amount of available space, the demand for additional development of multi-tenant office space at the Sanatoga interchange appears unlikely at this time. However, a modest amount of smaller professional offices could be viable within a potential retail/commercial or mixed-use development, particularly in the gateway area.

Hotel Market

Similar to the office market, the hotel market analysis area focuses on the Route 422 corridor from Oaks to Pottstown. The analysis reveals a total of 14 hotels serving this market. Five of the 14 are located in Pottstown, while Phoenixville (technically Oaks) has four. The remaining are in Collegeville, Douglassville, and Royersford. Two of the 14 hotels opened since 2000: the Motel 6 in Pottstown (47 rooms) opened in December of 2003, and the Marriott Courtyard at Collegeville (132 rooms) opened in September of 2005. On the other hand, the Quality Inn Pottstown was built in 1966 and the Mel Dor Motel was built in 1972. The remaining hotels were constructed in the late '80s and early '90s, except for the Oaks Hampton Inn, which was built in 1999.

Hotel demand within this Route 422 corridor area grew from 140,922 room-nights in 2001 to 179,838 room-nights in 2007 for a total growth of 28% in seven years (see **Table 8**). The two new hotels coming online since 2003 increased room supply from 246,375 room-nights to 311,710 room-nights, an increase of 27%. The overall room occupancy grew slightly toward the mid-2000s, then dropped off again in 2005 to equal the rate of 2001. The sudden drop in occupancy could be reflected in the addition of the new hotel in 2005. This new product also raised average room rates significantly by 2007. It should be also noted that the addition of new product in 2005 correlates with a significant growth in demand in 2006, suggesting that room demand is artificially depressed due to the shortage of newer quality hotel product.

Table 8. Hotel Market Analysis, 2001-2007

Year	Supply (Room Nights)	Demand (Room Nights)	% Occupancy	Average Room Rate
2001	246,375	140,922	57.2%	\$65.27
2002	246,375	142,804	58.0%	\$64.82
2003	247,832	139,069	56.1%	\$65.92
2004	263,530	156,959	59.6%	\$67.51
2005	279,634	154,473	55.2%	\$73.44
2006	311,710	179,594	57.6%	\$84.36
2007	311,710	179,838	57.7%	\$90.94

Smith Travel Research

Hotel Development Potential

Since growth in hotel supply has essentially matched hotel demand in the Route 422 corridor since 2001, it could be assumed that there is no current market for additional hotel rooms. However, as previously mentioned, the majority of the hotels in the vicinity of the Sanatoga interchange are 15 to 20 years old, if not older, and only a few of those have been renovated or improved. Therefore, because of the attractive location for a hotel at a highway interchange, and due to the fact that the vast majority of the nearby hotel product is older and subject to replacement, it appears that the Sanatoga area could absorb two new hotels of 80 to 100 rooms within the next few years, in large part as replacement of aging product in the region.

Entertainment Market

There are currently 35 movie screens located in a regional entertainment trade area defined as a 15-mile radius around the Sanatoga interchange. This area includes 8 theaters in North Coventry, a 24-screen theater in Oaks, and single theaters in Phoenixville, East Greenville, and Boyertown.

Applying the national standard for screens per capita, the 15-mile radius entertainment trade area population includes 273,000 in Montgomery County; 36,000 in Berks County, and 75,000 in Chester County, totaling 384,000 based on the 2000 Census population. This population reveals that there is enough demand to support 49 screens, compared to the existing supply of 35 screens. This suggests that the area is underserved by movie theaters and it could support at least 14 new screens based on 2000 population. The continued population growth since 2000 is further expanding this opportunity.

The same radius is used to evaluate the market for bowling centers, which are reemerging as popular entertainment destinations. Due to the existence of a large bowling center on Ridge Pike in Limerick, Ridge Lanes, we feel that the Sanatoga area market for bowling alleys is currently saturated.

Retail Market

Definition of Retail Trade Area

A full retail market analysis was conducted to evaluate and describe the current performance of Sanatoga interchange area retailers and of all retailers located within the broader Limerick/Lower Pottsgrove market analysis area. This analysis is intended for use in identifying opportunities for the further development of retailing in the Sanatoga area based on the capture of area residents' retail purchases. As shown in Map 1 above, the Sanatoga Interchange project study area consists of two Census tracts that straddle Route 422 on the north and south, with the Lower Pottsgrove/Limerick Township line as the eastern boundary. The Schuylkill River creates the southern and western boundary, and Route 422 acts as the northern edge through the western portion of the study area. As shown on **Map 2**, the broader retail trade area consists of the entire municipalities of Limerick and Lower Pottsgrove Townships.

Existing Conditions Analysis



Map 2. Limerick/Lower Pottsgrove Retail Trade Area

The 306 stores located in the Main Street Redevelopment Area provide products and services in 47 different retail categories and chiefly serve customers from Limerick and Lower Pottsgrove Townships, as well as some customers passing through the area on Route 422 and Ridge Pike.

Trade Area Retail Supply

To identify and characterize shopping opportunities available to trade area residents, we completed an inventory of all retail business establishments located both within the Limerick/Lower Pottsgrove market analysis area. The results of this inventory, described by retail type, location and size of the business, are included as **Appendix 2** in this document.

This study focuses chiefly on retail stores engaged in selling merchandise for personal and/or household consumption and on establishments that render services incidental to the sale of these goods. Selected service establishments are also included, especially those businesses primarily providing personal services to individuals and households, such as hair and nail salons and laundry and dry cleaning establishments.

All retail establishments in the area are classified by type of business according to the principal lines of merchandise sold, the usual trade designation, estimated square footage, and level of sales. All establishments are classified according to the numeric system established for both government and industry practice – the NAICS. Banks and other financial establishments are excluded from this assessment because banking activities – deposits, loans, etc. – cannot be added to sales volume data for other types of retail establishments.

The term “retail store sales” in this analysis includes sales by establishments that are normally found in pedestrian-oriented retail shopping areas. This definition excludes the sales of automobile dealerships and repair facilities, service stations, fuel oil dealers, and non-store

retailing. Unlike many secondary data sources, such as the Bureau of the Census, however, this definition does include the sales of service establishments such as barber shops, hair and nail salons, and dry cleaners.

Table 9 (located in the appendix of this report) describes the current range of stores available in the Limerick/Lower Pottsgrove trade area and estimates the current performance of these stores. As of February 2008, the trade area included 306 operating retail businesses occupying about 1.8 million square feet of store space and generating more than \$614 million in sales.

Just over half of these establishments (162) are community-serving stores meeting the everyday needs of nearby residents. Specifically, this store mix includes:

- Eight supermarkets
- Eleven convenience stores
- Eight drug stores/pharmacies
- seven liquor/beer stores
- 55 limited-service restaurants
- 17 full-service restaurants
- four dollar stores
- eight jewelry stores
- 23 hair/nail salons
- nine dry cleaners or laundromats

The study area also includes a couple of bakeries, candy stores, optical stores, video stores, hardware stores, and florists.

In total, the 306 businesses providing these community-serving goods and services occupy 39% of all store space and generate 48% of all sales in the Limerick/Lower Pottsgrove trade area. In terms of sales, the lone stand-out community-serving retail category is supermarkets, generating more than twice the sales as the next largest category which is drug stores/pharmacies. The key supermarkets in the area are the new Acme and Giant markets at Ridge Pike and Township Line Road, as well as the Genuardis and Giant near the Route 422 interchange with Township Line Road. The area has also seen several new drug stores recently open, specifically the CVS and Rite Aid on Ridge Pike.

Limited-service restaurants, another large community-serving category in terms of retail sales, include coffee shops, pizza parlors, delis, and other take-out restaurants. These restaurants combined occupy over 102,000 SF of space. There are also 17 full-service restaurants located in the study area, which offer wait staff and fine dining. Although about a third of the limited-service restaurants in number, these full-service restaurants generate a much larger fraction in retail sales and occupy about 85% of the amount of space.

There are three discount department stores located within the trade area: the brand new Target on Ridge Pike, the fairly new Kohl's on Township Line Road, and the much older K Mart at Pleasant View Road and Ridge Pike. The vast majority of the 83 apparel stores are located at the just-opened Philadelphia Premium Outlets in Limerick, which includes 3 men's clothing stores, 14 women's clothing stores, 29 family clothing stores, 8 accessory stores, and 23 shoe stores. Combined, these stores' square footage of sales area equals that of the discount department stores, and their total retail sales well exceed them.

Additional retail offerings in the Limerick/Lower Pottsgrove trade area include 26 home furnishing stores, including several furniture stores and nursery/garden centers on Ridge Pike; "other specialty" goods, including four toy/hobby stores and two stationery stores; and "other retail" stores including two pet supply stores.

Existing Conditions Analysis

Trade Area Retail Demand

Population and housing trends are key factors in determining retail market demand. Based on 2000 Census data, the Limerick/Lower Pottsgrove study area has a population of 24,756. Adjusting 2000 Census per capita income data for inflation, the 2008 per capita income for the area is estimated at \$32,512 (see **Table 10**).

Table 10. Per Capita Income

Community	Population 2000	Per Capita Income 1999	Total Income 1999	Per Capita Income 2008
Limerick Twp.	13,543	\$27,305	\$369,791,615	\$34,423
Lower Pottsgrove Twp.	11,213	\$23,958	\$268,641,054	\$30,204
Total	24,756	\$25,789	\$638,432,669	\$32,512

U.S. Census Bureau, Urban Partners

Based on the rate of new development in surrounding Limerick and Lower Pottsgrove (almost 2,000 new units since 2000) as well as the current state of the housing real estate market, we have estimated that construction will continue at a pace of about 100 units per year through 2010. Using this growth rate and adjusting for an improved housing market in two to three years, we can approximate the projected growth of housing units from 2010 through 2015 to be 250 units per year (see **Table 11**). Using an estimated average household size of about 2.6, we can estimate the current population of the market study area to be 30,145, up from the 2000 Census population of 24,756, and we anticipate this population growing to 30,662 by 2015. Multiplying these population estimates by the 2008 adjusted per capita income, we determine that the trade area has a total income of \$980 million in 2008, growing to \$1.1 billion in 2015.

Table 11. Housing, Population, and Income Forecasts

	2000	2008	2010	2015
Occupied Housing Units	9,569	11,652	11,852	13,102
Population	24,756	30,145	30,662	33,896
Per Capita Income (2008 \$)	\$32,512	\$32,512	\$32,512	\$32,512
Total Income (2008 \$)	\$804,867,072	\$980,072,225	\$996,894,611	\$1,102,034,526

U.S. Census Bureau, Urban Partners

Using information about the retail spending behavior of Monmouth County residents as compiled by *Sales and Marketing Management*, we estimate that in 2008, the Limerick/Lower Pottsgrove market study area's population will spend approximately \$427 million on retail goods and services (see **Table 12 located in the appendix of this report**), of which:

- \$171 million is spent on community-serving goods and services,
- \$25 million at full-service restaurants,
- \$44 million in department stores and warehouse clubs,
- \$52 million on apparel,
- \$70 million on home furnishings and improvement,
- \$42 million on "other specialty goods" such as sporting goods and book stores, and
- \$24 million at "other retail stores" such as auto parts and pet supplies businesses.

Consumer shopping patterns vary depending on the types of goods being purchased. For convenience goods purchased frequently, such as groceries, drugs, and prepared foods, shoppers typically make purchases at stores close to their home or place of work. For larger-ticket, rarely purchased items – such as automobiles, electronics and large appliances – shoppers may travel anywhere within the metropolitan area or beyond to obtain the right item at the right price. For apparel, household furnishings, and other shopping goods, consumers generally establish shopping patterns between these two extremes, trading at a number of

shopping areas within a 30 minute commute of their homes.

In analyzing the retail market demand within a portion of a larger metropolitan area, these behavioral observations translate into a series of analytical rules-of-thumb:

- Shopping for community-serving goods and services is generally confined to the primary trade area.
- Expenditures made at full-service restaurants will occur chiefly within the primary trade area, but some restaurant expenditures made by the primary trade area population will be lost to established restaurants located outside the primary trade area. Similarly, some restaurant sales in the primary trade area will be attracted from residents who live elsewhere in the region.
- Expenditures made by primary trade area residents for shopping good items (such as apparel and most specialty goods) will more likely occur within the area, but a substantial proportion of these sales will occur outside the area. Similarly, significant sales will be generated by residents outside the primary trade area to any large, well-known stores located within the trade area.
- Specific high-quality stores within the primary trade area (such as the stores at the Philadelphia Premium Outlets) may attract significant clientele from well beyond the primary trade area for highly-targeted, single destination trips for specialized purchases.

Retail Development Opportunities

In **Table 13 (located in the appendix of this report)**, we compare the 2008 retail purchases made by the Limerick/Lower Pottsgrove trade area's 30,145 residents with the estimated sales by trade area retailers. These comparisons show that all trade area retailers combined are capturing sales equivalent to 144% of the retail purchases made by trade area residents.

However, the capture rate varies considerably from retail category to retail category. For example, for the community goods and services category, trade area stores capture 171% of purchases in the trade area (numbers over 100% indicate that customers are attracted to these stores from beyond the trade area). However, for individual retail categories within that category, capture varies considerably. Bakery sales, for instance, capture 917% of trade area purchases, so many customers come from beyond the area. Similarly, candy stores capture 718%, liquor and beer distributors capture 558%, and video stores capture 735%.

In other categories, however, the stores are capturing only a small fraction of current purchases, and this share is getting smaller as the area's population grows. Examples are optical stores (23% of Limerick's/Lower Pottsgrove's retailer's sales as percentage of estimated 2008 resident purchases), gift shops (44%), hardware stores (57%), and florists (37%). Furthermore, there are no stores anywhere in the trade area in 19 out of the 65 retail categories. This means that residents of the trade area are leaving to obtain these products because they are not available in the two municipalities. This particularly includes specialty goods, such as sporting goods, music, and books, as well as auto parts/accessories.

As the second column of Table 13 indicates, the estimated retail sales capture will decrease by 2015 based on the current retail supply and the anticipated 2015 population. Therefore, we can determine that the stores capturing a small fraction of current purchases will capture an even smaller segment by 2015, further demonstrating the capacity for more stores in that retail category.

In addition to the many community goods and services retailers capturing many customers from beyond the Limerick/Lower Pottsgrove are clothing retailers and some home furnishings. This is

Existing Conditions Analysis

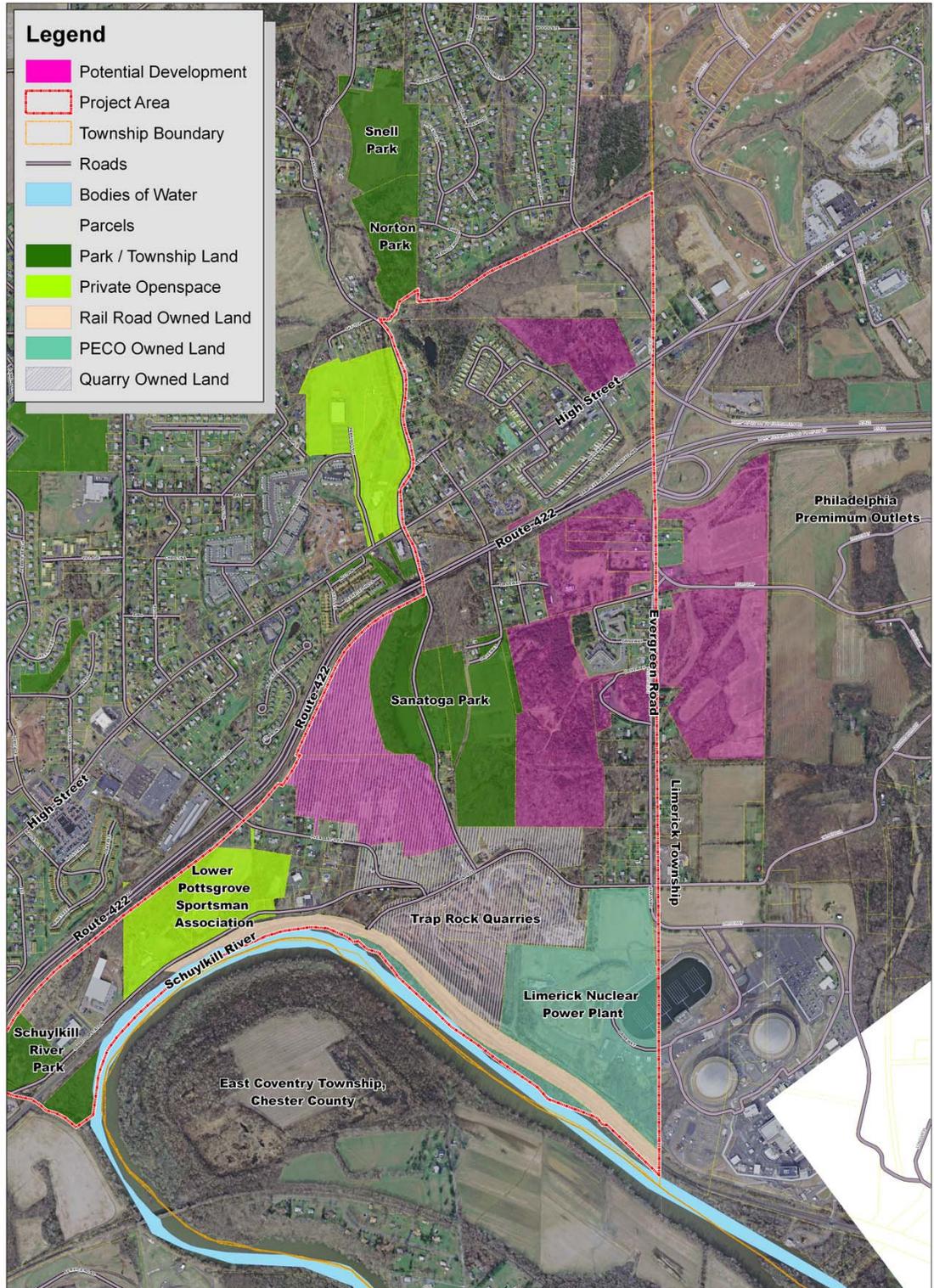
clearly the result of the Philadelphia Premium Outlets, with its offering of specialized and upscale apparel. In every apparel retail category except men's and other, the trade area - and most likely the outlet center, is attracting customers from outside.

As a result of these purchasing trends, the Sanatoga interchange area can take advantage of several different options for targeting potential new retail opportunities. Given the character of the current types of stores located within the trade area and the scale of physical opportunities, we should take note of the following:

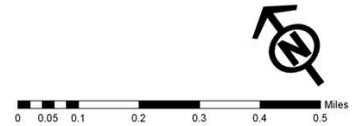
- While the trade area is currently capturing 144% of trade area residents' overall purchases and will capture 128% by 2015, several retail categories are capturing *none* of the residents' purchases, especially stores in the "other specialty goods" and "other retail stores" categories, as well as several categories of "community-serving goods and services", such as optical stores, gift shops, and florists. This condition provides the opportunity to bolster Limerick and Lower Pottsgrove's offering of these goods and services at the Sanatoga interchange area.
- There are several older discount department stores and grocery stores in the Limerick/Lower Pottsgrove trade area. While the retail analysis indicates that the trade area is capturing much more than the community's purchases in both categories, meaning the *addition* of more such stores is not advised even by 2015, there is the potential for new and modernized discount department stores and grocery stores to *replace* the existing ones.
- The Sanatoga interchange at Route 422 has ideal access to the regional transportation network. The potential to capture a broader retail market because of its location is a significant advantage for this site. For Lower Pottsgrove, the challenge will be balancing this advantage with the township's development goals.

Development Influences

During the course of research and analysis, several development projects were either proposed or in the pipeline for construction in and around the study area. These potential development projects can be found on the Open Space and Potential Development map. These are sites whose owners have expressed interest to the Township in moving forward with a development project.



SIMONE COLLINS **Openspace & Potential Development**
 Sanatoga Interchange Study
 Lower Pottsgrove Township, PA
 Simone Collins - Landscape Architecture
 March, 2008
 SC# - 07020.1



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