

Downtown State College Master Plan

Preliminary Phase II Narrative

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The following narrative includes additional market analysis to be inserted into earlier sections of the report and emerging recommendations as they relate to development and redevelopment in the downtown area (Phase II of the master plan). This narrative and accompanying exhibits will be the focus of work sessions during March 21 and 22. Following these work sessions, the recommendations will be refined and the text, exhibits and supporting images will be formatted into the overall report. Most of the text will be included in Themes 4 and 5, however, some will be inserted into various other sections of the report where necessary to integrate with Phase I aspects of the master plan.

Chapter 2, Analysis: Downtown Today Assessment

Retail Market Report (To be inserted after earlier market study)

The following chart will be inserted in the retail market analysis report following “Retail Leakage in the Primary Trade Area”.

Opportunity Gap - Retail Stores	PTA		
	(Consumer Expenditures)	(Retail Sales)	Leakage (Inflow)
Total Retail Sales Incl. Eating and Drinking Places	1,304,728,031	1,489,438,726	(184,710,695)
Motor Vehicle and Parts Dealers-441	228,714,956	168,245,869	60,469,087
Automotive Dealers-4411	206,245,937	146,633,053	59,612,884
Other Motor Vehicle Dealers-4412	6,019,807	2,584,569	3,435,238
Automotive Parts/Accsrs., Tire Stores-4413	16,449,212	19,028,247	(2,579,035)
Furniture and Home Furnishings Stores-442	22,538,528	31,383,792	(8,845,264)
Furniture Stores-4421	12,034,747	21,943,098	(9,908,351)
Home Furnishing Stores-4422	10,503,781	9,440,694	1,063,087
Electronics and Appliance Stores-443	31,233,196	45,056,385	(13,823,189)
Appliances, TVs, Electronics Stores-44311	22,487,652	36,069,324	(13,581,672)
Household Appliances Stores-443111	4,539,254	2,933,362	1,605,892
Radio, Television, Electronics Stores-443112	17,948,398	33,135,962	(15,187,564)
Computer and Software Stores-44312	7,475,407	7,845,358	(369,951)
Camera and Photographic Equipment Stores-44313	1,270,137	1,141,703	128,434
Building Material, Garden Equip Stores -444	103,216,878	153,051,652	(49,834,774)
Building Material and Supply Dealers-4441	93,888,361	145,920,320	(52,031,959)

Home Centers-44411	37,827,468	78,886,602	(41,059,134)
Paint and Wallpaper Stores-44412	2,216,757	626,680	1,590,077
Hardware Stores-44413	9,705,656	652,249	9,053,407
Other Building Materials Dealers-44419	44,138,480	65,754,789	(21,616,309)
Building Materials, Lumberyards-444191	18,945,891	25,710,132	(6,764,241)
Lawn, Garden Equipment, Supplies Stores-4442	9,328,517	7,131,332	2,197,185
Outdoor Power Equipment Stores-44421	755,849	0	755,849
Nursery and Garden Centers-44422	8,572,668	7,131,332	1,441,336
Food and Beverage Stores-445	173,082,329	213,948,627	(40,866,298)
Grocery Stores-4451	155,310,885	162,745,653	(7,434,768)
Supermarkets, Grocery (Ex Conv) Stores-44511	147,232,177	157,750,937	(10,518,760)
Convenience Stores-44512	8,078,708	4,994,716	3,083,992
Specialty Food Stores-4452	4,936,416	2,837,745	2,098,671
Beer, Wine and Liquor Stores-4453	12,835,028	48,365,229	(35,530,201)
Health and Personal Care Stores-446	55,571,546	51,373,502	4,198,044
Pharmacies and Drug Stores-44611	47,632,445	46,215,817	1,416,628
Cosmetics, Beauty Supplies, Perfume Stores	1,880,980	757,400	1,123,580
Optical Goods Stores-44613	2,478,122	2,485,373	(7,251)
Other Health and Personal Care Stores-44619	3,579,999	1,914,912	1,665,087
Gasoline Stations-447	128,201,486	54,023,258	74,178,228
Gasoline Stations With Conv Stores-44711	95,985,583	30,032,287	65,953,296
Other Gasoline Stations-44719	32,215,903	23,990,971	8,224,932
Clothing and Clothing Accessories Stores-448	67,057,963	63,748,997	3,308,966

Clothing Stores-4481	48,349,157	47,713,133	636,024
Men's Clothing Stores-44811	3,428,213	4,388,135	(959,922)
Women's Clothing Stores-44812	12,887,913	19,550,474	(6,662,561)
Children's, Infants Clothing Stores-44813	1,781,171	1,669,850	111,321
Family Clothing Stores-44814	25,704,517	20,168,896	5,535,621
Clothing Accessories Stores-44815	1,225,418	485,505	739,913
Other Clothing Stores-44819	3,321,925	1,450,273	1,871,652
Shoe Stores-4482	9,243,059	8,255,087	987,972
Jewelry, Luggage, Leather Goods Stores-4483	9,465,747	7,780,777	1,684,970
Jewelry Stores-44831	8,718,501	7,780,777	937,724
Luggage and Leather Goods Stores-44832	747,246	0	747,246
Sporting Goods, Hobby, Book, Music Stores-451	31,318,744	78,558,493	(47,239,749)
Sporting Goods, Hobby, Musical Inst Stores-4511	17,184,022	13,108,598	4,075,424
Sporting Goods Stores-45111	9,114,321	7,556,658	1,557,663
Hobby, Toys and Games Stores-45112	5,231,338	3,060,396	2,170,942
Sew/Needlework/Piece Goods Stores-45113	988,001	1,116,775	(128,774)
Musical Instrument and Supplies Stores-45114	1,850,362	1,374,769	475,593
Book, Periodical and Music Stores-4512	14,134,722	65,449,895	(51,315,173)
Book Stores and News Dealers-45121	11,174,038	57,709,807	(46,535,769)
Book Stores-451211	10,818,339	50,389,242	(39,570,903)
News Dealers and Newsstands-451212	355,699	7,320,565	(6,964,866)
Prerecorded Tapes, CDs, Record Stores-45122	2,960,684	7,740,088	(4,779,404)
General Merchandise Stores-452	168,859,056	289,347,456	(120,488,400)
Department Stores Excl Leased Depts-4521	82,053,238	169,528,250	(87,475,012)
Other General Merchandise Stores-4529	86,805,818	119,819,206	(33,013,388)

Miscellaneous Store Retailers-453	34,670,835	61,256,488	(26,585,653)
Florists-4531	2,210,436	5,547,816	(3,337,380)
Office Supplies, Stationery, Gift Stores-4532	14,397,940	29,197,514	(14,799,574)
Office Supplies and Stationery Stores-45321	8,360,973	21,039,471	(12,678,498)
Gift, Novelty and Souvenir Stores-45322	6,036,967	8,158,043	(2,121,076)
Used Merchandise Stores-4533	3,580,445	3,381,803	198,642
Other Miscellaneous Store Retailers-4539	14,482,014	23,129,355	(8,647,341)
Non-Store Retailers-454	102,264,599	79,281,863	22,982,736
Foodservice and Drinking Places-722	157,997,915	200,162,344	(42,164,429)
Full-Service Restaurants-7221	72,179,004	110,967,084	(38,788,080)
Limited-Service Eating Places-7222	65,506,630	70,781,319	(5,274,689)
Special Foodservices-7223	12,802,489	2,561,045	10,241,444
Drinking Places -Alcoholic Beverages-7224	7,509,792	15,852,896	(8,343,104)

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

Retail Shares Analysis

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

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

When the percentage of sales is far below the benchmark, this also could represent a "missed opportunity" for downtown State College. Not all store types that fall below the benchmark are suitable

candidates for downtown State College. Those that are, however, are highlighted in the detailed table below. Among the most interesting are specialty food, personal care, cosmetics and beauty supply, and special food services (typically preparation of food for off-site consumption).

Retail Shares			
Downtown State College			
Area ZIP Codes (see appendix for geographies), Total	PRIMARY TRADE AREA	7 COUNTY REGION	SHARE
Retail Stores	2013 Supply (Retail Sales)	2013 Supply (Retail Sales)	
Total Retail Sales Incl Eating and Drinking Places	1,344,917,496	7,574,611,515	17.8%
Motor Vehicle and Parts Dealers-441	186,846,783	1,397,290,410	13.4%
Automotive Dealers-4411	163,171,373	968,937,719	16.8%
Other Motor Vehicle Dealers-4412	7,977,964	345,783,440	2.3%
Automotive Parts/Accsrs, Tire Stores-4413	15,697,446	82,569,251	19.0%
Furniture and Home Furnishings Stores-442	41,264,669	163,019,177	25.3%
Furniture Stores-4421	28,136,303	104,629,162	26.9%
Home Furnishing Stores-4422	13,128,366	58,390,015	22.5%
Electronics and Appliance Stores-443	21,294,656	107,501,408	19.8%
Appliances, TVs, Electronics Stores-44311	19,010,433	81,325,581	23.4%
Household Appliances Stores-443111	293,981	8,716,413	3.4%
Radio, Television, Electronics Stores-443112	18,716,452	72,609,168	25.8%
Computer and Software Stores-44312	2,241,973	25,241,563	8.9%
Camera and Photographic Equipment Stores-44313	42,250	934,264	4.5%

Building Material, Garden Equip Stores -444	141,896,661	922,552,560	15.4%
Building Material and Supply Dealers-4441	131,839,223	808,728,878	16.3%
Home Centers-44411	52,662,629	389,316,752	13.5%
Paint and Wallpaper Stores-44412	0	9,988,660	0.0%
Hardware Stores-44413	0	54,607,976	0.0%
Other Building Materials Dealers-44419	79,176,594	354,815,490	22.3%
Building Materials, Lumberyards-444191	30,958,044	138,732,810	22.3%
Lawn, Garden Equipment, Supplies Stores-4442	10,057,438	113,823,682	8.8%
Outdoor Power Equipment Stores-44421	0	13,914,461	0.0%
Nursery and Garden Centers-44422	10,057,438	99,909,221	10.1%
Food and Beverage Stores-445	216,431,725	932,685,758	23.2%
Grocery Stores-4451	165,056,074	560,541,121	29.4%
Supermarkets, Grocery (Ex Conv) Stores-44511	157,328,174	544,777,357	28.9%
Convenience Stores-44512	7,727,900	15,763,764	49.0%
Specialty Food Stores-4452	6,631,440	276,120,945	2.4%
Beer, Wine and Liquor Stores-4453	44,744,211	96,023,692	46.6%
Health and Personal Care Stores-446	36,911,596	386,593,952	9.5%
Pharmacies and Drug Stores-44611	30,262,793	318,239,172	9.5%
Cosmetics, Beauty Supplies, Perfume Stores-44612	1,192,756	19,071,269	6.3%
Optical Goods Stores-44613	2,353,880	15,105,780	15.6%
Other Health and Personal Care Stores-44619	3,102,167	34,177,731	9.1%
Gasoline Stations-447	70,092,110	1,256,526,479	5.6%
Gasoline Stations With Conv Stores-44711	53,353,175	788,307,105	6.8%

Other Gasoline Stations-44719	16,738,935	468,219,374	3.6%
Clothing and Clothing Accessories Stores-448	62,426,108	211,789,587	29.5%
Clothing Stores-4481	47,112,541	161,572,020	29.2%
Men's Clothing Stores-44811	1,195,434	4,778,737	25.0%
Women's Clothing Stores-44812	2,171,808	8,484,811	25.6%
Children's, Infants Clothing Stores-44813	3,775,589	9,679,546	39.0%
Family Clothing Stores-44814	35,166,537	113,915,316	30.9%
Clothing Accessories Stores-44815	668,803	3,345,622	20.0%
Other Clothing Stores-44819	4,134,370	21,367,988	19.3%
Shoe Stores-4482	1,993,236	9,604,068	20.8%
Jewelry, Luggage, Leather Goods Stores-4483	13,320,331	40,613,499	32.8%
Jewelry Stores-44831	13,320,331	40,613,499	32.8%
Sporting Goods, Hobby, Book, Music Stores-451	96,866,237	251,321,889	38.5%
Sporting Goods, Hobby, Musical Inst Stores-4511	37,268,179	162,065,056	23.0%
Sporting Goods Stores-45111	21,189,488	79,216,881	26.7%
Hobby, Toys and Games Stores-45112	9,286,729	43,505,731	21.3%
Sew/Needlework/Piece Goods Stores-45113	1,278,157	21,257,907	6.0%
Musical Instrument and Supplies Stores-45114	5,513,805	18,084,537	30.5%
Book, Periodical and Music Stores-4512	59,598,058	89,256,833	66.8%
Book Stores and News Dealers-45121	59,354,202	88,021,073	67.4%
Book Stores-451211	57,524,825	86,135,128	66.8%
News Dealers and Newsstands-451212	1,829,377	1,885,945	97.0%
Prerecorded Tapes, CDs, Record Stores-45122	243,856	1,235,760	19.7%
General Merchandise Stores-452	249,325,343	1,186,497,770	21.0%

Miscellaneous Store Retailers-453	43,495,754	228,621,603	19.0%
Florists-4531	592,762	9,689,544	6.1%
Office Supplies, Stationery, Gift Stores-4532	16,922,791	49,091,668	34.5%
Office Supplies and Stationery Stores-45321	9,652,159	29,895,361	32.3%
Gift, Novelty and Souvenir Stores-45322	7,270,632	19,196,307	37.9%
Used Merchandise Stores-4533	3,613,942	17,789,370	20.3%
Other Miscellaneous Store Retailers-4539	22,366,259	152,051,021	14.7%
Foodservice and Drinking Places-722	178,065,854	530,210,922	33.6%
Full-Service Restaurants-7221	99,783,629	265,812,002	37.5%
Limited-Service Eating Places-7222	62,271,133	210,423,540	29.6%
Special Foodservices-7223	2,219,836	25,063,660	8.9%
Drinking Places -Alcoholic Beverages-7224	13,791,256	28,911,720	47.7%

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

Downtown Retail Opportunities

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

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

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

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

Office Market

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

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

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

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

Hotel Market

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

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

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

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

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

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

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

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

Housing Market

Population

As illustrated in the retail market report, the population for the Borough of State College, the primary and secondary trade areas for downtown, and Centre County all increased between 2000 and 2010. The

Borough actually reversed its trend of a relatively stable population between 1990 and 2000 to grow by 3,600 people (9.4%) between 2000 and 2010 to grow to 42,034.

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

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

Figure 1: Population growth in State College Borough. Source: Neilson.

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

Student Population

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

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

Households

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

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

Figure 2: Household growth in State College Borough. Source: Neilson.

Housing Units

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

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

Figure 3: Housing Tenure in State College Borough. Source: Neilson.

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

2013 Est. Housing Units by Units in Structure	13,117	
1 Unit Attached	1,003	7.6%
1 Unit Detached	2,809	21.4%
2 Units	402	3.1%
3 or 4 Units	555	4.2%
5 to 19 Units	3,115	23.7%
20 to 49 Units	2,263	17.3%
50 or More Units	2,913	22.2%
Mobile Home or Trailer	53	0.4%
Boat, RV, Van, etc.	4	0.0%

Figure 4: Housing unit by type in State College Borough. Source: Neilson.

As to be expected, the housing stock in the Borough is older relative to the surrounding jurisdictions with a median year built estimated at 1972. In fact less than 10% of the housing stock in the borough has been constructed since 2000 with the major increase in housing occurring during the decade of the 1970's where 21% of the housing stock was built coinciding with significant growth in the enrollment at Penn State.

Both multifamily and single family building permits have been relatively low.

(TO BE COMPLETED BASED ON CENSUS VERSUS BOROUGH DATA)

Housing Market Conclusions

- Downtown State College has had little residential construction geared toward the non-student population. There is likely pent up demand for one or two residential projects that would cater to this demographic and be of limited size. Based on allocating household growth, 24-36 units of housing that is geared toward the non-student population for a total of 48 to 72 units is likely to be supportable in the short-term horizon. Over the next five to ten years, an additional 100 units could be likely if the initial concept takes hold.
- The products would need to be of high quality, offer excellent amenities, and be marketed aggressively.
- The non-student housing is likely to be contingent on the Borough providing some level of incentive to facilitate this kind of development whether through parking provision (techniques might include a waiver, shared parking, certificate of participation, development agreement)

- The borough does need to address multi-family student housing proximate to the university to forestall the increasing encroachment of students into single-family neighborhoods. If the Borough absorbed a minimum of 20% of the enrollment growth in students it would result in demand for about 17 units per year that house 4 students per unit.
- A high quality student housing development could absorb a larger share of students and the borough should consider this to sap up demand and soften the market for the weakest (most out of date and deteriorating) housing products out of the market.
- A larger product with the right design and amenities would “trump” suburban growth in residential outside the borough because of proximity to the campus.

PRELIMINARY DRAFT

Chapter 3, The Vision: Looking Forward

Theme 4: Living in the District: Establishing Downtown as a Place for Professionals to Live and Work

Overview

Downtown State College enjoys a vibrant pedestrian-oriented environment with numerous restaurants, shopping and cultural venues. However, there is concern that downtown is becoming too student oriented and less attractive to locals. In particular there are few downtown housing options for non-students including young professionals, seniors and the general workforce. Penn State has indicated that it is difficult to sell downtown living to new employees because there are so few opportunities. Additionally, there are limited opportunities for entrepreneurship and places for young professionals to work.

While earlier chapters of this report addressed ways to attract locals and young professionals to downtown through marketing and branding, events and improving public space, this section of the report will address opportunities for new development that will support a non-student population. It is important to note, however, that student housing remains an important component of downtown housing, particularly in key areas. When compared with other Big 10 schools, Penn State has the least amount of graduate student housing, presenting a real opportunity for downtown. The recent State College Sustainable Neighborhoods Report indicates that the Borough has for the first time in years, not had a year over year increase in single family conversions to student rentals. Denser student developments closer to campus that also are well designed and amenity rich will attract the type of student (grad students and more mature students) than will the “least common denominator” housing. Providing appropriate student housing in the right locations will also help to protect opportunities for young professionals and families to live in the close-in neighborhoods.

In order to attract the right kind of development, it is important to minimize frustrations on the part of the Borough and investors and provide clear development criteria and procedures. It will also be important to increase the quality of development to attract people to downtown. This is particularly important as State College loses its tax base to surrounding townships which are rapidly developing. If these townships continue to be successful with retail development and are able to create housing that is appealing to young professionals, State College will be left “holding the bag”.

The recommendations included in this section of the report identify development and redevelopment opportunities within the downtown over three broad districts: the West End Urban Village, Traditional Downtown and East End Collegiate District.

The Case for Density

Dense development patterns are critical for successful vibrant communities and communities have historically built density in their cores where there is the hub of government functions, transportation systems, services and major employment, such as PSU. Density is critical to maintain walkable communities where it is easier and preferable to walk rather than drive. Dense communities result in less dependency on the automobile and allow for a significant reduction in vehicle miles traveled; and density enables transit to be cost effective. Yet, the word “density” often creates unease and negative reactions. These negative reactions to density tend not to be directed at density itself, rather they are usually associated with badly executed density. High quality design is very important in dense communities where buildings are oriented to the street, there is a pedestrian scale with building masses articulated into smaller components, and the public realm is comfortable, attractive and activated with ground level uses.

Analysis

Zoning Districts

The Commercial District and Commercial Incentive District comprise the majority of downtown land and include a range of building heights and development densities, some associated with incentives. Each of these districts includes streets that require frontages with active pedestrian uses or streets where residential and parking uses are not permitted on the ground floor adjacent to key frontages. In addition, portions of these districts include “Signature Development” zones which allow for greater development densities and heights provided additional criteria is met. Development in the West End is currently guided by the Urban Village District.

Expand this discussion....

Refer to Exhibit 16: Key Downtown Zoning Districts and Street Frontages

Building Heights

Allowable building heights vary throughout the downtown and typically range from 45’ to 65’ with the ability to go as high as 95’ and 145’ in some areas. Taller building heights are restricted to areas outside the immediate downtown core, preserving the historic scale of the core area along College Avenue and South Allen Street.

Expand this discussion....

Refer to Exhibit 17: Existing Building Heights

Development Densities

Development densities vary by district with FAR's going as high as 8.0 for Signature Developments (Are there other caps other than for residential?). Residential FAR's are restricted, however, and can only go as high as 3.0, inclusive of incentives.

Expand this discussion...

Refer to Exhibit 18: Development Densities

Master Plan Framework

The overall master plan for downtown integrates the mobility and public realm enhancements described in Themes 2 and 3 with the redevelopment opportunities described in this section. While downtown has a distinct core, the downtown area is much broader and is comprised of five districts within three broader districts. The broader districts include the West End Urban Village, The Traditional Downtown and the East End Collegiate District and are illustrated in *Exhibit 21: Downtown Districts*.

Based on the downtown assessment in Chapter 2, there are numerous sites that present opportunities for redevelopment. Some of these sites would likely redevelop earlier than others and some may never redevelop. It is important, however, to identify all of the potential opportunities and to illustrate their potential so that redevelopment can occur in a planned proactive manner vs. a reactive one. These sites are identified in *Exhibit 22: Master Plan Framework* in conjunction with the public realm enhancements described under Theme #3. Many have been identified based on discussions with the property owners while others have been identified based on existing uses that don't represent the highest and best use and on adjacencies to properties that could be combined for a unified redevelopment approach. This is particularly important given the small lot sizes and narrow lot dimensions of many downtown properties. The sites are shown illustratively in context with the overall downtown in *Exhibit 24, Preliminary Illustrative Master Plan* and as more detailed site plans in Exhibits 25-33. Many of the recommendations below correspond with these exhibits.

Recommendations

Recommendation 4-A: Consider more flexibility in bulk regulations.

Consider more flexibility in bulk regulations to allow for appropriately-scaled first floor retail space, higher quality architectural design and more functional parking.

Building Heights

Building heights are not consistently described in the ordinance. For example, the C District describes building heights as 45'/4 stories and allows for 10 additional feet of uninhabitable sculpted roof. While in

the CID District, a maximum of 65' (or 95' with incentives) is described but not described in terms of number of floors. Nor is the option for providing 10 additional feet for a sculpted roof described. Building heights for "Signature Buildings", however, are described as 145'/12 stories. It will be important to identify number of floors and height in feet to discourage construction of "low" first floors to allow "squeezing in" an upper floor. In some instances, incentives allow an additional floor, not to exceed 10'.

While it is important to provide a limit on the number of floors, there should be more flexibility in the actual height to allow for superior design with appropriately scaled floors (particularly the first level which should be 14-20' floor to floor) and to allow for parapet walls. A well designed 6 story building that is technically taller than a poorly designed 6 story building will make a more positive contribution to the downtown.

Lot Size for Signature Development

Signature Development is restricted to minimum lot sizes of 30,000 SF. There should be more flexibility to allow for signature development on smaller lots if all of the bulk requirements can be adequately addressed.

Residential FAR's and Percentages for Key Locations

The practice of limiting residential FAR's is a good one to encourage more mixed-use density within the downtown and to encourage more owner occupied housing. These limitations are not always realistic, however, and discourage higher density development in some parts of downtown where significant amounts of other uses are not feasible. The Borough should consider more flexibility in increasing residential FAR's for both rental and owner occupied projects if tied to design incentives.

Parking Requirements

The Borough is considering a reduction of on-site parking requirements for downtown housing. This is an important measure, particularly considering the small block sizes and narrow parcel configurations which don't always allow for on-site parking. Additionally, the Borough should consider allowing parking requirements to be met with off-site parking up to ____' from the use it is serving. The Borough may even consider requiring parking rates to be separated from rental rates, an incentive for renters not to own a vehicle. Fergusson Township has this included in their Terraced Streetscape district and Burlington, VT is considering it for its downtown area in addition to eliminating parking requirements for downtown development. The Borough may also consider a greater number of parking spaces that can be included in the fee-in-lieu option.

Insert Exhibit 19: Proposed Building Heights (Needs to be re-numbered in sequence)

Insert Exhibit 20: Proposed Development Densities (Needs to be re-numbered in sequence)

Recommendation 4-B: Incent quality downtown student housing

Develop density bonuses for quality designed student housing downtown

This recommendation is similar to above but focuses on creating high quality student housing. In fact, for downtown student housing to be competitive with suburban “resort-like” complexes, it will need to offer amenities and quality spaces. Quality student housing downtown is imperative for the ongoing success of downtown. In Pennsylvania, design review is not allowed unless it is under an incentive based program.

Recommendation 4-C: Undertake a comprehensive re-write of the zoning code

Perform a stakeholder-based comprehensive update to the existing zoning code to simplify and make more user-friendly.

The existing zoning codes have been amended numerous times resulting in language that is confusing and difficult to follow. In some cases, there are numerous cross references that need to be made and there is conflicting information or conflicting ways in which requirements are described.

Recommendation 4-D: Create a Housing Trust Fund

According to the Center for Community Change in Washington, DC, “Housing trust funds are the single most impressive advance in the affordable housing field in the United States in the last several decades.” Nationally, housing trust funds have experienced phenomenal growth with less than 50 in 1965 to over 600 in existence now. Forty states have communities with housing trust funds and the Commonwealth of Pennsylvania has had trust fund legislation on the books since the early 1990s.

Local housing trust funds follow a similar overall pattern but are extremely flexible in their goals. Some focus exclusively on providing housing to very low-income families while others delve into workforce housing, public private partnerships and even creative financing for market rate developments.

One of the biggest challenges of any Housing Trust Fund is capitalization. Having a dedicated revenue source stabilizes the fund and makes it feasible. A one-time infusion of capital, grants, or donations will not make for a successful Housing Trust Fund. State College should explore the following suggestions for its Housing Trust Fund:

- *To be completed...*

Recommendation 4-E: Develop co-working incubator

Develop Co-Working Entrepreneurial Incubator in Downtown

Although the terms are sometimes interchanged, there are some distinct differences between co-working space and incubators. Co-working spaces tend to focus on more long term sustainability for small businesses that wish to share space in order to write down overhead expenses while creating

“synergy” among a variety of business types. The classic incubator model is expressly designed to get a start-up business going with the eventual objective of moving the business out of the incubator space.

Classically, the incubator model would locate in a research or industrial park location and encourage manufacturing, technology, or other focused forms of businesses. More recently incubator spaces are including retail and dining as part of the model with a focus on the creative economy, entrepreneurship, and a wide variety of business types.

The trend for co-working and incubator spaces is rapidly growing and downtowns are the new location for these facilities. Many of these facilities are developed through a partnership with nearby universities who see the value of investing in their local downtowns while fostering innovation and entrepreneurship. 2012 was a banner year for these facilities with expansions and new openings of incubators and co-working spaces across the country. The following institutions of higher education and their adjacent downtowns have partnered to create downtown spaces for business to grow:

- University of Alabama, Downtown Tuscaloosa, The EDGE
<http://www.tuscaloosachamber.com/theedge/>
- University of Louisville, Downtown Louisville, Nucleus
<http://nucleusky.com>
- Northwestern University, Downtown Evanston, INVO
<http://entrepreneur.northwestern.edu/index.php/directory>
- Bucknell University, Downtown Lewisburg, Bucknell University Entrepreneurs Incubator (BUEI)
<http://www.bucknell.edu/BUEI.xml>
- University of Buffalo, Downtown Buffalo, UB Biosciences Incubator
<http://www.buffalo.edu/news/releases/2012/12/011.html>

These examples represent just a few of the case studies of downtown incubators as a key way to link local universities with entrepreneurship in downtowns. Many of these centers are seeing unprecedented success. State College should contemplate partnering with Penn State University on a downtown incubator. The University already has experience with similar projects in downtown Altoona. The project could be positioned so as not to compete with the existing CCIDC program at Innovation Park.

Recommendation 4-F: Create a local investment strategy

Explore ways for the local community to invest in business start-ups in State College

While Venture Capital funds have been around for a while and several have invested in businesses in State College, these funds are typically “closed loop” investment funds that involve a relatively small group of focused investors. State College has the opportunity to look at an ‘open loop’ way to encourage entrepreneurship, local investing, and local partnerships in downtown. A well-educated, local oriented population already exists in State College that would be a prime market for such a system. There are several specific opportunities the community should explore:

- Business Alliance for Local Living Economies (BALLE) is a national 501(c) 3 organization that promotes local first, do it yourself entrepreneurs, community capital, and community partnerships to create an eco-system for local investing, shopping, and business. Major national organizations are working as partners with BALLE in this endeavor. Meanwhile, local BALLE chapters all over the country are following the BALLE model with innovative results. www.bealocalist.org
- Crowd-funding is a growing national trend with sites such as Kickstarter www.kickstarter.com offering opportunities for entrepreneurs to raise capital. The return on investment for such sites is minimal. A more advanced model that is exploring everything from company investing to real estate is Fundrise that has been working in the District of Columbia (www.fundrise.com). State College should explore these models.
- Local Stock Exchanges are being promoted as future opportunities for communities especially after the Jumpstart Our Business Startups Act (JOBS Act) was enacted in April of 2012. The state of Hawaii and Lancaster, Pennsylvania have both pursued Local Stock Exchanges and author, economist, and attorney Michael Shuman has written extensively about the possibilities of local investing in communities. His website www.small-mart.org offers a wealth of information on the concept.

Recommendation 4-G: Developable Properties

Identify, Promote, and Work With the Owners of Key Development and Redevelopment Sites.

State College has several sites that are key opportunities for development and redevelopment as outlined in the following recommendations. Each represent sites that the community can play a pro-active role in working with owners and developers to develop plans that satisfy key goals of the Borough offer a marketable product for developers, and result in these properties being developed to add to the tax base and quality of life of State College. Both the Borough and Downtown Improvement District can play an important partnering role with the property owners to market the properties, work on conceptual plans when needed, and facilitate input from the community.

Recommendation 4-H: Advance the West End Revitalization Plan and Establish West End’s Identity as an “Urban Village”:

The Borough should advance the West End Revitalization Plan and coordinate with Penn State University to stimulate preservation and revitalization of existing uses while encouraging investment and new infill development.

The West End Revitalization Plan was thorough and has merit in that it focused on protection of neighborhood character while allow for new infill development, particularly along the north side of the district adjacent to Penn State’s West Campus. This boundary between the campus and Borough has long functioned as “back door” space for both entities and presents the opportunity to reinforce a positive town gown relationship. The Borough developed a well-intentioned Urban Village District in the

zoning ordinance to accommodate revitalization of the West End; however, the ordinance is too restrictive and not realistic as it relates to new infill development. The current caps of 3000-4500 GSF for any one building preclude the ability to develop significant infill development that is appropriate along the campus boundary. While the ordinance does allow building heights of up to 65' for a distance of 75' back from the northern district boundary, this limit does not reconcile with the building size limits (a 4500 SF building over 6 floors would result in a building footprint of 750 SF or 15' x 30'). Incentives tied to superior design should be developed that allow for larger building footprints and taller building heights that transition up from Clay Lane to the north.

The redevelopment should allow for housing that is geared toward graduate students, faculty, employees and workforce housing as well as the mix of uses described in the Urban Village ordinance (cafes, neighborhood support retail, etc.). Providing newer, attractive options close to campus will help relieve the pressure to continue converting homes within the neighborhood to rental housing. In fact, the *State College Borough Sustainable Neighborhood Report 2012* identifies advancing the West End Redevelopment Plan as one of Council's objectives for 2012-2013. In addition, planned development will allow for consolidated and well-designed parking resources that can be located behind buildings.

With the development of Fergusson Township's Terraced Streetscape District, there is the potential that State College could lose important redevelopment opportunities.

Important components of the West End Revitalization Plan include the following:

West Campus Drive Shared Use Path

Develop a shared-use path for bikes and pedestrians along West Campus Drive.

West End Commons

The original master plan for the West End revitalization identified several options for the creation of a commons, connecting West College Avenue with West Campus Drive and the Penn State campus. While one option is illustrated as part of this plan, it can be incorporated in many ways as illustrated in the West End Revitalization Plan. The concept has merit in creating a neighborhood focal point, particularly since downtown State College has limited public spaces.

West End Redevelopment 1, 2 and 3

The master plan illustrates how new infill development can reinforce street edges, define the new West End Commons and strengthen the town gown relationship. The plan illustrated very much mirrors what was illustrated in the West End Revitalization Plan but is not possible under the current Urban Village ordinance. The plan, as illustrated, could be developed with three story buildings and surface parking or taller buildings (graduating from 3-6 stories) with some structured parking. Regardless of the building density, the important factor to consider is the orientation of the buildings to define the street and open space network, and reinforce a walkable neighborhood.

Refer to Exhibit 25: West End Urban Village

Neighborhood Stabilization and Preservation; Implement recommendations of West End Revitalization Plan to stabilize and preserve existing structures with the goal of converting rental properties back into home ownership and supplementing the neighborhood with small scale commercial uses.

Recommendation 4-I: Reinforce the Downtown Core area of State College as a “Traditional Downtown”.

The Borough should target the core area of downtown and emphasize a mix of uses that reinforces a traditional downtown, including non-student housing, hotel, office incubator space gallery space and additional retail.

The following outline potential redevelopment opportunities throughout the downtown core area.

West Campus Square

This site is comprised of properties owned by Penn State as well as other property owners. Several years ago, Penn State developed conceptual plans for the site showing how an academic and mixed-use building could be developed along the Atherton Street frontage. This approach is still relevant and should consider the following:

- Incorporate active ground level uses along the Atherton Street frontage, particularly in the mixed-use building south of Railroad Avenue.
- Design the academic building to provide a pedestrian/bike linkage that connects Atherton Street with West Campus Drive.
- Use the mixed-use building to “wrap” a parking structure along the Atherton Street and Railroad Avenue frontages.
- Coordinate with property owner at corner of Atherton and West College Avenue to include that parcel in the overall redevelopment. This would allow a prominent building to be constructed on the corner with parking accommodated in the structure developed as part of the mixed-use building.

Refer to Exhibit 26, West Campus Square

Atherton East

This site is comprised of multiple properties along College Avenue, just east of Atherton Street. While these properties are currently occupied by viable uses, they present a long-term opportunity for coordinated mixed-use development of a “signature” project at this important intersection. While these properties could be developed individually, this is one of the few sites downtown where coordinated development would allow for the integration of multiple levels of parking above first floor retail uses. Potential for the property includes graduate student housing, non-student housing, PSU faculty and employee housing, retail uses and office space (should there be a market). The model views show various scenarios of how the site could develop under existing zoning classifications including the CID

district (student housing at 2.0 residential FAR), CID district (non-student housing at 3.0 residential FAR) and “Signature Development” overlay with a site FAR of 8.0 (and 3.0 residential FAR).

Atherton West

This site is located on the southwest corner of College Avenue and Atherton Street and represents an opportunity for non-student housing (such as PSU faculty and employee housing) or graduate student housing over ground floor retail uses. The site is small so parking would need to be accommodated below grade. Because of the prominent location of the site and prominent sight lines (particularly from the north and east), this site is well-suited for a “signature” development. Regardless of the architectural style of any new building, the building should be articulated in a way that responds to the intersection. A small plaza and/or gathering space should also be provided at the corner to provide expanded pedestrian areas at this busy intersection.

Ideally, this redevelopment would incorporate the property to the south (existing motel) if there is interest from the property owners to coordinate. At such time that the motel property redevelops (if there is no interest in a coordinated approach among property owners); it should be redeveloped with the building oriented to the street edge with parking located behind and/or below. The site is well-suited for ground level retail and upper floor office (if the market exists at the time of redevelopment) or upper floor housing.

Beaver Avenue Infill (West)

The existing one-story retail use at the corner of Beaver and Atherton is an under-utilization of this prominent corner. At such time the property owner wishes to redevelop this property, the property should be redeveloped with lower level retail uses and upper level residential or office uses. The building should be oriented to the street edge with parking located to the rear or underneath.

Refer to Exhibit 27, Atherton East, Atherton West and Beaver Avenue Infill (West)

College Avenue Infill

While the retail uses are important for College Avenue, the existing one-story shopping center, between Fraser and Burrowes Streets does not represent the highest and best use for this site. Should the property owners ever desire to redevelop this property, there is an opportunity to replace the existing retail development with new retail and upper floor uses. The upper floors would be ideal for residential uses or incubator office space, depending upon when the property would be redeveloped and the need for office space at that time. While residential uses could include student housing, this site would be better served for non-student housing.

Fraser Centre

This mixed-use development has includes for-sale condominiums, hotel, retail and commercial uses and represents a pivotal project for downtown. The original concept included a theater with Penn State University as a partner who would utilize the theaters as classroom space during the day. The University had to pull out of the partnership, however, so the theater is no longer included as part of the

development. This change as well as the economic downturn has delayed the project, however, it appears that it will proceed in the near future. The development represents a good model for downtown development in that it is characterized by a high level of design and it includes pedestrian-oriented uses on the ground levels which will activate the frontages of Beaver Avenue, Fraser Street and a portion of Calder Way. Once completed, it will serve as an important west anchor for the immediate downtown core and for Calder Way.

Refer to Exhibit 28, College Avenue Infill, Fraser Centre

Borough Building Incubator Space

The existing Borough Building has approximately 3,500 SF of vacant space on the third floor which could be used as office incubator space until such time that incubator space can be developed as part of a new development project.

Allen Square

The area bounded by Beaver Avenue, Allen Street, Foster Avenue and Fraser Street represents one of the most significant redevelopment opportunities for downtown State College. If well done and coordinated among a partnership of multiple property owners, including the Borough, redevelopment could achieve many positive results including:

- Expand the family/local-oriented downtown core.
- Minimize the barrier effect of the ridge that separates the downtown core from areas south of Highland Avenue.
- Leverage the value of open space frontage for future redevelopment of the post office site while activating the park with new active uses around its perimeter.
- Provide additional opportunities for family-related uses such as expansion of the Discovery Space.
- Provide clear and attractive connections among the Borough Building, library, park, Memorial Field, Discovery Space and Calder Way (via Kelly and “D” Alleys).

Redevelopment of this area should consider the following:

- Creation of a focal point “Allen Square” at the corner of Allen Street and Highland Alley. As described earlier in the master plan report, this location is one of the few sites in downtown where a new open space could work. It is on the ridge so it is still visually connected to College Avenue. It is located at a bend in Allen Street, increasing the prominence of the site and it is adjacent to many family and local oriented attractions and businesses. It could provide an additional venue for outdoor events or expanded venue as part of the Allen Street Promenade.
- The creation of a connecting street, “Foster Lane”, which would provide frontage for the park and new development on the post office site.
- Pedestrian connection through the surface parking lots (Borough and church owned) linking Kelly Alley with D Alley (and better connecting the site to Calder Way).

- Redevelopment of the post office site as non-student housing. This housing could be high density (illustrated) wrapping a parking structure or lower density with surface parking. The important aspect is that it be oriented to several important edges: the park (and the new Foster Lane described above), Fraser Street and “D” Alley/Allen Square.
- Incorporation of post office into the redevelopment. Consideration should be given to incorporating a post office convenience center or use into the lower level of the housing and parking if the larger facility is ever relocated.
- The proposed residential building on the post office site could also incorporate a new senior center (in place of that located in the Fraser Street garage).
- Infill development on the Beaver Avenue surface parking lot with active uses along the new pedestrian connection, Beaver Avenue frontage and frontage on the proposed Allen Square.
- Infill residential (or expansion) behind the new residential building on Allen Street and within the surface parking lot. This development will be challenging as it should front onto and/or activate Allen Street, Allen Square, the existing park and the pedestrian connection to the south of the existing surface lot.

Refer to Exhibit 29, Borough Building Incubator, Allen Square

Pugh Gateway North

The property at the southeast corner of College Avenue and Pugh Street is a highly visible corner within the downtown core and enjoys a prominent location along College Avenue at the foot of the Henderson Mall. Currently the site is developed with a one-story building; however, the site offers greater potential for a higher density development. The property should be considered for ground level retail uses and upper floor residential. The residential would be appropriate for non-student or student markets. Important considerations include the following:

- Maximize window display areas on both the College Avenue and Pugh Street frontages.
- Consider articulating the corner architecturally.

Pugh Street Garage Redevelopment

The Borough is currently exploring alternative locations for the replacement of the Pugh Street Garage. While replacing the garage in its current location is an option, this is not desirable as it would take ___ parking spaces off line until the new structure is completed. Ideally, the replacement would be developed in another nearby location and this site could be redeveloped with other uses. Because this is a Borough-owned parcel, it represents a significant opportunity for important downtown uses that would not otherwise be developed without incentives. Potential uses include hotel, meeting space, workforce housing, housing for young professionals and retirees, hotel and retail. The site is centrally located to the core of downtown and offers magnificent views of Old Main and the campus from upper floors. Following are considerations for development:

General Considerations: Regardless of the uses developed for this site, the following should be incorporated into the planning and design:

- Include active ground floor uses along Calder Way, Beaver Avenue and Pugh Street frontages.
- Include gallery/exhibit space in ground floor.
- Include small plaza/gathering space at corner of Pugh and Beaver and/or Calder and Beaver. A location on Calder Way could help activate this important pedestrian link. A location on Beaver would take advantage of southern exposure.
- Incorporate façade treatment, special lighting, along Calder Way that reinforces the artsy/funky nature of the alley, particularly on lower levels of the building.
- Coordinate with the adjacent property owner to maximize the development of the entire block defined by Beaver, Pugh, Calder and Humes.

Option 1 – Pugh Street Garage Replacement: Should it be determined that the Pugh Street garage does need to be redeveloped in this location, the following should be incorporated into the planning and design.

- Public restrooms.
- Bike storage.
- Consider some upper floor space for incubator space.
- Consider partnering with a developer to include a housing component on upper floors.

Option 2-Pugh Street Garage Relocated (Illustrated): Should the public parking garage be reconstructed on another site, this site should be developed with high density mixed-use development. The site is well suited for a hotel with associated meeting space as well as non-student housing. The views to Old Main from upper floors could be quite attractive to alumni, visitors to the region, young professionals and retirees. The Inn at the Colonnade adjacent to Johns Hopkins University in Baltimore is a good model that includes 6-7 floors of condominiums over 3 floors of hotel. While the demand for downtown hotel space is limited at this time, if the market changes at the time of the garage replacement, this concept should be considered. Otherwise, the site could be used primarily for non-student housing. The following should be considered for the planning and design of a mixed-use development in this location.

- Include a parking component to supplement parking provided in Pugh Street Garage replacement and to support some of the uses in the building.
- Consider hotel and meeting space on lower levels.
- Consider housing on upper levels (or for the majority of the building if a hotel is not feasible).
- Consider a component of incubator space on lower levels.

McAllister Lot

The existing site bounded by Beaver, Calder, McAllister Street and McAllister Alley is owned by multiple property owners, including the Borough. The southern portion that includes the parking deck and

existing small footprint buildings along Beaver Avenue could be redeveloped to better utilize this site. The site could be intensified to provide additional public parking it or it could be redeveloped with a mix of uses, along with some parking component. The following should be considered for the planning and design of this parcel:

General: Regardless of the uses developed for this site, the following should be incorporated into the planning and design:

- Consider incorporating a plaza space or increased setback area at either (or both) corners along Beaver Avenue to provide some expanded areas to accommodate high volumes of pedestrians.
- Activate the Beaver Avenue frontage with ground level commercial uses.
- It is not feasible to activate McAllister Street and Alley with retail uses, but these facades should have high level of design.

Option 1-Additional Public Parking Amenities (Illustrated): While the dimensions of this site are tight for an efficient parking structure, the site could be developed as a significant public parking resource if the property owners are willing to partner. In addition to ground level retail uses, some upper floor office/incubator space could also be incorporated into the parking structure. In addition, public restrooms and bike storage should also be incorporated into the ground level.

Option 2-Mixed Use Development: Another alternative for this site is mixed-use development. In addition to ground level retail uses along Beaver Avenue, consider upper floor residential. This site is close enough to the downtown core that it could be appropriate for workforce non-student housing, however, student housing would likely be most appropriate given the site's proximity to the "Collegiate District". The design of any housing should consider a north/south orientation or "U" configuration facing Beaver Avenue to avoid reinforcing the continuous "wall" of Beaver Canyon.

Refer to Exhibit 30, Pugh Gateway North, Pugh Street Garage Redevelopment, McAllister Lot

Pugh and Beaver Redevelopment

Property at the southwest corner of Beaver and Pugh could be a significant redevelopment parcel if considered in conjunction with a portion of Highland Avenue and the property to the south (the one-story commercial space connected to the Days Inn). This would require interest in a partnership among the property owners.

General: Regardless of the uses developed for this site, the following should be incorporated into the planning and design:

- Active ground-level commercial uses along Beaver Avenue and portions of Pugh Street frontage.

- Architectural articulation to take advantage of bend in Pugh Street which results in strong visual connection between College Avenue and this corner.

Option-Mixed-Use Development: This site could be suitable for mixed-use development. Specifically, the location is part of the downtown core and would be well-suited for non-student housing and/or hotel expansion with lower level retail uses and structured parking. Because of the grade change from south to north, two levels of parking could be provided without the need for internal ramping. Mixed-use development could work on the corner site at Pugh and Beaver or a combined site as described above. If the properties are combined, provision should be made for a pedestrian connection to the Borough Building, library and proposed Allen Square, between the existing hotel and new development.

Pugh Gateway South: This opportunity includes the properties on each side of Pugh Street at Foster Avenue. The west property currently includes two levels of parking, serving the existing hotel and the east property includes 4 single homes that have been converted to rental properties. Because of the location of these properties near the southern edge of the downtown core, higher density and better utilization of the property is appropriate. Redevelopment should consider the following:

- Possible hotel expansion (illustrated) for the existing hotel on the east side of Pugh Street, with a building that addresses both the Pugh and Foster frontages.
- If hotel expansion is not feasible, a multi-level parking deck could be developed here, provided there would be a high quality architectural design and streetscape treatment provided along the street frontages. While ground level active uses would be desirable, they would likely not be feasible this far outside of the core, with the exception of potential incubator space.
- The west side of Pugh Street should be reserved for residential development and could be appropriate for non-student or student housing.

Refer to Exhibit 31, Pugh and Beaver Redevelopment, Pugh Street Gateway

Recommendation 4-J: Reinforce the East End of downtown as a “Collegiate District”.

The Borough and Neighborhood Coalition should support and encourage additional downtown student housing and allow for increased density/FAR in targeted areas, in exchange for high quality design and other incentives.

The *State College Borough Sustainable Neighborhood Report 2012* identified as one of Council’s Objectives to “develop more student housing in downtown”. This recommendation has merit in that it will help to take pressure of rental conversions within the neighborhoods and provide more living options close to campus. The Collegiate District at the east end of downtown makes the most sense for student housing as this location would not be desirable for non-student housing. Specific opportunities include:

Garner Center

This site is one of the most significant mixed-use development opportunities in downtown and is comprised of three separate properties. The property facing Beaver Avenue is being developed as the Hillel Student Center and will provide a variety of student functions. There is an opportunity to plan and integrate this center into a larger development project that includes the adjacent properties (existing surface parking lots). This will allow for the development of the air rights over the Hillel facility while still allowing for it to have its own unique identity.

Because of the site's location in the East End Collegiate District, non-student housing would likely not be feasible, however, this would be an appropriate location for additional student housing. Important considerations for this site include:

- Consider working with the Borough to provide some public parking as part of the mixed-use project rather than just providing for parking that only meets the needs of the uses on site. With coordinated development, an efficient parking deck layout can be achieved.
- Provide retail/active uses along Garner Street and Calder Way frontages, in addition to that being provided by the Hillel Center.
- Take advantage of the prominent site and architecturally address the corner of Beaver and Garner and the corner of Calder Way and Garner.
- Consider providing an open plaza area at Calder Way to reinforce an east gateway.
- Consider providing additional development incentives if expanded setback is provided to allow for expansion of Garner Street and addition of bike lanes to extend the existing bike lanes to Calder Way. This will need to be evaluated with the program of the development and required site dimensions. A minimum of 10' would be needed to allow for a 5' bike lane in each direction along Garner Street.

Garner at College

This site includes the properties between Garner and Hiester Streets and between College Avenue and Calder Way. These properties are all under the same ownership and, when considered together, provide appropriate dimensions for structured parking. While the properties are currently occupied by viable businesses, the buildings are all one-story and do not represent the highest and best use for the site in the long-term. Should the property owner wish to redevelop, there is a tremendous opportunity to develop a significant mixed-use building at this prominent intersection. Important considerations for the site include:

- Even if developed at a separate time from Garner Center (described above), consideration should be given to how the two sites might be coordinated. From a functional standpoint, there may be the opportunity to connect upper floor parking with parking in Garner Center to avoid ramping at the retail level.
- This block of Calder Way is activated by a variety of uses and any new development should incorporate uses that activate both Calder Way and College Avenue.

- Similar to Garner Center, consider providing additional development incentives if an expanded setback is provided to allow for the expansion of Garner Street and continuation of bike lanes to College Avenue and the Bike Route along Shortlidge Drive.

Sowers at College

This site is located between Garner and Sowers Street and presents an additional opportunity for significant mixed-use development along College Avenue with retail uses and student housing. The property owner has conceptual plans developed for the property.

Refer to Exhibit 32, Garner Center, Garner at College, Sowers at College

Gateway East

The existing property at the southwest corner of High Street and College Avenue is a highly visible site at the eastern gateway to downtown along College Avenue. While currently occupied by a viable business, the site is developed with a one-story building setback behind surface parking. A multi-floor building oriented to the street edge would be a higher and better use for this site. Additionally, new development oriented to the street would reinforce the pedestrian environment along High Street and new crossing of College Avenue as described in Theme 3.

Refer to Exhibit 33, East Gateway

Recommendation 4-K: Study public-private partnerships in other communities.

Study public-private partnerships in other communities, particularly College and University communities to explore feasibility for application in State College.

Partnerships will be particularly important when trying to encourage non-student housing, hotel development and to accommodate structured parking. Some examples include:

West Lafayette, Indiana: West Lafayette worked on a Tax Increment Mixed-Use project that included a public parking garage, a hotel, upper end housing, and major retail development including dining and a (now closed) Borders book store.

Blacksburg, Virginia: Kent Square is a mixed-use development where the Town participated in the construction of the parking for a stacked development with ground floor retail, a floor of office and several floors of residential development. The town is now purchasing additional land for more parking consolidation in an effort to eventually facilitate more mixed-use development.

University Research Foundations: University Research Foundations are playing a critical role in the development of mixed-use in college and university towns. Several are worth exploring and comparing to the Penn State Research Foundation www.research.psu.edu/patents/penn-state-research-foundation and include the Purdue Research Foundation www.prf.org and the Virginia Tech Foundation www.vtf.vt.edu to name a few.

PRELIMINARY DRAFT

Theme 5: Managing the District: Fostering a Safe and Appealing Downtown

Overview

The National Citizen Survey completed in 2012 by the National Research Center and the International City/County Management Association indicated that State College scores higher than other communities and peer university communities in terms of a broad spectrum of quality of life issues. While most residents of State College recognize the importance of students in sustaining a vibrant downtown, there is a perception among some that downtown can be unsafe and is overrun by students as a result of several specific incidents. The year 2008/2009 school year was a particularly low point for downtown when there was a significant level of alcohol abuse and related incidents that negatively impacted downtown and resulted in bad publicity. Since that time, the Borough, Penn State University and the DID established a partnership (Campus Community Partnership) and worked diligently to address negative issues and perceptions and have undertaken several important efforts to address these issues.

- Following the incidents of 2008/2009, the Borough Manager and Vice President of Student Affairs at PSU met weekly. A committee was formed to address issues but now this committee meets once or twice a year because a lot has been accomplished.
- In 2009, the Responsible Hospitality Institute (RHI) did a study and the process had a good mix of public and private participation. The study resulted in a report that has not proved to be useful and has resulted in frustration. The Borough is currently in process of engaging RHI in another study focusing on the nighttime economy.
- Penn State is taking a more aggressive approach to alcohol abuse and communicate with students on a regular basis. Certain offenses are subject to more severe punishment. Penn State reaches out to students and has established a Student Conduct Department.
- The Borough has encouraged Penn State to require a Freshmen seminar on what it means to be part of a community. A decision to do this is up to the faculty senate and they have been reluctant to do so because it takes time away from other instruction.
- The partnership established a Social Norming Campaign through which they work with student groups to talk about student responsibility. They started a “respect campaign” as a joint project during the first 8 weeks of fall semester. It involves police, Green Leaf, code enforcement, health, etc.
- The Borough has installed portable restrooms downtown and increased fines to \$600 for public urination, however, they may not have been as effective as hoped.
- The Borough has been addressing the litter problem from late night activity and event weekends. During football weekends the Borough employs nighttime trash collection and work with student groups who volunteer to cleanup downtown with gloves and bags provided by the

Borough. Additionally, key late night businesses such as Canyon Pizza have been responsive to cleaning up litter that accumulates at their storefront.

As a result of the above efforts, the Borough has seen a reduction in incidents, however, it continues to be a concern for stakeholders.

In addition, the Borough has outlined a number of implementation actions in the State College Borough Sustainable Neighborhood Report 2012 under Goal 1: Maintaining Safe, Stable and attractive Neighborhoods. These implementation actions are centered on three concepts: Community building, Regulatory and Marketing. The report identified future action suggestions including:

- Implement Good Neighbor Program and launch a pilot for the 2012/2013 academic year
- Develop strategies to implement a Restorative Justice Program and launch a pilot program for the 2013/14 academic year.
- Improve neighborhood communications.
- Centre Region Building Safety and Property Maintenance Code (PM Code) Revisions
- Expand First-Time Homebuyer Program
- Prepare Neighborhood Community Asset Maps

Recommendations

Recommendation 5-A: Communicate and promote initiatives done to date

Identify recent and current initiatives undertaken by the Borough, University, D.I.D. and other partners and share with the community.

While ensuring a high quality of life in State College is an on-going effort, many in the community are not aware of all that has been done to address issues since 2008-2009. The Borough and University should publicize efforts and associated successes. In addition, the Borough should also identify initiatives that have not been successful and how they are being modified.

Recommendation 5-B: Revisit recommendations of the Responsible Hospitality Institute (RHI)

Review the RHI report from 2009 and identify those recommendations that are still relevant and prioritize actions.

The RHI study was comprehensive, had a broad foundation of public and private participation and resulted in many solid recommendations. Many of the recommendations in the report dovetail with recommendations outlined in this master plan. These include:

- Include highly visible restrooms in the new parking garage.
- Address Pedestrian Load on Sidewalks. As described earlier in this report, Pedestrian LOS numbers were analyzed and found several blocks of Beaver and College Avenue to be at levels of service “D” and “F”. The public realm enhancements for College Avenue and Beaver Avenue provide for permanently expanded sidewalks in several areas. In addition, there remains the potential to pursue recommendations of the RHI study to temporarily expand sidewalks at peak pedestrian times by closing off a parking lane and allowing pedestrians to use that area rather than walking in the street. This could be particularly effective along some blocks of Beaver Avenue.
- Provide multi-use sidewalks that provide for vitality and pedestrian safety. The RHI study recommended the use of kiosks, outdoor seating, performances to create a pleasant sense of place and comfortable place for people to stay.
- Enhance streetscapes. The Borough has been enhancing the downtown environment with streetscape enhancements to Fraser, Pugh and Atherton Streets. The additional recommendations of this master plan will reinforce a positive image for the downtown core area.
- The RHI study indicated that there was limited awareness about parking availability and validated parking by merchants. The branding and marketing recommendations of this master plan provides the Borough and D.I.D. with tools to implement this recommendation.
- Reduce Pedestrian Load on Beaver and College Avenues by Enhancing Pedestrian Environment of Calder Way. The RHI report recommended the exploration of closing Calder Way to cars, however, this is not feasible as it is an important service street and provides access to parking areas and deliveries. Calder Way will be enhanced as a pedestrian environment by establishing it as “shared space” and using the community branding and arts to make it a more attractive option for pedestrians as described in Theme #3.
- Use Events to Attract a More Diverse Mix of Ages. The RHI study identified marketing techniques to attract a more diverse age group to downtown. Events are important in marketing the downtown, its businesses and in erasing negative perceptions. The Borough has been expanding events and should continue to do so, focusing on drawing a more diverse crowd, earlier in the evenings. The plans for Allen Street Promenade described in Theme #3 illustrate how the 100 Block of Allen Street can become a venue for regularly scheduled family-friendly events, both large and small. In addition, the plans for Allen Square as illustrated and described in Theme #4 show how the existing park can be better connected to the downtown core through coordinated development of several properties, including a new square on Allen Street. This network of spaces, close to the library and Discovery Space can also be used for event venues. Depending on the size of the event, they could be used in addition to or in place of Allen Street Promenade. RHI’s recommendation to focus on keeping older demographics out between 10PM and midnight are good and regularly scheduled events can help to do this.

Communities across the country recognize the importance of events on the downtown economy and vibrancy. Refer to the recommendation below for references to successful community events.

- The RHI study identified concern with negative press. The branding developed as part of this master plan creates a positive message about downtown and demonstrates how downtown State College can take control of its image rather than the image being defined for it.
- The study indicated the importance of socializing and the need for more alcohol-free venues. Unfortunately, plans for downtown theater went away, and Sozo moved out of downtown. The positive news is that Hillel Student Center moving to Beaver and Garner will have a significant presence and will provide meeting and gathering spaces in an alcohol-free environment. Additionally, many of the co-working and incubator spaces in downtowns, as proposed in Recommendation ___ include spots for gathering for workers etc. At the CRC at Virginia Tech there is a café and coffee shop. The cafe can serve as a gathering spot for workers.
- RHI indicated gaps in dining and a need for higher-end establishments, late night venues with ambient music to allow for conversation, high quality vegetarian restaurants, and venues appealing to families and diverse cultural markets. The market for dining will need to be carefully cultivated and is a challenge on many college campuses. One approach is to consider some sort of food hub/demonstration kitchen as part of a development in the future.
- RHI identified wayfinding as an important feature to attract new customers to downtown and make older customers feel more comfortable. The signage developed in Theme#2 responds to this recommendation.

The Borough, Penn State and D.I.D. have the opportunity to reinforce the importance of the above actions as part of an overall strategy to improve quality-of-life issues.

Recommendation 5-C: Continue to implement recommendations of the State College Borough Sustainable Neighborhood Report 2012

To be developed

Recommendation 5-D: Assess economic impact of local events.

The DID and the Borough of State College should partner with Penn State University to Assess the Economic Impact of Special Events on Allen Street.

There are several excellent studies that detail the methodology to conduct the direct, indirect, and induced impacts of special events on downtown. Among the best is Steven R. Miller's *Quantifying the Economic Impact of Community Events* from Michigan State University.
<http://www.cea.msu.edu/uploads/files/44/event%20impacts.pdf>

Studying the economic impact of special events on Allen Street will help quantify the impacts on local businesses and the overall economy. The survey instrument can specifically ask about spending patterns along Allen Street, in downtown State College as well as provide information about the visitor origin. Outlined below is some additional background information on communities that have found events to be important aspects of downtown in terms of economic development and community vitality.

Events as Economic Development Tools

Ocean Springs and Columbus, MS: Many studies have been conducted that evaluate the economic impact of special events on the local economy. One of the most recent is an assessment of the Peter Anderson Arts Festival in Ocean Springs Mississippi. Mississippi State University used statistically valid intercept surveys to determine that the event had a residual impact of \$13 million in 2010 which rose to \$22 million in 2011 after the event got national sponsorship from Blue Moon Brewing which amplified the advertising for the event and resulted in a 13% increase in attendance. The Peter Anderson Arts Festival closes Washington Avenue in the heart of Ocean Springs.

Source: National Trust for Historic Preservation Main Street Center

<http://www.preservationnation.org/main-street/main-street-news/story-of-the-week/2012/120627festivals/measuring-the-economic-impact.html>

Berlin, MD: Berlin, Maryland has 19 events on the calendar that require street closures and these have been recognized as “economic engines”. Director of Community and Economic Development, Michael Day, indicates that when someone is interested in trying to start a business in Berlin, he tries to get them to come to town during an event. While some of Berlin’s merchants expressed the fact that some events hinder customers coming in and shopping that day, they recognize that the events expose them to hundreds of potentially new customers. According to Michael, most of the events require street closure of at least two blocks and he has found that the merchants located where the street is not closed now come forward requesting that the street in front of their shop be closed as well.

Frederick, MD: Downtown Frederick Partnership commissioned a study by Davidson-Peterson Associates titled, First Saturday Attendee Profile Study, April 2009 to assess the economic impact of the City’s First Saturday event that occurs monthly. The study indicated that the events are a big draw to downtown, on average they bring in nearly \$450,000 to downtown area businesses during each event; over half of the attendees return to downtown a few days after the event and spend on average \$118. During the event, each attendee spends on average \$133. In addition, the regular occurring event is well-publicized and attendees just know it happens and plan to be downtown.

For more information, contact: Downtown Frederick Partnership, www.downtownfrederick.org