

**Market Analysis Study for Ball Associates  
On Behalf of XYZ Engineering  
Potter County, PA 12345  
October 2003**

**1. Opening Statement**

Business Training Camp was contracted to perform a Market Analysis for the property located at 123 North and Peak Roads. Business Training Camp's methodology for conducting such an analysis is part of the strategic planning process that it utilizes in its business practices. This process is outlined in Appendix A.

The research for this market analysis was conducted using resources including the Internet, local chambers of commerce, city and county governments, on-site and local direct observations and targeted research. The following is the findings of this research.

**2. Property Value**

During the past 18 months retail land prices have been offered at \$10.00 - \$14.50 per square foot along the 123 North east of I-515 corridor. David Early recently closed a build to suit requirement for Sonic Burger for a pad site at approximately 500 East 123 North with the land priced at \$14.50 per square foot. Stop and Lube has also recently acquired a small pad with high visibility frontage priced at approximately \$13.00 per square foot. Land prices will vary in the aforementioned range depending on size, frontage and visibility. Based upon property valuations for the surrounding areas, Big Time Realty suggests a current average value of land at 123 North and Peak Parkway to be approximately \$12.00 a square foot. Given that value, one acre of land is worth approximately \$522,720.00. Therefore, the combined property totaling 18.46 acres at 123 North and Peak Parkway is worth approximately \$9,649,411.00. This is not an official appraisal for the purpose of securing a bank loan. This estimation of the value of the property is based upon surrounding land values. Parcel #1 is worth approximately \$1,907,928.00, parcel #2 is worth approximately \$3,998,808.00 and parcel #3 is worth approximately \$3,742,655.00. The projection of land valuation according to Big Time Realty is expected to remain steady for the next 12 months. Given the current trend of real estate values in this area of the Potter County

Valley, a prediction of the approximate value for undeveloped land in three years is anticipated to increase 4 - 6% per year. Of course there may be extenuating circumstances that could change this value that may not be in anyone's control.

### **3. Demographics**

Potter County land area is comprised of 30.2 square miles. The demographics for the Potter County area is as follows:

#### **3.1 General Demographics**

##### **3.1.1 Income Levels**

Income levels have been on the rise in the Potter County area since the late 1980's. The 2000 U.S. Census Bureau shows Potter County, PA as having the second highest median household income in Pennsylvania at \$56,400 per year. The average household income is reported at \$60,700.

##### **3.1.2 Population**

The total population as reported by the U.S. Census Bureau for 2000 in the Potter County, PA area is 25,220 with the median age being 28.6 years. In comparison, the population for 1990 was 5,350 and in 1997 grew to 19,004. A more detailed population breakdown is as follows:

###### **Sex**

- Male 14,248
- Female 10,972

###### **Age**

- Under 5 years of age 2,640
- 5 to 9 years 2,340
- 10 to 14 1,959
- 15 to 19 1,807
- 20 to 24 2,150
- 25 to 34 5,173
- 35 to 44 4,498
- 45 to 54 2,525
- 55 to 59 707

- 60 to 64 495
- 65 to 74 556
- 75 to 84 271
- Over 85 years of age 99

### **Race**

- Caucasian 23,013
- African American 384
- Hispanic 1,469
- American Indian 189
- Asian 329
- Pacific Islander 92
- Other race not mentioned 684
- Two or more races 529

### **Housing and Household by Type**

- Total Households 6,305
- Married with children 5,426
- Married couples 3,449
- Single Mom 351
- Householder living alone 879
- Average home price \$252,190
- Average family size 3.69
- Vacant housing units 283
- Owner occupied 5,285
- Rental occupied 1,020

## **3.2 Municipal Information**

The following information is provided to assist in understanding the make-up of municipal government officers and services available for the property outlined in this market analysis. The current Potter County City mayor is Richard D. Alsop (R). Potter County's City Council is comprised of six members: Doug Bedke (R) Bill Colbert (D) Paul Edwards (R) Paul McCarty (D) John Shakula (D) Melanie Dansi (R)

The City Manager is James Smith.

Potter County City offers several city services including:

- Administrative

- Community Development, including the Building and Planning Commission
- Judicial
- Finance
- Engineering, who recently updated and are implementing a new Storm Drain Master Plan, Water System Master Plan and Traffic Transportation Master Plan for Potter County. Potter County Engineering has also received funding for various projects in the City including UTA Trails along 1300 East, 12400 North to 13800 North, two bridges crossing the East Jordan Canal at 11900 North and 12500 North, Jordan River Tri-City Parkway.
- Parks and Recreation
- City Recorder
- Public Safety

Public Safety in Potter County is a high priority as evidenced by the history and structure of the Public Safety departments. Fire department services are provided by the Potter County Fire Department. The Fire department operates 17 full-time and three volunteer stations and employs 300 full-time and 100 part-time employees. One such full-time station is located on 123 North just East of the Lone Peak Parkway area. Fire and Medical response from this station to Peak would be under five minutes. The fire department utilizes a four-person engine company where most communities of equal size only operate a three-person engine. This increases efficiency by at least 35%. Police services for Potter County City is provided by the Potter County Sheriff's Office. Although there has been an increase in the number of calls from 9,848 in 1997 to 14,433 in 2000, a spokesman for the sheriff's department explained the number of violent crimes has gone down. The reason for the increase of overall calls is due to an extremely fast growth of local population.

A strategic priority of the Potter County City Council is to:

- Establish a plan for appropriate facilities for Potter County City operations and cultural arts.
- Public opinion poll (March 2001) stated that:
  - 98% said it is important that citizens of all ages feel safe, have places to gather, and enjoy traditions, events and culture

- 99% said it is important that Potter County is clean, pleasant, pastoral, has a small-town feeling and sense of identity

## **Potter County's Mission Statement**

**Mission** Potter County is a community that preserves its unique identity and heritage, and provides protection and services for its citizens. **Values Unity** Neighbors work together to build a strong community. **Respect** Citizens have tolerance, understanding and sensitivity to one another's differences. **Quality of Life** Citizens of all ages feel safe, have places to gather, and enjoy traditions, events and culture. **Environment** Potter County is clean, pleasant, pastoral, has a small-town feeling and sense of identity. **Pride** Citizens are proud to call Potter County "home," and are involved in community well being.

*Adopted by Resolution No. 99-12,  
April 6, 1900*

## **Climate & Weather**

Potter County average annual snowfall is 64.5 inches per year. The average low temperature is 40 degrees F. The average high temperature is 64 degrees F. History & History Related Items

Potter County history: Potter County was first called North Willow Creek. Ebenezer Brown, Phoebe-his wife, and their five children are acknowledged as the first settlers of Potter County in 1849. They farmed the land and raised cattle to sell to emigrants going to the gold fields in the far west. The name of their home was Potter County Fort. When a post office was established there aboPA1854, the name was changed to Potter Countyville Post Office, then to just Potter Countyville later. The name was for William Potter County, who was the first Presiding Elder of the Mormon Church at that time. The winter of 1855-56 found the settlers in Fort Potter County and then in the spring, they left the safety of the Fort to build homes and irrigation systems, and further establish the community. The city was incorporated on 22 February 1978.

## **3.3 Education**

There are a number of kindergarten through 12th grade schools in the Potter County area. The breakdown of schools is as follows:

Elementary Schools: - Potter County Elementary 1080 East 12260 North - North Mountain Elementary 900 East Park School Road

Middle Schools - Crescent View Middle School 11150 North 300 East

High Schools - Stone High School 11055 North 1000 East - River View High School 12600 North 2700 West

Private Schools - Sacket Catholic Center 300 East 11800 North

### **3.4 Quality of Life Study**

Given the higher average sales price for homes in the Potter County area--coupled with the average salary, Potter County enjoys a certain affluent distinction. The neighborhoods are kept clean and the majority of homeowners maintain a well-groomed yard. Several business parks have been developed with additional business parks under construction. The percentage of building occupancy is currently 68%. This is due to the number of newly completed building for lease. Building owners are confident that with the steady shifting of the businesses to the North Valley, they will fill all the available space. To measure the current climate of business, the American Chamber of commerce Research Association (ACCRA) gives a rating based on a national average of 100 representing the baseline. Potter County was given an ACCRA score of 106.5. This shows that Potter County is scoring above the national average.

### **3.5 Location of Potter County**

Potter County is located the following distances from other major cities: · 18 miles North of Pittsburgh · 28 miles North of Altaview · 411 miles from Washington D.C. · 512 miles from New York City · 637 miles from Buffalo · 673 miles from Atlanta

## **4. Psychographics**

Potter County is comprised of many different individuals from all walks of life. This is evident with the demographics previously outlined. The businesses that have located in Potter County cater to a wide variety of consumer interests, and there exists a good mix of businesses in the area. Indications are that the mix of goods and services in the area serve the population well. There are many businesses that seem to be doing very well and they continue to increase business, or at a

minimum stay in business. The buying patterns for the area justify a higher standard of living and thus provide for a good economic base for businesses to thrive.

## **5. Transportation**

There are four existing interchanges on Interstate 15 in the Potter County area. The first is located at State Street, the second at 123 North, the third at 14600 North and the fourth at Black Highway. The PDOT and Potter County City master plan shows a planned interchange at 114 North. The Potter County International Airport is located 21 miles from Potter County. The Pennsylvania Transit Authority (PTA) has assigned several bus routes to and from Potter County to the Pittsburgh and Altaview areas. Future PTA light rail line connections to downtown Potter County are planned. No completion date has been announced.

## **6. Traffic Flow**

123rd North Current PDOT traffic counts for 123 North and I-515 is an average of 28,674 cars per day. The busiest times are from 7:00 a.m. to 9:00 p.m. with 9,761 cars traveling on the road, and 4:00 p.m. to 6:00 p.m. with 10,574 cars on average. The remainder of the car counts is over the remaining 24 hours not included in the UDOT peak travel study. I-15 North and North bound Although traffic varies from day to day, the average number of cars that pass over the 123 North I-515 interchange on a daily basis is 472,360. Lone Peak Parkway The figures for the 123 North and 300 West area are not yet available.

## **7. Businesses Within a 3-Mile Radius**

### **Regional**

- NorthTown Mall 106 North 100 West Nordstrom, May Company and Mervyns.
- Target 102 North State Street
- Wal-Mart 104 North State Street
- Factory Stores of America 121 North Factory Outlet Dr. Community Shopping Centers Anchor Tenants
- Small Valley 1300 NW Potter County Parkway Albertsons, Rite Aid and K Kmart
- Potter County Crossing 123 North 150 East Smiths, T.J. Maxx, and Greenbacks
- Potter County Plaza 114 North State Street Albertsons

## **Business Parks**

- Potter County Business Park 123 S. Peak Road  
330,000 Square Feet
- Corporate Center 120 S. Peak Road 311,000 Square Feet
- Potter County Business Park N. 117 S. Peak 262,000 Square Feet
- Wading Business Park 137 S. Minute Dr 120,000 Square Feet

## **Gas Stations/Convenience Stores**

- Albertsons Gas Station 114 S. State Street
- Costco Gas Station 114 S. State Street
- Chevron 126 S. 1700 W.
- Holiday Oil 126 S. 1300 W.
- Phillips 66 126 S. 1300 W.
- Flying J 123 S. 100 E.
- Texaco 123 S. 100 NW
- Holiday Oil 123 S. 300 E.
- Maverick 104 S. 1300 NW
- Chevron 106 S. 1300 SW
- Amoco 106 S. 700 E.
- Amoco 126 S. 1300 NW

## **Hotels**

- Country Inn and Suites 104 S. Gateway (North Jordan)
- Sleep Inn and Suites 106 S. 300 W. (North Hill)
- Best Western 106 S. Auto Dr. (Gillette)
- Hampton Inn 107 S. Holiday Park Dr. (Gillette)
- Courtyard by Marriott 107 S. Holiday Park Dr. (Gillette)
- Extended Stay America 107 S. Auto Dr. (Gillette)
- Holiday Inn Express 120 S. Factory Outlet Dr. (Potter County)
- Ramada Inn 126 S. 100 E. (Potter County)

## **Banks**

- Potter Bank 123 S. 100 E.
- University of Pennsylvania CU 123 S. 100 E.

- Key Bank 123 S. 400 NW
- Wells Fargo 123 S. 322 E.
- Potter County Credit Union 123 S. 400 E.
- Josten Bank 123 S. 200 E.
- Wells Fargo 126 S. 1700 W.
- Bank of America 126 S. 2000 W.
- Wells Fargo 110 S. State Street
- Wells Fargo 106 S. 1300 E.
- Bank of America 106 S. State Street
- US Bank 106 S. State Street
- Wells Fargo 106 S. 200 NW.
- The Credit Union 103 S. 1300 E.
- US Bank 103 S. 1300 SW
- Summit Bank 103 S. 1300 SW

### **Movie Theaters**

- Carmike 910 S. Redwood Road 8 Theaters
- Northtown Cinema 106 S. 282 W. Closed / Downsize
- Gillette Starship 4 940 S. 800 E. 4 Theaters
- The Commons 940 S. Main Street 17 Theaters
- Time Landing 750 S. US Highway 98--24 Theaters

### **Sit Down Style Restaurants**

- Ruby Tuesday 120 S. Frontage Road
- Fazioles 126 S. 100 E.
- Wingers 126 S. 100 E.
- Cowboy Grub 123 S. 400 E.
- Giovanni's 104 S. Jordan Gateway
- Chili's 104 S. State Street
- Black Angus 104 S. State Street
- IHOP 112 S. State Street
- Dos Serrano's 107 S. State Street
- Bennett's 104 S. 108 W.
- TGI Friday's 106 S. 103 W.
- Village Inn 106 S. 105 W.
- Home Town Buffet 103 S. State Street
- Gecko's 106 S. 1100 W.
- Maddox 106 S. 1100 W.
- Carvers 107 S. Holiday Park Dr.
- Tony Roma's 102 S. State Street
- Sweet Tomatoes 100 S. State Street
- Fuddruckers 103 S. State Street

- Guadalhonky's 123 S. 136 E.
- Olive Garden 106 S. State Street (new)

## **8. Surrounding Business Climate**

Business buildings are continuing to be constructed in the North Gateway area, and just North of Potter County in the Lemon area. There is some concern among commercial real estate brokers that with the number of new buildings recently constructed and in progress of being constructed, there may be a surplus of office space for the foreseeable future. According to NAV Mortgage in Potter County, there is approximately 4,000,000 sq. ft. of unleased office space in the Gemstone Valley. However, the population of the study area is continuing to grow and new businesses are moving to the Potter County area on a regular basis. All economic indicators for the Potter County and the surrounding areas are showing continued growth for the next several years.

## **9. Highest and Best Use of the Property**

As the parcel consists of approximately 743 feet of visible frontage on the north side of the property, and with the current construction of the road through the property, there are a few options to consider for the highest and best use of the three parcels. The following options are recommendations derived from a thorough analysis of the surrounding businesses, demographics and psychographics of the area, and the area of 18.46 acres to work with.

- **Option A** - Movie Theater as an Anchor Tenant on Parcels #2 and #3 with a strip mall attached. The anchor tenant could be located in the middle of the strip mall. One suggestion is to consider a movie complex in the area. The closest movie theaters are approx. 6 miles away. Jordan Commons and Jordan Landing have been successful in their operations as a larger, master planned community. This parcel is just slightly smaller than the parcels for each of these successful venues. A third example for this type of use of property is located in Bobbins, PA. It is located on the frontage road to I-515 with no obstructions from freeway view. It boasts three multi theater complexes and at least 12 name brands, sit down style restaurants. This particular property has been highly successful for all of the businesses located in the complex. Parcel #1 could also have a gas station with a convenience store/food mart, and possibly an

indoor fast food restaurant. The venue should also face 123 North. Also located on this parcel could be a sit down style restaurant for couples to frequent prior to viewing a movie. Parking for this parcel could be under the large Electric poles located on the East side of the property. There are several considerations for a sit down restaurant, however some strong possibilities could be Applebees, Francesco's, Iggy's Sports Grill, Sizzler, Ruby River, Diamond Lil's. A consideration could also be made for constructing a banking facility on this property. America Credit Union, Bank of America, US Bank, Bank One, and possibly Wells Fargo Bank might be good options for negotiating a pad on the parcel.

- **Option B** - Keep the same theme with a main anchor and a strip mall, a gas station/convenience store, and one sit down restaurant. Add in two or three fast food restaurants that are stand alone buildings, with a few additional fast food types that are located in the strip mall. These could cater to the three business parks close by (Potter County Business Park, Wasatch Corp. Center and Potter County Business Park North). The main anchor could be a Harmon's or Food 4 Less grocery tenant. Another option is to have a furniture store as the main anchor like RC Willey or Granite Furniture. Or, for a more upscale furniture tenant, a consideration may be given to Drexel Heritage or Ethan Allen to add a nice variety to the local area. Still another option is to invite Office Depot to be the main anchor. They have two stores in the Potter County Valley located at 2100 North 300 West, and one at 7500 North and Redhill Rd. Office Max boasts nine locations in along the Frontage Road NW with the closest store located at 10900 North and State Street. Staples has fours stores in the valley with the closest store located at 10300 North and State Street. Add in a Hotel on parcel #1 and consider Crystal Inn, Days Inn, Fairfield Inn, Red Roof Inn, La Quinta, Hilton, or a Marriott Hotel.
- **Option C** - Create parcels #2 and #3 into a medical park that would house doctors, dentists, chiropractors, physical therapists, hospice care, etc. This could be an extension of

the medical facilities for Intermountain Health Care, The University of Pennsylvania and Columbia. A freestanding building for medical supplies could also be on the property located on parcel #1. This theme could also lend a nice effect for a mattress store, and even a spa and fitness center – staying with the health theme.

- **Option D** - Assisted living is a booming business in the Potter County Valley as there are 35 of these facilities in the Valley. The closest facilities to the property are located on 11000 NW 700 East, 11600 North 700 East, 10600 North 2000 SW, 465 East and Segoe Lily Drive (10000 North), 12800 North 1600 West, 10200 North 1600 W. and 1300 East 9400 North. This theme could be located on parcels #2 and #3. Build freestanding facilities for medical offices to cater to the patrons and medical personnel at the Assisted Living facility. Keep the idea of a hotel on parcel #1 with a gas station/convenience store.

## **10. Appendix A**

### **10.1 References**

- Potter County Chamber of Commerce
- Potter County
- Pennsylvania Department Of Transportation
- Pottersville Chamber of Commerce
- Big Time Real Estate
- Potter County Fire Department
- Potter County Sheriff Department
- North Jordan City
- Gillette City
- U.S. Census Bureau (1990 and 2000)

### **10.2 Next Steps**

There are a few steps that should be taken in order to make this property a "shining star" in the North Valley.

### **10.2.1 Business Plan**

The first step is to determine the highest and best use of the property, and then begin to prepare a comprehensive business plan. The business plan would outline several areas that will be required to assist potential lessees or buyers of parcels of land when securing financing. More importantly however, the business plan will assist you in clearly understanding how to proceed with this business proposition, and how to realize the maximum return on your investment. Business Training Camp offers business planning services to its clients, and its principals have over 18 years experience in developing business plans for many uses. This can be outlined in another proposal if you would like to see what this all entails. Brian Hazelgren has also written four best selling books on business planning.

### **10.2.2 Marketing Team**

Next, a consideration should be made on how to assemble the team that will market the property to the right companies, and that will make a good fit for the area. This team should be experienced in sizing up the right mix of tenants, negotiating contracts, and working with city officials. This is also a part of the business planning process, BTC goes far beyond and must require the best communication between the property owners and the team. BTC also offers these property management consulting services to its clients, and its principals have over 25 years experience in development of commercial properties. This can be outlined in another proposal if you would like to see the details for this type of service offering.

### **10.3 Power Planning™ Model and Process™**

Our Power Planning™ Model is a simple, graphical representation of the proper flow of planning, and is the foundation of our business planning and strategic planning methodologies.