DEINDUSTRIALIZED COMMUNITIES MARKET STUDY

Final Report

May 2022

Pennsylvania State Historic Preservation Office
PENNSYLVANIA HISTORICAL AND MUSEUM COMMISSION

Letter from the State Historic Preservation Office

31 May 2021

The Pennsylvania State Historic Preservation Office (PA SHPO) is a bureau within the Pennsylvania Historical and Museum Commission, the commonwealth's official history agency. The PA SHPO manages all the commonwealth's historic preservation programs, one of which is participation in the Section 106 consultation process. Section 106 of the National Historic Preservation Act requires federal agencies to take into account effects of their undertakings on historic properties and to seek ways to avoid, minimize or mitigate adverse effects.

In 2015 Shell Chemical Appalachia (Shell) required a permit from the US Army Corps of Engineers (the Corps) to build a petrochemical plant in Beaver County, Pennsylvania. The permit triggered Section 106 consultation; because the plant construction necessitated demolition of several historic properties and archaeological resources, the Corps, Shell, PA SHPO, and local consulting parties developed an agreement to mitigate those losses.

This market analysis is one of several mitigation projects from the agreement. This study's purpose is to create implementable strategies to help smaller deindustrialized communities leverage their historic resources for economic development purposes using data from public outreach, market analysis, and research.

The PA SHPO has long recognized the need for this study. The late 1970's- early 1980's collapse of the region's century-old heavy industrial economy resulted in massive job loss, depopulation, decaying infrastructure, environmental degradation and reduced local government capacity to cope with these challenges. In the national consciousness, larger cities such as Pittsburgh, Cleveland and Buffalo were the face of the "Rust Belt" label. However, over the past decade, many of these larger post-industrial cities have forged comebacks, creating new opportunity through development of alternative economic development strategies.

Though, lost in that narrative is that tens of thousands of people living in smaller communities that continue to struggle with the effects of deindustrialization. For these smaller communities, the transition to new economic paradigms is an ongoing struggle.

The PA SHPO documented that many historic buildings built during industrial prosperity remain largely intact and are often underutilized economic assets for these communities. The thoughtful identification, stabilization, preservation, and marketing of historic buildings can provide economic opportunity and a foundation for further revitalization. Individually, these opportunities are not of the industrial scale that built these communities in the first place, but collectively they create immense potential and can fit into holistic 21st century strategies of community and economic development.

This study is the PA SHPO contribution in providing local governments and communities as well as regional and statewide partners with data and implementable tools to use historic properties as economic assets. The holistic integration of these tools with other community resources such as riverfront access, sustainable living spaces and the vast human capital these communities possess will help create a roadmap for long-term success. It is our hope that this regional study's strategies and recommendations will be a model for the commonwealth and will be replicated in other communities on how to successfully integrate historic preservation tactics into broader revitalization plans.

Andrea L. MacDonald, Director and Deputy State Historic Preservation Officer
Pennsylvania State Historic Preservation Office

Study Team

The Deindustrialized Communities Market Study is a project of the Pennsylvania State Historic Preservation Office (PA SHPO) for the Pennsylvania Historical and Museum Commission (PHMC).

Pennsylvania State Historic Preservation Office
PENNSYLVANIA HISTORICAL AND MUSEUM COMMISSION

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Unless otherwise noted, photographs were taken by the AKRF and evolveEA team in February and March of 2022.

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OPEN

Chapter 3

Market Analysis

Charleroi, PA

3.1 Introduction

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What is a Market Analysis?

A market analysis identifies the type and amount of development and/or investment that may potentially be supported by the market. It is not a prediction of the figure, rather it provides a snapshot of what may be possible based on available data and qualitative analysis. To identify the potential opportunities, the market analysis first analyzed current and projected demographic and socioeconomic conditions.

Essentially, population and household trends drive the housing market and the types of housing units that may be supported. Expendable income from these households determines the amount of retail that can be supported. And finally, economic conditions and worker occupations and skills determine potential for office, artisan or “maker” industry space.

This market analysis considers the role historic buildings can play in the economic development and revitalization of deindustrialized communities. In order to assess the reuse potential of downtown historic buildings in the downtown, this analysis identifies the existing demands for various markets, including housing, retail/dining entertainment, commercial office, industrial, and community facility, open space and recreation. Understanding the local and regional demands for these markets can inform municipal leaders, partners, and property owners as they invest in the historic main street. This analysis also identifies key industry sectors and market segments contributing to the local economies for each region. With respect to each market segment, the market analysis includes challenges and opportunities for redevelopment and adaptive reuse.

Study area and methodology

This market study focuses on older and historic commercial business districts within select Beaver and Ohio River and Monongahela River Valley communities in Beaver, Washington, and Westmoreland counties. The geographic areas used for the demographic analysis are generally defined by census designated places (CDPs) and counties. For the purposes of this analysis, the Beaver and Ohio River Valley region consists of eight communities, including Aliquippa, Ambridge, Beaver Borough, Beaver Falls, Midland, Monaca, New Brighton, and Rochester, while the Monongahela River Valley region in this report consists of the four communities of Charleroi, Donora, Monessen, and Monongahela. The historic buildings for each community, as identified in Chapter 1, “Study Communities,” informed the targeted commercial study areas within each community. For the retail and entertainment analysis, larger trade areas were established to capture spending potential at a regional level.

The following population and employment trends are established comparing data from 2010 and the most current year for which data is available (ranging from 2018 to 2021, depending on the dataset). Population and employment projects are established for 5 to 10 years from the current years. Data pertaining to the existing commercial market was obtained using Pennsylvania Department of Labor & Industry and ArcGIS Business Analyst (Esri). Residential data was collected from the U.S. Census Bureau and interviews with local real estate brokers. Commercial office data was collective from online real estate listings, quarterly office market reporting, and interviews with real estate brokers. Focus groups of identified local stakeholders and public engagement sessions also informed this market analysis.

3.2 Demographic and Employment Trends and Projections

This section identifies demographic and employment in the two regions, and it includes projections for the future. For additional information about each community and the regions, see Chapter 1, "Study Communities" and Appendix B "Community Profiles."

Beaver and Ohio River Valley

As shown in Figure 3-1, all communities within the Beaver and Ohio River Valley region, with the exception of Beaver Falls, have experienced a loss in population since 2010. Between the 2010 and the 2020 Decennial Census, the population of the eight Beaver and Ohio River Valley communities declined by 2.43 percent from 48,078 to 46,912. This is indicative of an ongoing trend in population loss, with the eight communities decreasing as much as 19.5 percent between 1990 and 2020. Communities with the largest population loss over the last three decades include Aliquippa (30.9 percent) and Midland (26.7 percent), compared with Beaver County's overall loss of 9.6 percent since 1990.

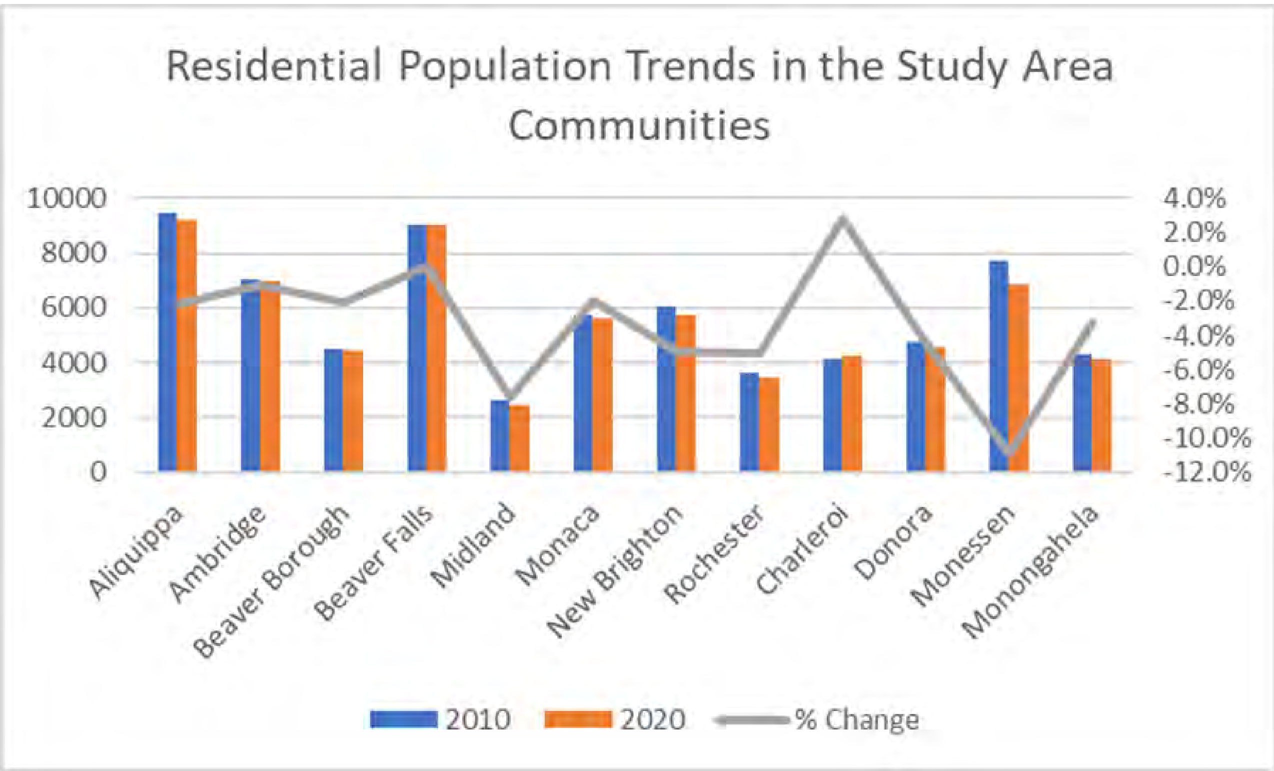


Figure 3-1
Source: U.S. Census Bureau 2010 and 2020 Decennial Census

Esri forecasts continued decline to 45,001 residents in 2026 (see Figure 3-2). Projecting this trend with a linear equation, in 2031, the population of the eight Beaver and Ohio River Valley region communities would decline to 44,134, a 5.9 percent decrease from the 2020 Census.

In 2012, the Pennsylvania State Data Center (PSDC) provided county-level population projection estimates out to the year 2030 (see Figure 3-3) based on fertility rates, death rates, and in- and out-migration patterns. The PSDC projected that Beaver County's population would grow 1.06 percent between 2010 and 2020 to a total of 172,348. However, Beaver County's population declined by 1.36 percent between the 2010 and 2020 Censuses. The

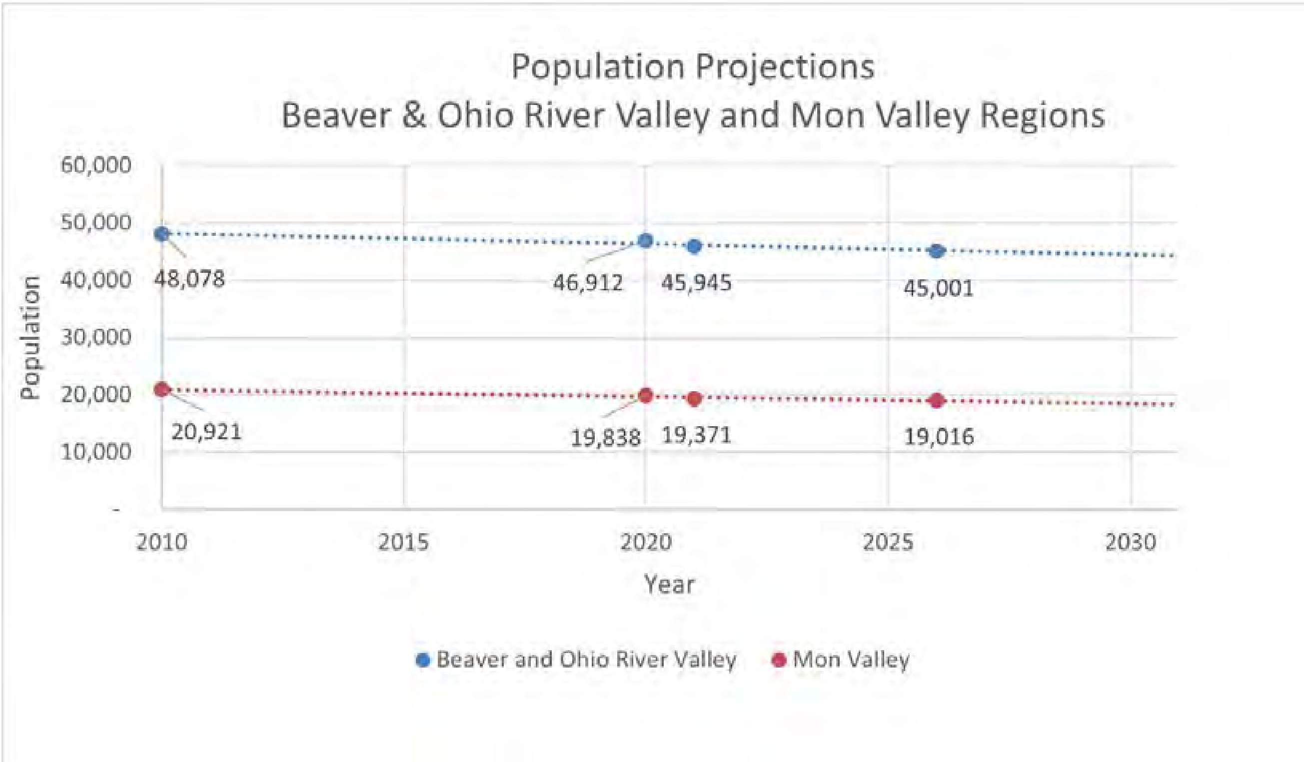


Figure 3-2
Source: U.S. Census Bureau 2010 and 2020 Decennial Census; ArcGIS Business Analyst, U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026 Esri converted Census 2000 data into 2010 geography.

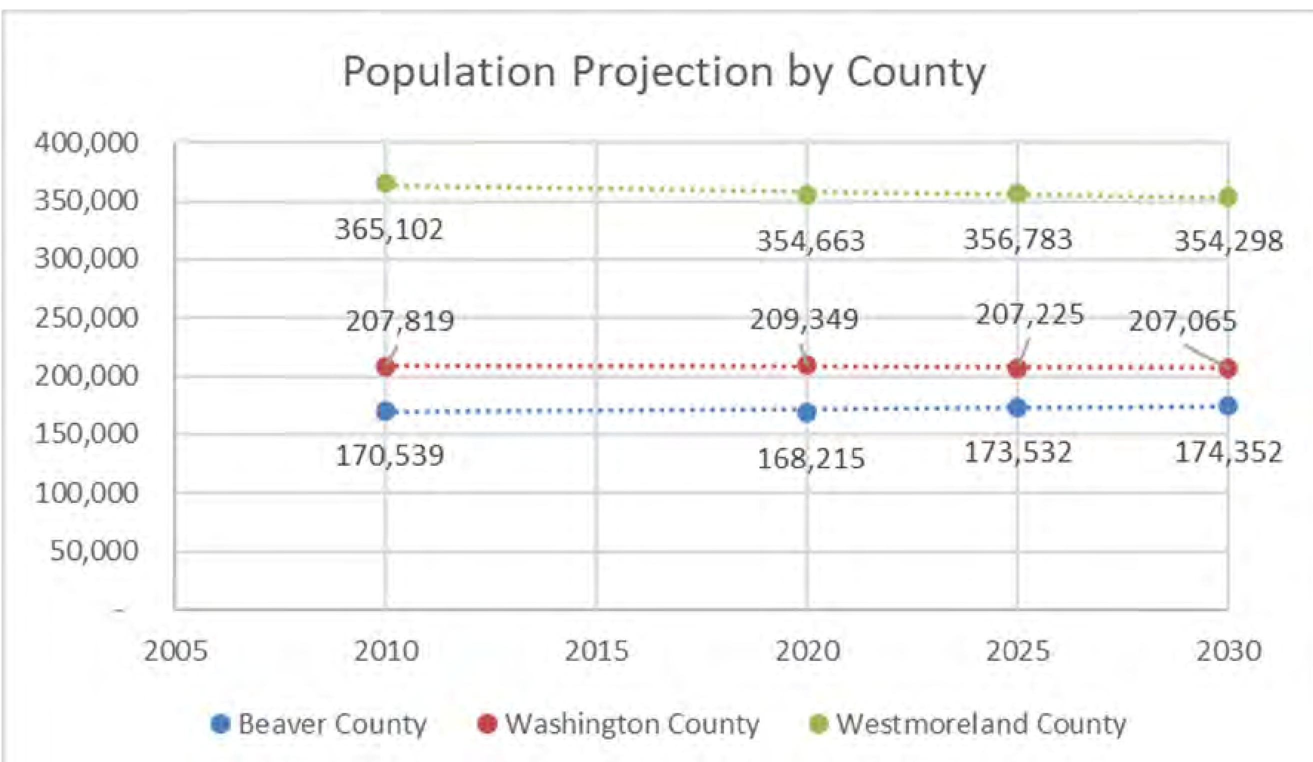


Figure 3-3
Source: Pennsylvania State Data Center for the Center for Rural Pennsylvania, 2012; U.S. Census Bureau Decennial Census 2010, 2020

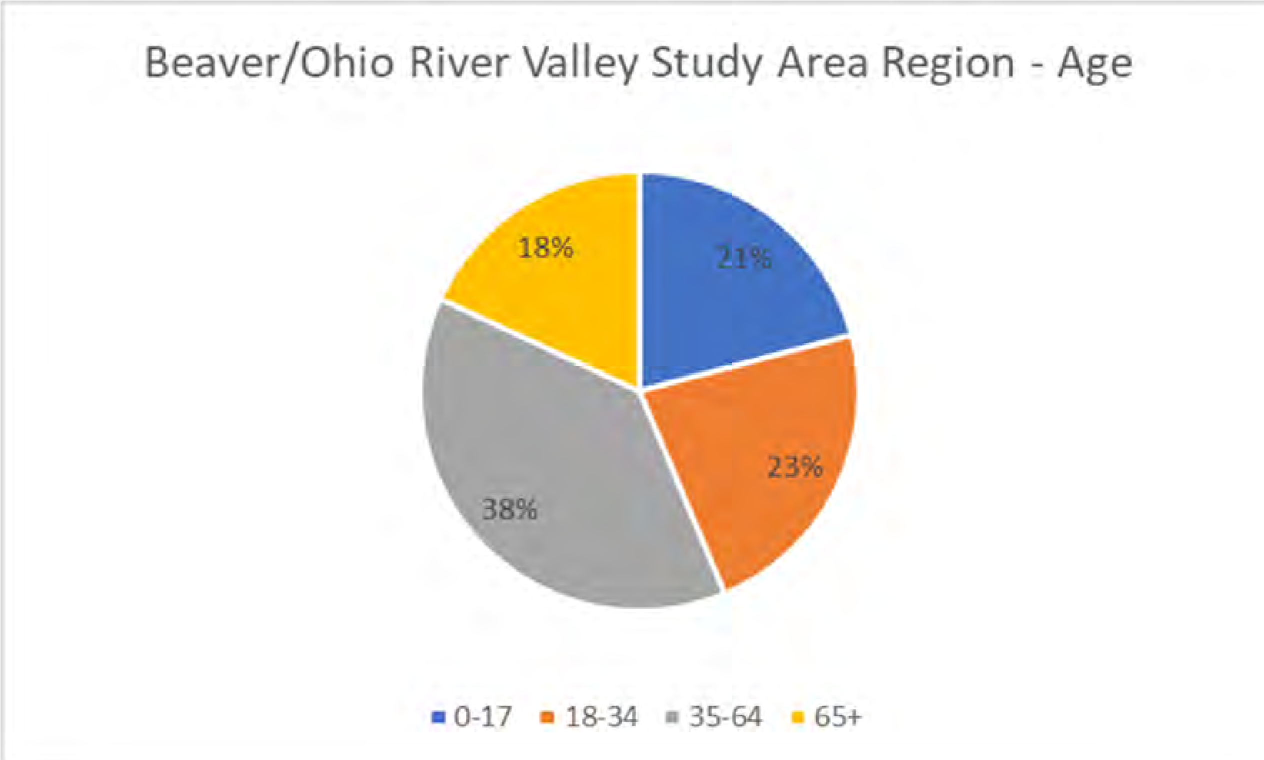


Figure 3-4
Source: U.S. Census Bureau American Community Survey 2015–2019 5-Year Estimates.

PSDC projected continued low population growth from 2020 to 2030 to reach a total population of 174,352 in Beaver County in 2030, a 3.65 percent increase above the 2020 Census population. This modest projected growth is unlikely to occur given the slight population decline experienced between 2010 and 2020. However, relative to Washington and Westmoreland Counties, Beaver County is more likely to experience low growth or population stagnation in the next ten years as opposed to population loss.

In terms of age, the majority (61 percent) of the Beaver and Ohio River Valley region is of working age (between the ages of 18 and 64), similar to the percent in Beaver County (60 percent) (see Figure 3-4). Popular occupations for the residents in the region include retail trade, health care, accommodation and food services, and education. Manufacturing is a popular profession in Midland, Monaca, and Rochester (more than 10 percent of the residential workforce)[i].

i: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002–2019).

Monongahela River Valley

Three of the four communities studied in the Monongahela River Valley region experienced population decline between 2010 and 2020, the exception being Charleroi (see Figure 3-1). Between the 2010 and the 2020 Decennial Census, the population of the Monongahela River Valley communities declined by 5.18 percent from 20,921 to 19,838. However, looking back to 1990, the four communities have experienced a steady downward trend in population as large as 23 percent. The community with the greatest population decline amongst the four identified is Monessen, with nearly a third (30.6 percent) of its total population leaving the City between 1990 and 2020. Despite the region's and Westmoreland County's population continuing to decline between the 2010 and 2020 Censuses, Washington County's population grew by 2.3 percent over the same time period.

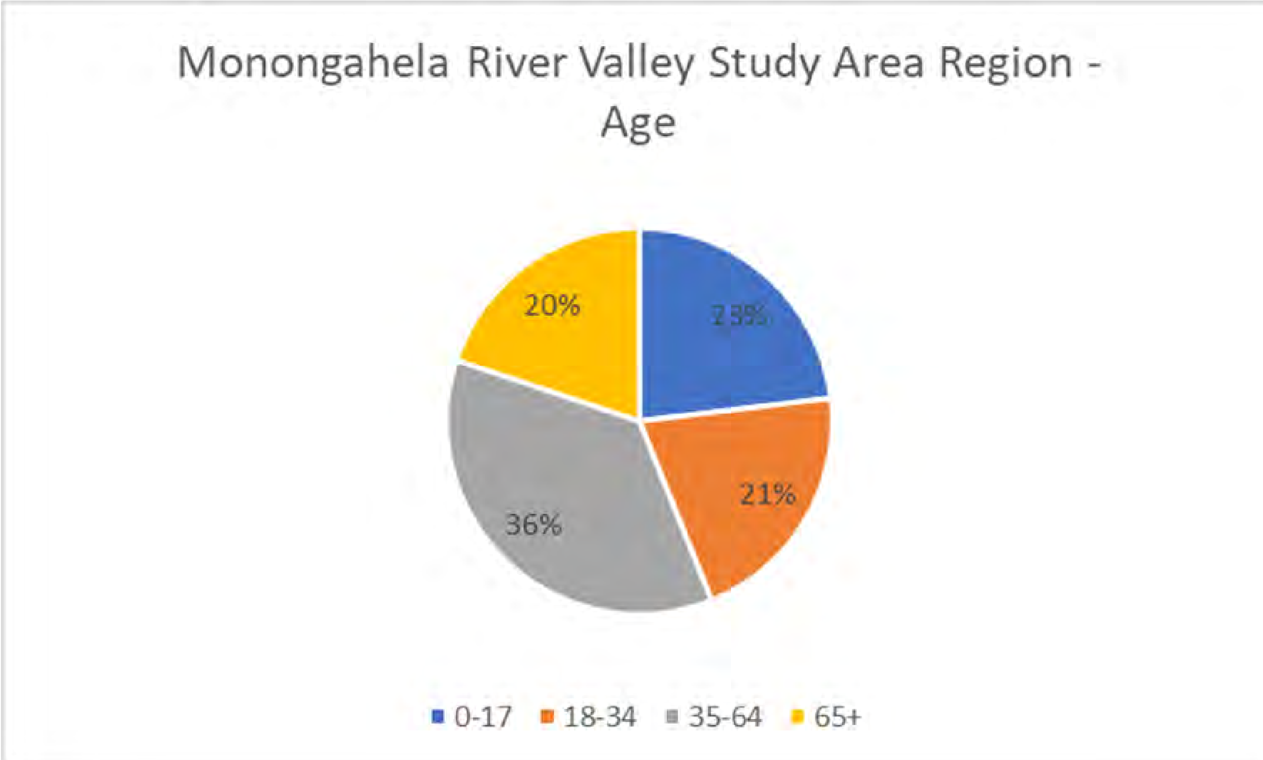


Figure 3-5
Source: U.S. Census Bureau American Community Survey 2015–2019 5-Year Estimates.

The population of the Monongahela River Valley region is projected to continue to decline (see Figure 3-2). Esri projects continued decline to 19,016 residents in 2026. Projecting this trend with a linear equation, in 2031, the population of the Monongahela River Valley communities would decline to 18,250, an 8.0 percent decrease from the 2020 Census. The projected decline is a result of population decline that has occurred over generations for at least the last 40 years, as a result of the loss of heavy industry. This left buildings empty and in a state of disrepair, resulting in a diminished tax base.

Esri data projects that both Washington and Westmoreland Counties will experience county-wide population declines by 2030, based on 2020 population estimates (see Figure 3-3). Westmoreland's population is projected to continue to decline to 354,298 in 2030, or a decrease of 0.1 percent between 2020 and 2030. The Penn State Data Center projects that the Washington County population will decline between 2020 and 2030 to 207,065 for a decline of 1.09 percent.

In terms of age, the majority (57 percent) of the Monongahela River Valley region is of working age (between the ages of 18 and 64) (see Figure 3-5). Conditions in Washington and Westmoreland Counties are also similar, with 60 and 59 percent of the population of working age, respectively.

Popular occupations for the residents in the region include retail trade, health care, accommodation and food services, and education. Manufacturing is a popular profession in Charleroi and Donora (more than 10 percent of the residential workforce)[i].

i: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002–2019).

3.3 Market Demand Analysis: Housing & Mixed-Use

This section explores the market potential for housing and mixed-use within each community and the greater region, with a focus on the potential for reuse of historic buildings for residential purposes. This section analyses the existing and potential future housing demand for the communities within the Beaver and Ohio River Valley Region and Monongahela River Valley Region. This section also summarizes findings and recommendations related to housing from background planning documents and presents housing data and market listings for each community and region. In addition, a SWOT (Strengths, Weaknesses, Opportunities, and Threats) assessment is provided to supplement the market demand analysis and inform the identification of opportunities. The SWOT is informed by focus groups and public engagement sessions, as well as findings produced in this study. The Housing/ Mixed-Use assessment concludes with a a description of market opportunities identified through the analysis and recommendations on how to best realize those opportunities.

LOCAL HOUSING MARKET CONDITIONS, GOALS, AND OBJECTIVES

Beaver and Ohio River Valley

As described above, the communities of this analysis are experiencing some of the higher levels of unemployment, poverty, and population declines related to Beaver County, and other respective regions and counties. However, Beaver Borough is an outlier with higher-than-average incomes and an attractive traditional main street corridor. Beaver Borough has greater rental housing compared to the Beaver County average and a tight housing market[i].

In 2010, Beaver County adopted a comprehensive plan that identified challenging areas and put forth a long-term vision for the region[ii]. An annual report is published by the Beaver County Planning Commission (BCPC) Board to build upon the 2010 Comprehensive Plan and continuously revisit and adjust the County's main goals and objectives for future development. The 2010 Comprehensive Plan identified weaknesses within the residential housing market, in particular noting blighted areas across the County, including Aliquippa, Ambridge, Beaver Falls, and Midland, among others. Overall, Beaver County has seen steady population decline over the last two decades, despite increased housing units, resulting in higher vacancy rates[iii].

The Pennsylvania Housing Finance Agency operates 23 properties with approximately 1,500 units of supportive and affordable housing for low-income and elderly residents, largely concentrated within the communities identified within the region[iv]. In Monaca, roughly a third of the rental units are allocated for assisted living and a large number of units receive Section 8 vouchers[v]. The Housing Authority of the County of Beaver (HACB) also provides affordable housing for families and elderly citizens who meet low- and moderate-income guidelines. In some instances, the location and quality of public housing are undesirable and underutilized. Aliquippa, Ambridge, and Beaver Falls have noted a concentration of public housing in high crime areas, leading to vacancies in public housing despite waitlists[vi]. HACB-owned facilities have leased and converted some units into transitional housing for formerly incarcerated adults or those struggling with substance abuse. However, there remains a need to renovate and reconfigure existing public housing units in these communities to meet the demands of the residents, either through repairs or the downsizing of apartment units.

Several municipal reports have acknowledged a need for additional financial support for

i: Beaver Borough. (2001). Beaver Borough Comprehensive Plan. Retrieved from elibrary.pacounties.org/Documents/Beaver_County/213;%20Beaver%20 Borough/4200704688mzo.pdf

ii: Beaver County. (2010). Beaver County Comprehensive Plan. Retrieved from http://www.beavercountypa.gov/Depts/Planning/Documents/BC_ ComprehensivePlan_May2010.pdf

iii: U.S. Census Bureau. 2021. U.S. Decennial Census 2020. Retrieved from https:// data.census.gov/. (Accessed March 8, 2022).

iv: Pennsylvania Housing Finance Agency. (2020) County Profiles: Pennsylvania Comprehensive Housing Study. Retrieved from https://www.phfa.org/forms/ housing_study/2020/county-profiles.pdf.

v: Monaca Borough. (1992). Monaca Borough Comprehensive Plan. Retrieved from http://elibrary.pacounties.org/Documents/Beaver_County/245;%20 Monaca%20Borough/4200750320mcp.pdf

vi: Beaver County. (2010). Beaver County Comprehensive Plan. Retrieved from http://www.beavercountypa.gov/Depts/Planning/Documents/BC_ ComprehensivePlan_May2010.pdf first-time homebuyers. Many residents lack the means to switch from renting to owning property, and as such there is a lack of funds to support home improvement, furthering the issue of blight and deterioration of communities.

Beaver Borough is one of the more affluent communities identified in the Beaver and Ohio River Valley region and also has the highest home ownership rate of the eight communities (68.5 percent). The Borough was designated as the county seat for Beaver County in 1800 and remains to be the location of the Beaver County Courthouse and District Attorney[i]. Other county-level government services are concentrated in buildings located along the three town squares on the western section of the central business district. Beaver Borough places a strong value on its historical buildings and district. The Beaver National Register Historic District was designated in 1996 for its history of being one of the first planned communities in Western Pennsylvania[ii]. In 2002, the Borough completed a $2.7 million Downtown Historic Streetscape, helping revitalize the downtown area and spur economic development for the community[iii]. The traditional main street corridor is located along Third Street, and is zoned as a Historic District Overlay District. The main street thrives with mixed-use, ground-floor commercial uses with residential units above, helping create a cohesive historic commercial district with residential uses. Beaver Borough created a local historic district pursuant to the Pennsylvania Historic District Act in 2011, the boundaries of which are coterminous with the 1996 National Register Historic District.

Like many of the communities in the Beaver and Ohio River Valley, Beaver Falls developed housing goals that include encouraging home ownership, protection of existing single-family neighborhoods in historic residential neighborhoods, promoting multifamily and senior housing facilities in central areas near retail or service businesses, and eliminating blight while focusing on housing rehabilitation[iv].

Beaver Falls is also home to Geneva College. The educational institution has shaped the surrounding area, College Hill, and has developed a stable housing market in the neighborhood. Beaver Falls provides a variety of housing opportunities based on the needs of its residences. In addition to the housing near the College, the Morado neighborhood is dominated by public housing, whereas Pleasantview is more suburban. It is important for a community to have a diverse housing stock to better serve the needs of its residents.

Housing Conditions

As shown in Table 3-1, all the communities in the study area have a greater share of renter-occupied units compared to Beaver County at large. Beaver Borough is the only community in the study area with a median gross rent and median housing value greater than Beaver County. However, 43.6 percent of Beaver Borough residents are considered rent burdened, whereas in Ambridge Borough and Midland Borough, a third of residents are considered rent burdened. Of all the communities in the study area, Rochester Borough has the highest share of vacant housing units at 16.4 percent, whereas Monaca borough has a vacancy rate roughly half of that, at 7.7 percent.

The vast majority of the housing stock in the Beaver and Ohio River Valley and Beaver County is single-family housing (see Table 3-2). Midland has the greatest share of duplexes within its community (16.4 percent), whereas Monaca has the greatest share of residences with 50 or more units (8.2 percent). While the communities in the Beaver and Ohio River Valley provide more affordable options for low- and moderate-income residents, developing more quality, multifamily units will better serve a diverse population and create an attractive neighborhood for young people, low-income residents, empty-nesters, and seniors.

i: History." Borough of Beaver, PA, https://beaverpa.us/history/.

ii: Beaver County. (2010). Beaver County Comprehensive Plan. Retrieved from http://www.beavercountypa.gov/Depts/Planning/Documents/BC_ComprehensivePlan_May2010.pdf.

iii: Beaver Borough. (2001). Beaver Borough Comprehensive Plan. Retrieved from https://beaverpa.us/wp-content/uploads/2016/08/20160226-Comp-Plan-Review-Update-Review-4.pdf.

iv: City of Beaver Falls. (2013). City of Beaver Falls Comprehensive Plan. Retrieved from https://704f28c5-8ddf-4820-8fa0-e46e4f37016a.filesusr.com/ugd/a82540_a15116ef1a6445c59e4b1862b4124443.pdf

	Housing Units	% Renter Occupied	Median Gross Rent	% Rent Burdened	Median Housing Value (Owner-Occupied)	% Vacant
Beaver County	78,994	26.9%	$698	38.9%	$141,100	8.8%
Aliquippa	5,015	45.5%	$643	53.6%	$75,800	15.3%
Ambridge	3,832	54.6%	$697	32.2%	$71,400	17.3%
Beaver	2,318	31.5%	$762	43.6%	$190,800	8.0%
Beaver Falls	3,991	58.7%	$631	45.6%	$70,600	14.6%
Midland	1,336	56.5%	$539	33.3%	$64,800	15.4%
Monaca	2,824	40.7%	$601	54.2%	$122,000	7.7%
New Brighton	2,886	52.8%	$649	40.3%	$73,100	9.4%
Rochester	1,838	51.1%	$602	59.9%	$72,000	16.4%

Table 3-1: Housing Conditions in the Beaver and Ohio River Valley
Sources: U.S. Census Bureau 2020; American Community Survey 2015–2019 5-Year Estimates.

	Aliquippa	Ambridge	Beaver	Beaver Falls	Midland	Monaca	New Brighton	Rochester	Beaver County
Total Units	5,610	3,862	2,300	4,105	1,399	2,917	3,077	1,816	79,463
1 Unit	76.2%	64.6%	68.1%	66.0%	61.0%	74.1%	62.7%	63.1%	79.9%
1, Detached	64.0%	56.8%	65.6%	58.2%	37.1%	71.9%	61.2%	59.0%	74.1%
1, Attached	12.2%	7.9%	2.5%	7.7%	23.9%	2.2%	1.5%	4.1%	5.8%
2 Units	6.5%	11.3%	5.7%	5.3%	16.4%	8.5%	11.7%	3.1%	3.9%
3 or 4 Units	3.8%	11.2%	8.9%	8.9%	7.1%	3.6%	5.4%	7.5%	3.8%
5 to 9 Units	4.1%	8.8%	4.4%	6.5%	8.9%	2.5%	1.6%	9.3%	2.8%
10 to 19 Units	0.2%	1.3%	5.6%	1.5%	0.7%	2.0%	9.2%	5.1%	1.6%
20 to 49 Units	1.7%	0.2%	2.8%	4.6%	4.5%	0.8%	5.2%	6.5%	1.8%
50 or More Units	6.1%	2.1%	4.4%	7.2%	0.7%	8.2%	4.0%	5.4%	2.2%
Mobile Home	1.5%	0.5%	0.0%	0.0%	0.6%	0.3%	0.3%	0.0%	4.1%
Boat, RV, Van, Etc.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 3-2: Housing Units in the Beaver and Ohio River Valley
Source: American Community Survey 2015–2019 5-Year Estimates

3

Market Listings

Table 3-3 presents a snapshot of the current for sale housing market across all the communities in the Beaver and Ohio River Valley. The average household size in the Beaver and Ohio River Valley ranged from 2.0 to 2.3 persons per household, however the market ranged from one- to seven-bedroom homes. As shown in the table, the housing values vary significantly both across and within communities. Additionally, the vast majority of for sale listings are detached single-family homes. Beaver Borough and Monaca both had higher valued homes listed on the market compared to the other communities in the study area.

Location	Type of Unit	No. of Bedrooms	Listing Price
Aliquippa	Single-family	2 beds	$50,000
Aliquippa	Single-family	2 beds	$65,000
Aliquippa	Single-family	3 beds	$139,900
Ambridge	Single-family	2 beds	$65,000
Ambridge	Single-family	2 beds	$120,000
Beaver	Single-family	3 beds	$499,999
Beaver	Single-family	3 beds	$299,011
Beaver	Single-family	2 beds	$260,000
Beaver Falls	Single-family	2 beds	$54,000
Beaver Falls	Single-family	3 beds	$79,000
Beaver Falls	Single-family	4 beds	$89,999
Beaver Falls	Single-family	7 beds	$275,000
Midland	Single-family	2 beds	$50,000
Midland	Multi-family	5 beds	$159,999
Monaca	Single-family	3 beds	$79,900
Monaca	Single-family	4 beds	$624,900
Monaca	Single-family	4 beds	$145,000
New Brighton	Single-family/Duplex*	3 beds	$155,000
New Brighton	Single-family	3 beds	$70,000
New Brighton	Single-family	3 beds	$155,000
Rochester	Single-family	3 beds	$119,400
Rochester	Single-family	2 beds	$73,000

Table 3-3: Recent For Sale Listings in the Beaver and Ohio River Valley
Note: The data presented is only a small segment of the total residential housing market that has been recently posted on listing websites.
*Single family home with option to return to duplex.

Sources: Rent.com; Trulia.com; Zillow.com. (Accessed February 17, 2022).

Table 3-4 presents a snapshot of the recent rental listings for one- to three-bedroom homes within the study area. A review of the current market listings presented shows that the rental units within the Beaver and Ohio River Valley are largely within multifamily housing structures. The price ranges for the current rental market listings are within a similar range of one- to three-bedroom units across all eight communities in the defined region. There are several affordable housing developments located within the study area, particularly in Aliquippa and Monaca, offering studios to four-bedrooms.

Location	Type of Unit	No. of Bedrooms	Listing Price
Aliquippa	Detached single-family	1 bed	$675
Aliquippa	Multifamily	2 beds	$750
Ambridge	Multifamily	2 beds	$910
Ambridge	Detached single-family	3 beds	$1,100
Ambridge	Multifamily	1 bed	$795
Beaver	Detached single-family	2 beds	$945
Beaver	Multifamily	1 bed	$850
Beaver Falls	Multifamily	2 beds	$795
Beaver Falls	Detached single-family	2 beds	$850
Midland	Multifamily	2 beds	$1,200
Midland	Attached single-family	2 beds	$695
Monaca	Multifamily	1 bed	$695
Monaca	Multifamily	2 beds	$600
New Brighton	Multifamily	1 bed	$820
New Brighton	Detached single-family	3 beds	$1,225
New Brighton	Multifamily	2 beds	$625
Rochester	Multifamily	1 bed	$750
Rochester	Multifamily	1 bed	$700

Table 3-4: Recent Rental Listings in the Beaver and Ohio River Valley
Note: The data presented is only a small segment of the total residential housing market that has been recently posted on listing websites and does not include designated affordable housing units.

Sources: Rent.com; Trulia.com; Zillow.com. (Accessed February 17, 2022).

3

SWOT Analysis

An overall evaluation of the region's strengths, weaknesses, opportunities, and threats are presented in Table 3-5. The table highlights key areas of opportunities and aspects that can be improved to strengthen and grow the housing market going forward.

Strengths	Weaknesses	Opportunities	Threats
Significant amount of existing affordable housing (housing options for various income levels)	Aging population and overall population decline (may be obstacle for future growth)	Targeted housing rehabilitation (strengthens housing market and promotes reinvestment)	Sprawl development (may place strain on resources and inhibit walk-ability of neighborhood)
Proximity to transportation corridors such as rivers, rails, and interstates (connectivity between residents and resources)	Mismatch between public housing supply and residents' needs (may result in vacant public housing units, despite need)	Revitalization of historic districts (can further create a unique sense of identity and attract new residents)	Segmentation of waterfront resources by rail or industry uses (may limit open space for community)
Historic districts/historic properties (sense of history and culture within each community)	Lack of diverse housing stock (may prevent different residents from moving into town)	Mixed-use development in downtowns (attractive amenities and resources for residents)	Shrinking funding for public housing (may prevent new affordable development and rehabilitation)
Local leaders generally work together (helps to secure grants and develop a regional vision)	Poor air quality in some communities with active industry and/or busy roads.	Riverfront potential (attractive recreational activities such as boating may attract residents)	Cost of rehabilitation for blighted homes (may deter home improvements)
Significant grassroots efforts (helps to secure grants and develop a regional vision)	Lack of suitable supply of workforce housing (to attract potential employees)	Need for better quality, affordable housing, particularly for home ownership (to attract residents and raise quality of life)	Main Street revitalization (threatens to potentially displace vulnerable populations)

Table 3-5: Beaver and Ohio River Valley SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
	Older landlords/need for education about historic preservation (may result in missed opportunities and prevent the rehabilitation of housing stock)	Need for more diverse rental options (to attract young professionals and seniors)	Shell plant driving up rents (threatens to potentially displace vulnerable populations)
		Need to direct potentially available funding sources (so that local investors are not bought out by external investors)	2020 Pandemic exacerbated the rent burden situation, and similar types of event could be a problem in the future (threatens to potentially displace vulnerable populations)
		Need for better quality, affordable housing that is safe both structurally and from a neighborhood standpoint	
		Need for rental assistance (to retain existing residents)	
		Re-purposing historic properties into housing (encourages preservation while adding to a diverse housing stock)	

Table 3-5: Beaver and Ohio River Valley SWOT Analysis (cont'd)

LOCAL HOUSING MARKET CONDITIONS, GOALS, AND OBJECTIVES

Monongahela RIver Valley

The four communities span across Washington and Westmoreland Counties and are part of the broader Monongahela River Valley region, which spans from the City of Pittsburgh to the north, to the border of Pennsylvania and West Virginia to the south. Each of the communities are part of the Mid Mon Valley Transit Authority, which consists of 21 communities in Fayette, Washington, and Westmoreland Counties, and provides public transportation services across the urbanized areas[i]. Bridging these communities together via public transportation helps strengthen the region by growing businesses and creating a regional sense of identity. Expanded transportation networks may also generate greater demand and opportunities for housing, as well as a potential for a greater retail trade area.

Each year, the Redevelopment Authority of the County of Washington (RACW) identifies and reassesses its housing priorities in the Annual Action Plan in order to receive federal grants through the U.S. Department of Housing and Urban Development (HUD) to fund housing, community development, and economic development needs, or even preservation to the extent that those activities will address overall community and economic development strategies. The 2019 plan established housing goals that include homeownership assistance, such as grants and loans for housing rehabilitation, improvement of public housing, and increasing funds for homeless prevention services and transitional housing[ii]. The RACW also aims to improve the County's living environment by creating safer, more affordable neighborhoods with a greater integration of low- and moderate-income residents. RACW is focused on increasing housing opportunities and promoting reinvestment within financially at-risk neighborhoods. In addition to the housing goals, RACW focuses on the economic development and vitality of the region. This includes expanding economic opportunities through creating better paying jobs in the County, creating homeownership opportunities for residents, developing activities that promote long-term community viability and identity, and empowering low- and moderate-income residents to achieve financial self-sufficiency.

Washington County also contains larger urban centers surrounded by suburban style development. Recent housing development trends in Washington County include the rehabilitation of many older neighborhoods within boroughs. The 2005 Comprehensive Plan details concerns about sprawl and the conversion of traditional agricultural areas into new housing subdivisions within many of the communities at an alarming rate[iii]. Most of the housing within Washington County is designated as single-family. Within the Monongahela River Valley region, multifamily housing is most prevalent in Donora. Additionally, Monongahela offers a number of senior housing facilities for the aging population. These types of units help combat sprawl through thoughtfully planned density, but they also require improved public utilities, such as increased capacity of water and sewer infrastructure.

In Westmoreland County a shift to suburbs is leaving cities and boroughs with a number of vacant and substandard housing units[iv]. Quality affordable housing is becoming increasingly scarce. Similar to Washington County, the housing issues include overcrowding and lack of extensive storm water and sewer infrastructure. Development has primarily been clustered along major transportation routes, such as Route 30 and 22, or along the western side of the County. There has been a large focus on developing single-family homes; instead, there is a need for a more diverse housing stock for an aging population and a population without access to personal vehicles. Affordable transportation and transit-oriented development will provide greater access to local communities and create a robust regional economy. Many potential residents acknowledge they are more interested in the quality of amenities within a community's housing stock than they are in the size of the house or lot. Westmoreland County also acknowledges the need for market-rate

i: Mid Mon Valley Transit Authority. (2014). About Us. Retrieved from https://mmvta.com/about-us/

ii: The Redevelopment Authority of the County of Washington. (2019). Washington County FY 2019 Annual Draft Action Plan. Retrieved from https://racw.net/wp-content/uploads/2019/08/2019-Annual-Action-Plan-Final-Draft.pdf

iii: Washington County. (2005). Washington County Comprehensive Plan. Retrieved from https://www.co.washington.pa.us/DocumentCenter/View/167/Washington_County_Comprehensive_Plan?bidId=

iv: Westmoreland County. (2005). Westmoreland County Comprehensive Plan. Retrieved from https://www.co.westmoreland.pa.us/DocumentCenter/View/294/Comprehensive-Plan?bidId=

housing within its urban communities to create a competitive and stable housing market.

In the City of Monongahela there is an attractive Main Street with historic homes that have been adapted for commercial use. The sense of community and care placed on the downtown area has resulted in high occupancy and low tenant turnover rates for local businesses[i]. The City has seen little new construction over the last few years. In Monongahela City, there are distinctive neighborhoods that range in their housing stock. For instance, the Black Diamond neighborhood consists of low-density residential, single-family housing that is in need of upkeep, compared to the Williams Hill neighborhood, which also consists of single-family homes on medium sized lots that are in good condition. Both Stockdale Town and Stevens Plan consist of low-density areas with single-family homes near light industrial uses, including the Southern Railroad that runs through Stockdale Town. The Mounds neighborhood is a medium-density residential area with single-family homes; however, some have been converted into multifamily apartment units. Most of the housing in the Mounds neighborhood is in good condition and has been built fairly recently. There also is the downtown City area of Monongahela, where there is medium-density housing located near the commercial district. While there has been limited new housing since 2000, the housing stock has a mix of single-family, duplexes, and multifamily homes. Finally, there is a historic residential district with large historic homes, consisting of single-family and duplexes. The diverse housing stock and distinctive neighborhoods have strengthened the City and provided housing options and amenities that meet the needs of the citizens.

i: City of Monongahela. (2008). Monongahela City & New Eagle Borough Joint Comprehensive Plan. Retrieved from http://www.cityofmonongahela-pa.org/comp_plan_-_toc

Housing Conditions

As shown in Table 3-6, all the communities in the Monongahela River Valley have a greater share of renter-occupied units compared to Washington and Westmoreland Counties, with just over half of all Donora units being renter-occupied. The four communities also have lower median rent prices and a greater share of residents who are considered to be rent burdened than the broader counties[ii]. The median house value for owner-occupied units in each of the four Monongahela River Valley communities is less than half of their respective counties' median house value. Furthermore, each of the four communities have notably higher rates of vacancy compared to Washington and Westmoreland Counties.

As with the Beaver and Ohio River Valley

ii: Rent burdened is defined by the U.S. Census Bureau as households spending 30 percent or more of their income on housing costs.

	Housing Units	% Renter Occupied	Median Gross Rent	% Rent Burdened	Median Housing Value (Owner-Occupied)	% Vacant
Washington County	95,934	24.4%	$772	21.8%	$167,900	11%
Westmoreland County	170,442	22.8%	$721	20.8%	$153,100	11%
Charleroi	2,305	44.5%	$688	30.7%	$39,500	27%
Donora	2,589	51.0%	$574	20.3%	$55,700	26%
Monessen	4,436	26.8%	$674	23.8%	$76,300	23%
Monongahela	2,116	37.3%	$676	16.8%	$81,800	16%

Table 3-6: Housing Conditions in the Monongahela River Valley
Sources: U.S. Census Bureau 2020; American Community Survey 2015–2019 5-Year Estimates.

	Charleroi	Donora	Monessen	Monongahela	Washington County	Westmoreland County
Total Units	2,305	2,589	4,436	2,116	95,934	170,442
1 Unit	71.7%	71.1%	85.3%	74.1%	80.3%	81.0%
1, Detached	67.3%	65.3%	81.7%	68.6%	73.4%	75.9%
1, Attached	4.3%	5.8%	3.6%	5.5%	7.0%	5.1%
2 Units	9.2%	11.8%	2.5%	11.4%	3.3%	3.7%
3 or 4 Units	3.6%	3.1%	2.5%	6.8%	2.8%	2.4%
5 to 9 Units	3.5%	4.6%	3.9%	3.4%	2.6%	2.2%
10 to 19 Units	1.3%	0.8%	1.1%	1.4%	1.4%	1.8%
20 to 49 Units	4.6%	1.4%	1.8%	0.0%	1.8%	1.6%
50 or More Units	6.1%	7.2%	2.7%	1.4%	2.3%	1.8%
Mobile Home	0.0%	0.0%	0.2%	1.4%	5.5%	5.5%
Boat, RV, Van, etc.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 3-7: Housing Units in the Monongahela River Valley
Source: American Community Survey 2015–2019 5-Year Estimates

communities, the communities in the Monongahela River Valley predominately consist of low-density, single-family housing (see Table 3-7). Roughly three-quarters of all housing in the four communities identified in the Monongahela River Valley are designated as single-family housing. Single-family housing is closely associated with homeownership. However, of the renter-occupied units, roughly 60 to 70 percent of rentals within the four communities are also single-family units. Donora's housing stock, which is 51.0 percent renter-occupied, also happens to have the largest share of housing units with 50 or more units (7.2 percent).

Market Listings

Table 3-8 presents a snapshot of the current for-sale housing market for two- to four-bedroom homes. The average household size in the Monongahela River Valley ranged from 2.1 to 2.3 persons per household. Despite this, many of the current homes on the market have extra bedrooms and space. As seen in Table 3-8, housing values vary significantly both across and within communities. Additionally, all for-sale listings in Table 3-8 are single-family homes, the predominant housing unit throughout the Monongahela River Valley and Washington and Westmoreland Counties.

Table 3-9 presents a snapshot of the recent rental listings for one- to four-bedroom homes within the study area. A review of the listings presented shows that the current market listings are comparable to one another. Most rental housing is situated in single-family homes or multifamily units.

Location	Type of Unit	No. of Bedrooms	Listing Price
Charleroi	Single-family	3 beds	$94,500
Charleroi	Single-family	3 beds	$99,000
Donora	Single-family	2 beds	$42,000
Donora	Single-family	2 beds	$59,900
Donora	Single-family	3 beds	$69,900
Monessen	Single-family	3 beds	$84,900
Monessen	Single-family	4 beds	$79,900
Monessen	Single-family	3 beds	$54,900
Monongahela	Single-family	3 beds	$99,921
Monongahela	Single-family	3 beds	$197,500
Monongahela	Single-family	3 beds	$79,900

Table 3-8: Recent For Sale Listings in the Monongahela River Valley
Note: The data presented is only a small segment of the total residential housing market that has been recently posted on listing websites.

Sources: Rent.com; Trulia.com; Zillow.com. (Accessed February 17, 2022).

Location	Type of Unit	No. of Bedrooms	Listing Price
Charleroi	Single-family	2 beds	$850
Charleroi	Single-family	3 beds	$850
Charleroi	Single-family	2 beds	$800
Donora	Multifamily	2 beds	$600
Donora	Multifamily	3 beds	$750
Monessen	Multifamily	4 beds	$950
Monessen	Single-family	2 beds	$750
Monessen	Multifamily	1 bed	$650
Monongahela	Single-family	1 bed	$500
Monongahela	Multifamily	2 bed	$1,150

Table 3-9: Recent Rental Listings in the Monongahela River Valley
Note: The data presented is only a small segment of the total residential housing market that has been recently posted on listing websites.

Sources: Rent.com; Trulia.com; Zillow.com. (Accessed February 17, 2022).

SWOT Analysis

Table 3-10 highlights key areas of opportunities and aspects that can be improved to strengthen and grow the housing market in the defined Monongahela River Valley region going forward.

Strengths	Weaknesses	Opportunities	Threats
A variety of housing types that are affordable.	Static or declining populations (may be obstacle for future growth)	Targeted housing rehabilitation (cost effective and can benefit existing nearby neighborhoods)	Sprawl development (may result in inefficient use of community resources and environmental degradation)
Proximity and access to transportation corridors; regional transportation entities (Mid Mon Valley Transit Authority bridges communities and increases accessibility)	Lack of public water and sewer infrastructure (may pose challenge for increasing development)	Revitalization of riverfront access and recreational uses (increase access and utilization of public open space resources)	Segmentation of waterfront resources by rail or industry uses (limits access to public resources and waterways)
Each community has unique historic identity (creates strong and attractive neighborhoods)	Lack of diverse housing stock (may prevent different residents from moving into town)	Mixed-use development in downtowns (can encourage concentrated growth in local economy)	Downtown blight (discourages economic development and poses health and safety risk to public)
Strong downtowns (e.g., Mon City) (promotes small businesses and strengthens local economy)	Different communities in terms of scale of residential development (may not be a one-size-fits-all approach)	Riverfront potential for recreation, housing, transportation, entertainment, business (attractive amenity that may draw attention and business from neighboring communities)	Cost of rehabilitation (may cause historic preservation to compete with new buildings)
Attractive housing stock (e.g., Donora) (encourages upkeep of buildings and can attract new residents)	Older landlords/need for education about historic preservation (may result in missed opportunities and prevent the rehabilitation of housing stock)	Developing more diverse housing stock (e.g., senior housing, assisted living) (may attract new residents and encourage population growth)	Tearing down of new buildings (may result in excess of vacant lots, further contributing to blight)
Grassroots efforts are underway to attract residents and employees through marketing and regional collaboration across communities (e.g., Mon Valley Alliance) (strengthens regional economy and bridges communities)	Lack of education about strengths (may prevent development of innovative projects and deter public involvement)	Potential for large projects (e.g., Donora) (may create a buzz and spur community development)	Maintaining each community's identity is a challenge in the context of a regional market study (need for regional vision while balancing community needs and identity)

Table 3-10: Monongahela River Valley SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
	Perception of a negative sense of place, both internal and external (may deter public involvement and investment for development)	Potential for use of smaller frame homes as vacation rental homes (e.g., Charleroi) (reduces year-round vacancies and boosts economy)	
	Lack of cohesive leadership across the region (may pose a challenge for regional growth and enacting change)	Need for public education about each community's strength (can inspire community about potential and envisioning future goals)	
	Older properties (may place financial burden on resident due to maintenance or lack of amenities)	Need for greater regional collaboration (can help secure financial grants and create a regional vision)	
		Re-purposing historic properties into housing (encourages preservation while adding to a diverse housing stock)	

Table 3-10: Monongahela River Valley SWOT Analysis (cont'd)

Interviews with Local Brokers and Other Stakeholders

AKRF spoke to local real estate brokers and state and local community development organizations to get a better understanding of the housing market and potential challenges and opportunities to new housing development and adaptive reuse. Brokers in Beaver County spoke to the need for better quality, affordable homes other than the typical, large multifamily apartment building. There is opportunity to provide homes for ownership other than single-family homes, such as townhouses, condos, or assisted living.

Historic districts have helped to preserve naturally occurring affordable housing, which is defined as rental properties that are affordable based on the area's median income level but are not subsidized under any federal program. According to the Community Development Program of Beaver County there is a great need for affordable housing in Beaver County; construction of the Shell cracker plant drove up rents and the pandemic has exacerbated this situation. The numbers being revealed through the Emergency Rental Assistance Program bring to focus the struggle for families to pay their rent during the pandemic. The Pennsylvania Department of Community and Economic Development echoed the extreme need for a variety of affordable housing stock that is safe both structurally and from a neighborhood standpoint.

3

What this Means: Housing Market Opportunities

The data and analysis presented above revealed the following residential market opportunities in the regions:

Both regions have lower household incomes and higher levels of unemployment, poverty, and population declines compared with the larger counties that contain them (Beaver Borough is an outlier with a higher average household income than in the County). The communities in these regions also have a higher share of renters than their counties, and generally higher vacancies. They also tend to have a more diverse housing stock (i.e., housing other than detached single-family homes) compared to their county counterparts. There is a need to provide better quality, affordable multifamily units in the two regions, particularly for home ownership (e.g., townhomes, condos). There is also opportunity to provide more varied rental options than the typical affordable, multifamily housing complex (e.g., duplex, senior housing, assisted living, mixed-use) through thoughtful adaptive re-use of historic buildings. Even in Beaver Borough, which is more affluent than the other communities, there is a need for quality, affordable housing, as nearly half of the renters are rent-burdened. Donora is the most diverse in terms of housing in the Monongahela River Valley. The four studied communities form the geographic center of the Mon Valley in Pennsylvania and have a unique opportunity to spur economic development in the larger Mon Valley region. Providing the right mix of housing in these communities will help to attract the business and customer base necessary for downtown revitalization. There may also be opportunity for waterfront housing or houseboats/floating homes to help to connect the communities in each region.

Apartment/downtown residential product would be appropriate on the upper floors of older, historic buildings with retail on the ground floor. Multistory building stock in these communities could allow for higher-density occupancy and mixed-use and attract larger-scale development. Housing/mixed-use has tremendous value in community centers—it creates pedestrian traffic, economic activity, and puts “eyes on street,” contributing to enhanced safety and perception of safety.

More diverse housing options located within the central business districts would also help to attract residents that would serve as a customer base for existing retail.

Recommendations to Enhance Market Opportunities

Currently there are several factors inhibiting residential development, including financial barriers to restoration of older, historic buildings, as well as zoning barriers. Zoning should be flexible to allow for home offices, home occupations, and live/work units, particularly in light of the recent pandemic, which accelerated trends toward working from home. Local planning agencies/municipalities should update their zoning codes to allow for mixed-use development in the central business districts, with residential and office uses permitted above retail uses on the ground-floor. Develop progressive/flexible zoning ordinances that allow for a wide range of uses or mixed-use, particularly in historic districts or buildings. Communities could also develop adaptive reuse ordinances to disincentivize vacancy. Municipal leaders should work with developers to introduce more diverse housing options e.g., duplex, senior housing, assisted living, mixed-use.

Communities can look to places like Beaver Borough, which has successfully implemented planning and zoning tools to encourage preservation within the Borough. Due in part to creative, purpose-driven zoning, the main street thrives with mixed-use, ground floor commercial uses with residential units above, helping create a cohesive historic commercial district with residential uses.

Like many of the communities in the Beaver and Ohio River Valley, the City of Beaver Falls developed housing goals that include encouraging home ownership, protection of existing single-family neighborhoods in historic residential neighborhoods, promoting multifamily and senior housing facilities in central areas near retail or service businesses, and eliminating blight while focusing on housing rehabilitation. It is important for a community to have a diverse housing stock to better serve the needs of its residents, which can be made possible through implementing the aforementioned housing goals.

3.4 Retail, Dining, and Entertainment Market

This section addresses current market conditions and potential opportunities for retail, dining, and entertainment uses within the Beaver and Ohio River Valley and Monongahela River Valley communities. As shown on Figure 3-6, the analysis considers market demand within the primary and secondary consumer trade areas for the two regions, and to a lesser extent, within each of the communities in the two separate regions. The primary trade area is defined as a 5-mile radius around a region, and represents the geographic area that the majority of customers would travel to the commercial corridors. The secondary trade area is a 10-mile radius (an approximate 15-minute drive) and captures the spending habits and spending potential of a larger population of residents living outside communities, but who may visit the communities for shopping.

This market demand analysis also includes a SWOT assessment to identify challenges and opportunities in the regions. The SWOT is informed by focus groups and public engagement sessions, as well as findings produced in this study. The assessment concludes with a description of retail market opportunities identified through the analysis and recommendations on how to best realize those opportunities.

Market Gap Analysis

A market gap analysis considers retail demand and supply in a trade area, which is the geographic region that a store, restaurant, or business draws from. Its size depends on both the variety of goods and services available and other retail stores that exist in the area. A trade area also varies depending on the types of retail goods and services (e.g., convenience goods have a smaller trade area compared with shopping goods and destination retail uses).

For each region, the analysis utilizes a 5-mile primary trade area (approximately a 10-minute drive time), which is an area from which most daily/convenience goods shoppers originate, and a 10-mile secondary trade area (approximately a 15-minute drive time), which is the area from which local residents' shopping goods purchases would come from). Regional customers would travel to both the primary and secondary trade areas (see Figures 3-7 and 3-8).

As shown in Figure 3-7, the Beaver and Ohio River Valley Communities primary trade area includes the regional communities in Beaver County and extends into Lawrence County to the north, Allegheny County to the southeast, and West Virginia and Ohio States to the west. The Beaver and Ohio River Valley Communities secondary study area also picks up Butler County to the northeast.

As shown in Figure 3-8, the Monongahela River Valley Communities' primary trade area includes the study area communities in Washington and Westmoreland Counties and both the primary and secondary trade areas extend into Allegheny County to the north and Fayette County to the south.

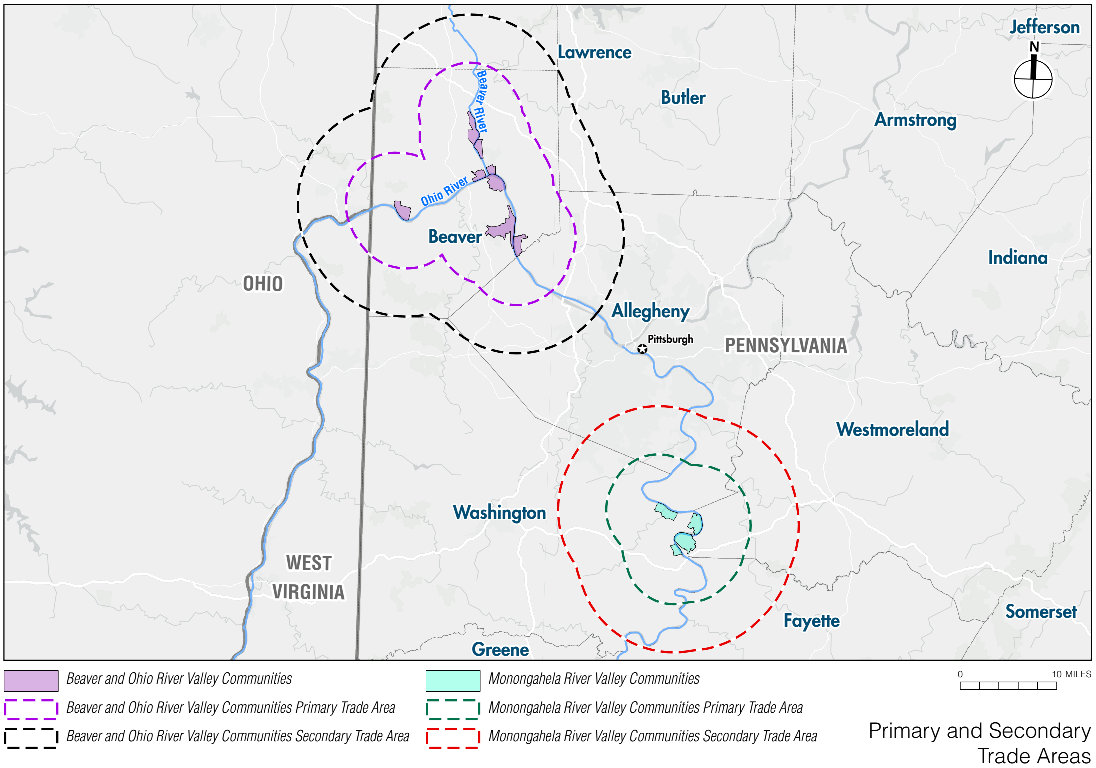


Figure 3-6
Source: AKRF

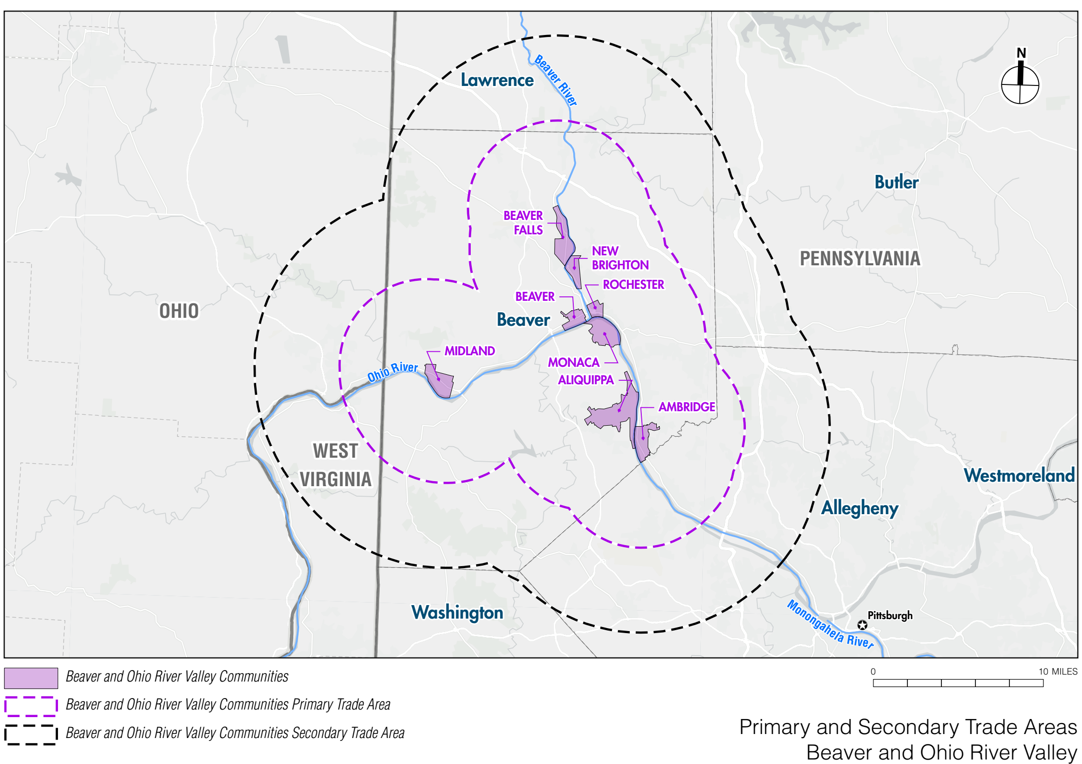


Figure 3-7
Source: AKRF

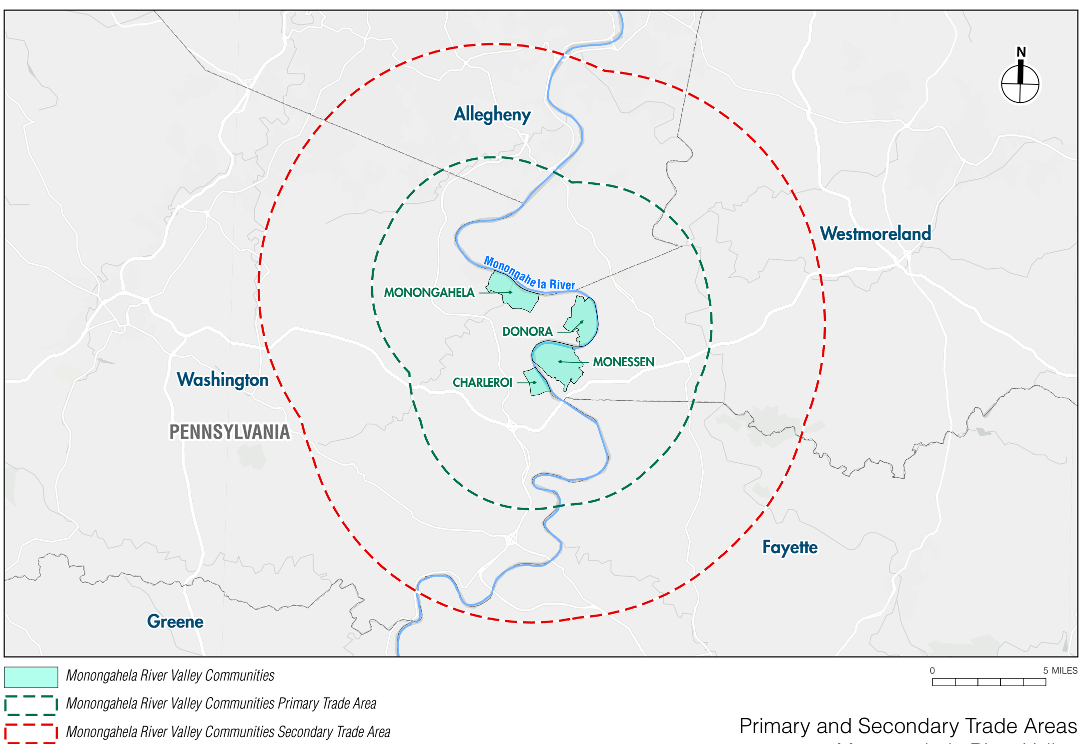
If there is more consumer demand than is being captured by a trade area, it suggests that residents are leaving the area to do some of their shopping (i.e., leakage). If the sales within a trade area are greater than residents' spending potential, then people from outside the study area are coming to the study area to shop (i.e., surplus). It also means that local residents' demand is largely being met by retail within the trade area. Retail gaps will vary by industry. The analysis utilizes retail, dining, and entertainment demand and supply data from Esri[i].

AKRF reviewed the 2015 Rochester Township, Beaver County Economic Development Study, which also utilized ArcGIS Business Analyst data to identify market potential for a 5-, 10-, and 15-minute drive from Rochester Township[ii]. AKRF also reviewed other background planning documents for the two regions, which speak to the opportunities for tourism, outdoor recreation, and heritage-based training, for example[iii].

i: The industry sector data derived from Esri classifies all businesses and industry sectors using the North American Industry Classification System (NAICS).

ii: While Rochester Township is not one of the study area communities, its trade areas encompass nearby study area communities given its location neighboring Rochester Borough.

iii: Kadlec, K. L. (1997). Heritage Training: Partnerships for the Future of Heritage Tourism in Southwestern Pennsylvania. Retrieved from https://www.jstor.org/stable/j.ctt1xp3m4w.3?seq=1#metadata_info_tab_contents; Appalachian Regional Commission. (2015). Five-year Strategic Plan for Capitalizing on Appalachia's Opportunities. Retrieved from https://www.arc.gov/images/newsroom/publications/sp/InvestinginAppalachiasFutureARCs2016-2020StrategicPlan.pdf; Mon River Valley Coalition, The. (2016). Capturing the Opportunities of the Monongahela River Valley Plan: Updated Action Agenda 2016–2019. Retrieved from https://monrivercoalition.org/wp-content/uploads/2016/03/capturingmonriver.pdf



Primary and Secondary Trade Areas
Monongahela River Valley

Figure 3-8
Source: AKRF

Beaver and Ohio River Valley Communities

Primary Trade Area

Table 3-11 presents estimated retail sales (supply) and retail expenditure potential (demand) within the 5-mile primary trade area. The primary trade area represents the geographic area from which the majority of customers of the commercial corridors within the Beaver and Ohio River Valley communities travel. The primary trade area also includes larger-format retail destinations outside communities' downtown commercial corridors such as Target, Lowe's, Kohl's, Michaels, Walmart, Staples, Beaver Valley Mall (which includes Dick's Sporting Goods and JCPenney) in Monaca[i], which attract customers from the larger region. Based on year 2017 estimates, residents living within the primary trade area spend approximately $3.00 billion annually on retail goods and services (including restaurants shown as "food and drink" in Table 3-11) both within and outside the trade area. Retail and restaurant sales in the primary trade area total approximately $2.31 billion. The primary trade area's retail supply is less than its demand, which results in leakage. This suggests that the primary trade area may have unmet demand.

Figure 3-9 shows the leakage/surplus factor of the Beaver and Ohio River Valley communities primary trade area by retail industry. Most retail industries have some amount of leakage (unmet retail potential), such as auto parts stores; furniture and home furnishings stores; electronics and appliance stores; building material and garden equipment stores; grocery stores; specialty food stores; health and personal care stores; clothing stores; shoe stores; jewelry stores; book/music stores; florists; office supply, stationary, and gift stores; used merchandise stores; and restaurants. A few sectors have a surplus demand, which means that there is more supply than demand, namely automobile dealers, liquor stores, special food services (e.g., caterers and mobile services), and bars.

i: These big box establishments have an address in Monaca but are located in the Center Township census-designated place.

	Demand (expenditure potential)	Supply (area sales)	Leakage or (surplus)	Leakage/ Surplus Factor*	Number of Retail Businesses
Total Retail Trade and Food and Drink	$2,999,768,293	$2,313,694,415	$686,073,878	12.9	1,379
Total Retail Trade	$2,723,804,121	$2,067,195,567	$656,608,554	13.7	921
Total Food and Drink	$275,964,171	$246,498,848	$29,465,323	5.6	458

Table 3-11: Primary Trade Area Retail Gap Analysis
Note: Retail supply and demand are in 2017 dollars.
*The Leakage/Surplus Factor ranges in value from "-100" to "+100". A positive factor indicates leakage; a negative factor indicates surplus.

Source: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. Accessed from https://bao.arcgis.com/esriBAO/login/index.html on January 26, 2022.

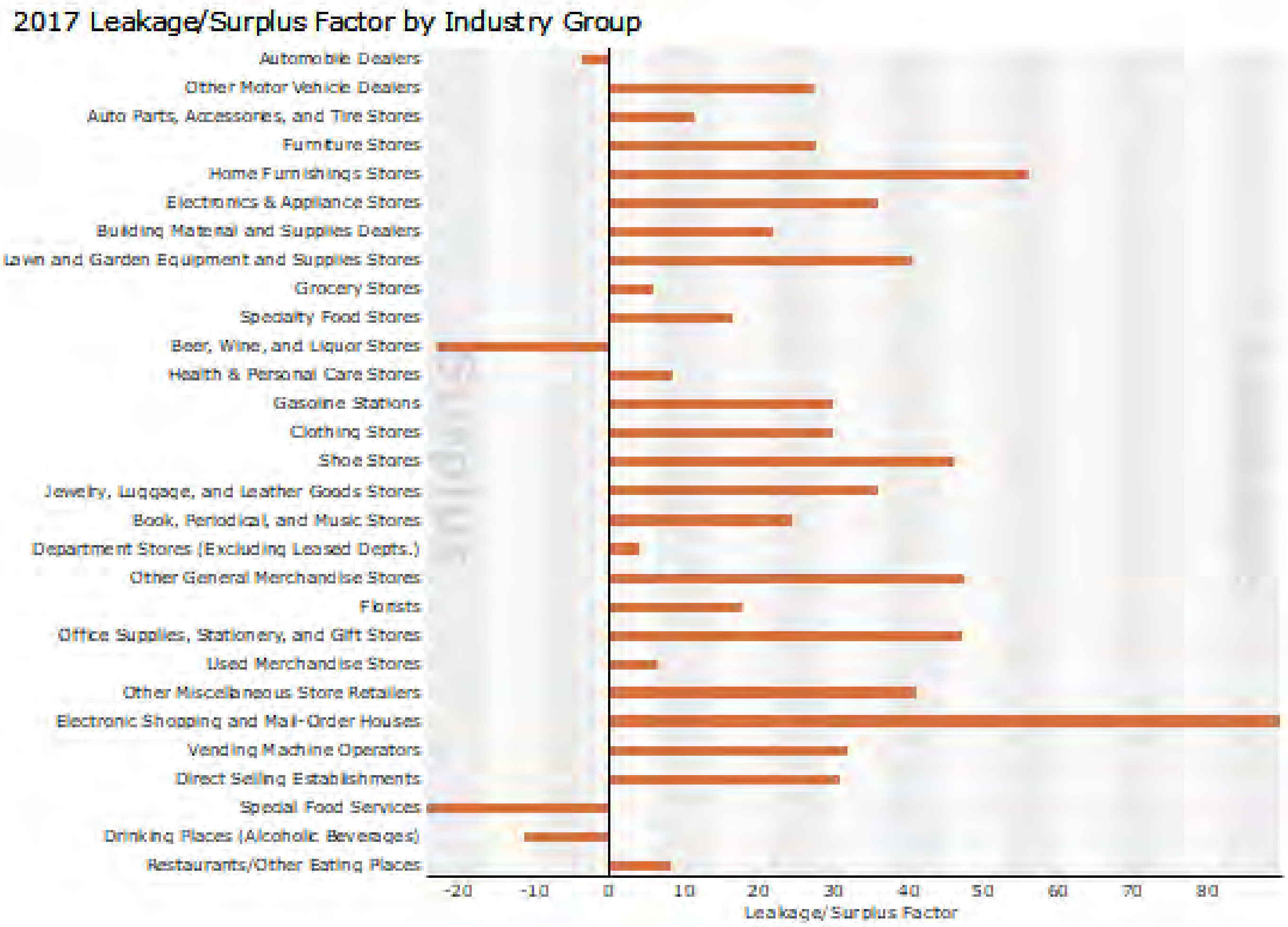


Figure 3-9: Beaver and Ohio River Valley Communities Primary Trade Area

Table 3-12 presents potential square feet of new retail space that could be supported in the primary trade area for a few of the sectors with unmet retail demand. The primary trade area could support approximately 290,000 square feet (sf) of new furniture/home furnishings retail space, with a retail gap of $53.6 million. The primary trade area could also support approximately 130,000 sf of new building materials, garden equipment, and supply stores, with $70.6 million in unmet retail demand.

The retail leakage for restaurants is $37.7 million, which could support about 126,000 sf of new restaurant space, and the retail leakage for grocery/specialty food stores is $58.5 million, which could support about 117,000 sf of new grocery/specialty food store space in the trade area. The primary trade area could also support additional office supply/stationary/gift stores (retail gap of $17.1 million or 114,105 sf). Though both bookstores and used merchandise stores have large ecommerce presences, brick and mortar stores that can offer a boutique experience and excellent customer service have the potential to thrive in today's retail marketplace given favorable market conditions.

Sector	Retail Gap/ Leakage	Sales per SF Estimates	Potential Square Feet of New Retail Space
Furniture/Home Furnishings Stores	$53,621,324	$185	289,845
Building Materials and Garden Equipment Supply Stores	$70,607,247	$543	130,032
Grocery Stores/Specialty Food Stores	$58,494,687	$500	116,989
Book and Music Stores	$3,978,038	$150	26,520
Office Supplies, Stationary, and Gift Stores	$17,115,794	$150	114,105
Restaurants	$37,737,091	$300	125,790

Table 3-12: Primary Trade Area Retail Potential
Note: Retail gap in 2017 dollars.

Sources: Chron, The Average Profit Margin in Furniture, https://smallbusiness.chron.com/financial-ratios-important-retail-industry-23307.html, last accessed January 31, 2022; Bloom Intelligence, "Restaurant Benchmarks," https://info.bloomintelligence.com/hubfs/Miscellaneous%20Downloads/Restaurant%20Benchmarks.pdf, last accessed January 31, 2022; Progressive Grocer, JLL Report: Fresh, Value Key in Grocery Future, https://progressivegrocer.com/jll-report-fresh-value-key-grocery-future, last accessed January 31, 2022; Statista, Sales per square foot of the Home Depot and Lowe's in 2020, https://www.statista.com/statistics/240858/sales-per-square-foot-of-the-leading-diy-chains/, last accessed January 31, 2022; Office Depot, An Assessment of the Scale of the Challenge!, https://www.slideshare.net/IanElliott8/office-depot-outlook-20182022-96883860, last accessed January 31, 2021; ArcGIS Business Analyst, ESRI 2017 Retail MarketPlace (latest available data as of January 2022).

Secondary Trade Area

Table 3-13 shows the retail supply and demand within 10 miles (approximately a 15-minute drive) from the Beaver and Ohio River Valley communities (the secondary trade area). This broader secondary trade area captures the spending habits and spending potential of residents who live outside the communities where they shop.

Total retail demand in the secondary trade area is $4.64 billion and retail supply is $7.06 billion. Supply exceeds demand by $144.80 million. This indicates that, overall, the secondary trade area is saturated with shopping destinations. However, as described below, there still may be opportunities for additional retail in the secondary trade area.

Figure 3-10 shows the retail leakage and surplus factor by industry for the secondary trade area. Several industries in the secondary trade area have large retail leakages. The industry with the largest leakage (aside from electronic shopping) is the lawn and garden equipment and supplies stores, which has a retail gap of $23.0 million. Nationally, building and lawn supply stores showed significant growth in sales in 2020. Other miscellaneous retailers have a retail gap of $132.0 million, and book and music stores have a retail gap of $11.4 million.

Other notable industries with leakages include other motor vehicle dealers, home furnishings stores, specialty food stores, shoe stores, and office supply stores. While there are other retail gaps, other retail uses with gaps are not destination retail industries. For example, customers would not typically drive 10 miles for health and personal care stores or drinking places. Also, many of the uses for which there are gaps are in industries that are largely moving to e-commerce (e.g., book and music stores). Industries with a surplus include furniture stores, clothing stores, and other general merchandise stores.

	Demand (expenditure potential)	Supply (area sales)	Leakage or (surplus)	Leakage/ Surplus Factor*	Number of Retail Businesses
Total Retail Trade and Food and Drink	$7,062,522,355	$7,207,325,264	($144,802,909)	-1.0	3,198
Total Retail Trade	$6,399,472,243	$6,525,241,615	($125,769,372)	-1.0	2,210
Total Food and Drink	$663,050,112	$682,083,649	($19,033,537)	-1.4	988

Table 3-13: Secondary Trade Area Retail Gap Analysis
Note: Retail supply and demand are in 2017 dollars.
*The Leakage/Surplus Factor ranges in value from “-100” to “+100”. A positive factor indicates leakage; a negative factor indicates surplus.

Source: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. Accessed from https://bao.arcgis.com/esriBAO/login/index.html on January 26, 2022.

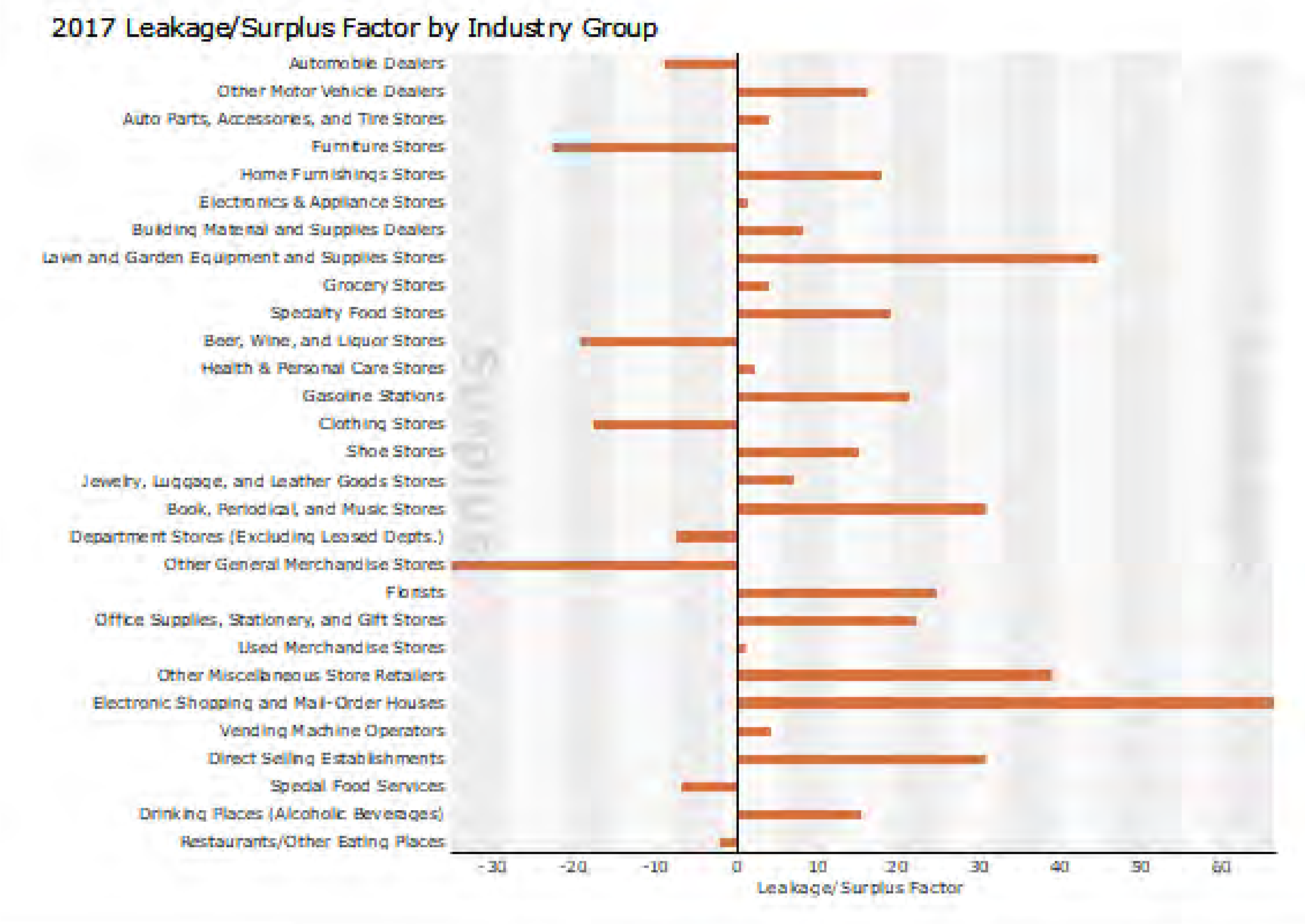


Figure 3-10: Beaver and Ohio River Valley Communities Secondary Trade Area

As shown in Table 3-14, retail demand in the Beaver and Ohio River Valley secondary trade area could support additional sales in home furnishings; building materials, garden equipment, and supply stores; specialty food stores; and office supply. The secondary trade area could support approximately 167,900 sf of new home furnishings retail space, with a retail leakage of $31.1 million. With $83.9 million in unmet retail demand for building material and garden supply stores, the secondary trade area could support approximately 154,600 of new retail space.

The secondary trade area could support approximately 34,600 sf of specialty food stores. The retail gap of $23.1 million of office supply spending could support approximately 154,300 sf of retail space. However, there is an existing Staples in the study area and much of this demand may be met through online sales.

Sector	Retail Gap/ Leakage	Sales per SF Estimates	Potential Square Feet of New Retail Space
Home Furnishings	$31,061,532	$185	167,900
Building Materials and Garden Equipment Supply Stores	$83,946,911	$543	154,598
Specialty Food Stores	$17,322,199	$500	34,644
Office Supplies	$23,146,807	$150	154,312

Table 3-14: Secondary Trade Area Retail Potential
Note: Retail gap in 2017 dollars.

Sources: Chron; Bloom Intelligence; JLL; Statista; Office Depot; ArcGIS Business Analyst, ESRI 2017 Retail MarketPlace (latest available data as of January 2022).

Monongahela River Valley Communities

Primary Trade Area

Total retail demand (resident spending) in the Monongahela River Valley primary trade area (5-mile radius or approximately a 10-minute drive time) is $1.04 billion (see Table 3-15). Total retail supply is $976.2 million. The difference between retail supply and demand shows that there is a retail gap of approximately $65.0 million. There is a retail gap in the retail trade sector as well as food and drink.

Figure 3-11 shows the leakage and surplus factor by industry for the Monongahela River Valley primary trade area. Notably, furniture stores have 100 percent leakage, meaning that, according to Esri, there are no businesses in that industry in the primary trade area. Other industries with high leakage are specialty food stores, shoe stores, book and music stores, home furnishings stores, and clothing stores. There is a small gap in restaurants spending. Industries with a surplus supply include auto parts stores, building material stores, grocery stores, liquor stores, health and personal care stores, florists, stationary stores, used merchandise stores, and bars/drinking places.

	Demand (expenditure potential)	Supply (area sales)	Leakage or (surplus)	Leakage/ Surplus Factor*	Number of Retail Businesses
Total Retail Trade and Food and Drink	$1,041,191,606	$976,217,793	$64,973,813	3.2	564
Total Retail Trade	$949,780,225	$888,676,848	$61,103,377	3.3	384
Total Food and Drink	$91,411,381	$87,540,945	$3,870,436	2.2	180

Table 3-15: Primary Trade Area Retail Gap Analysis
Note: Retail supply and demand are in 2017 dollars.
*The Leakage/Surplus Factor ranges in value from “-100” to “+100”. A positive factor indicates leakage; a negative factor indicates surplus.

Source: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. Accessed from https://bao.arcgis.com/esriBAO/login/index.html on January 26, 2022.

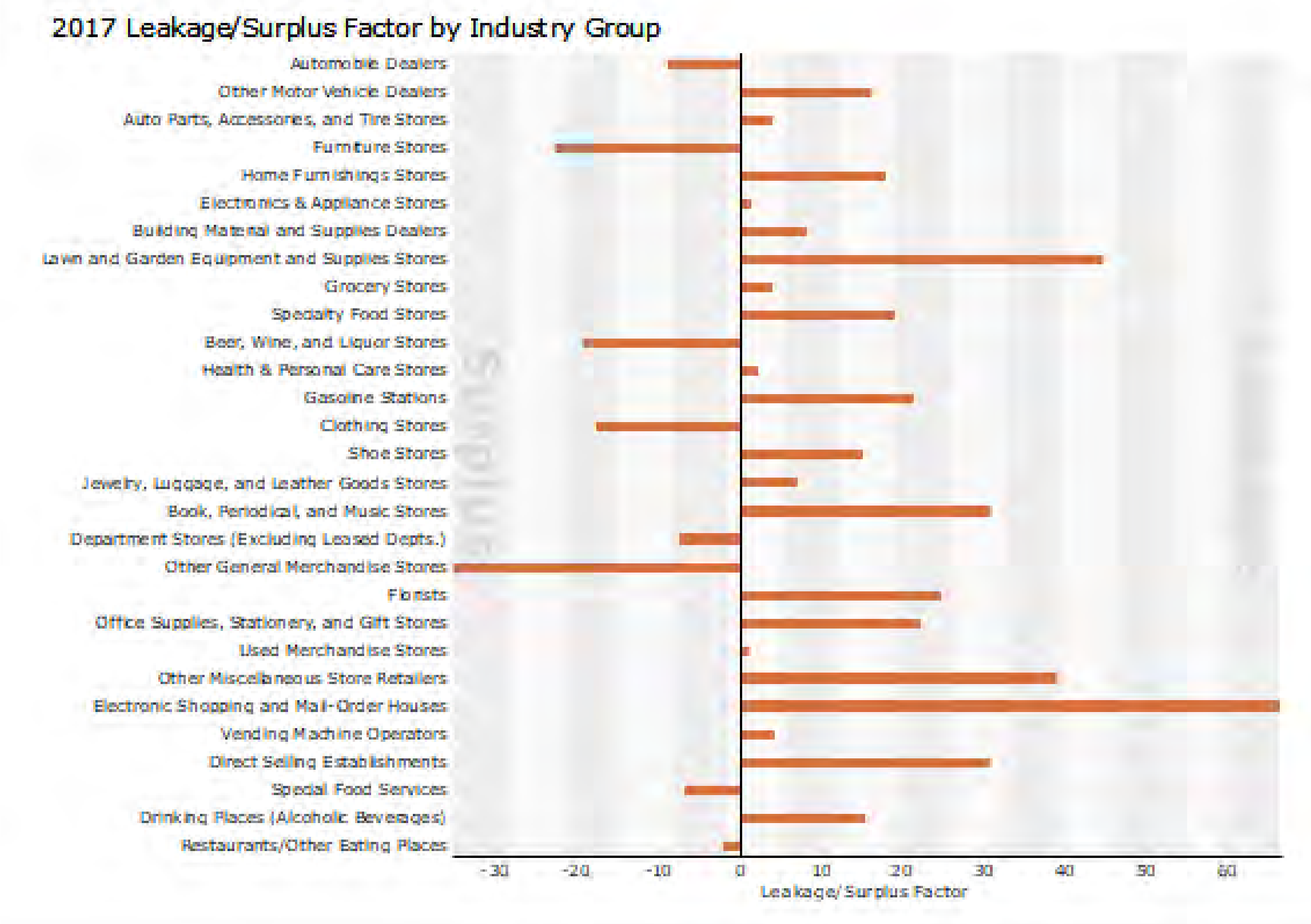


Figure 3-11: Monongahela River Valley Communities Primary Trade Area

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The Monongahela River Valley primary trade area could support approximately 146,000 sf of new furniture/home furnishings retail space, with a retail leakage of $27.0 million. The retail leakage for specialty food stores is $7.2 million which could support 14,400 sf of new retail space in the Monongahela River Valley primary trade area (see Table 3-16).

The primary trade area could support about 19,700 sf of new book and music store retail space, with nearly $3.0 million in retail leakage. Approximately $4.3 million in demand for restaurants is unmet within the Monongahela River Valley primary trade area. This retail demand could support approximately 14,300 sf of new restaurant space.

Sector	Retail Gap/ Leakage	Sales per SF Estimates	Potential Square Feet of New Retail Space
Furniture/Home Furnishings Stores	$27,002,463	$185	145,959
Specialty Food Stores	$7,215,837	$500	14,432
Book and Music Stores	$2,955,579	$150	19,704
Restaurants	$4,298,980	$300	14,329

Table 3-16: Primary Trade Area Retail Potential
Note: Retail gap in 2017 dollars.

Sources: Chron; Bloom Intelligence; JLL; ESRI 2017 Retail MarketPlace (latest available data as of January 2022).

Secondary Trade Area

Table 3-17 shows the retail supply and demand within a 10-mile radius (approximately a 15-minute drive) of the Monongahela River Valley communities (the secondary trade area). This broader secondary trade area captures the spending habits and spending potential of a larger population of out-of-town visitors to the Beaver County region. Total retail demand in the secondary trade area is $3.74 billion and retail supply is $3.34 billion. There is a total retail leakage of approximately $397.7 million. There is a retail leakage for both retail trade and food and drink establishments.

Figure 3-12 shows the retail leakage and surplus factor by industry for the Monongahela River Valley secondary trade area. Most industries in the secondary trade area have retail leakages. The industries with the greatest leakage include furniture stores, home furnishings stores, clothing stores, book and music stores, office supply stores, and restaurants. Clothing stores have the greatest retail gap at $92.4 million, followed by home furnishings stores at $85.6 million. Some industries for which there is a leakage would not be appropriate for the secondary trade area because residents are unlikely to drive 10 miles to access them (e.g., bars and grocery stores). Industries in the secondary trade area with surplus retail supply include auto dealers and auto parts stores, liquor stores, jewelry stores, and vending machine operators.

As shown in Table 3-18, retail demand in the secondary trade area could support additional sales in furniture and home furnishings, building materials/garden supply stores, specialty food stores, office supplies, and restaurants. The Monongahela River Valley secondary trade area could support a substantial amount of furniture/home furnishings retail space—approximately 462,500 sf with a retail gap of $85.6 million. Approximately 65,300 sf of new building materials/garden supply store space could also be supported. The retail gap of $9.2 million sf of specialty food store spending could support approximately 18,400 sf of new retail space, and the retail gap of $15.3 million of office supply spending could support approximately 102,000 sf of retail space and. The secondary trade area could support approximately 229,500 sf of restaurants.

	Demand (expenditure potential)	Supply (area sales)	Leakage or (surplus)	Leakage/ Surplus Factor*	Number of Retail Businesses
Total Retail Trade and Food and Drink	$3,735,768,766	$3,338,035,582	$397,733,184	5.6	1,570
Total Retail Trade	$3,395,242,806	$3,074,031,096	$321,211,710	5.0	1,095
Total Food and Drink	$340,525,959	$264,004,487	$76,521,472	12.7	476

Table 3-17: Secondary Trade Area Retail Gap Analysis
Note: Retail supply and demand are in 2017 dollars.
*The Leakage/Surplus Factor ranges in value from "-100" to "+100". A positive factor indicates leakage; a negative factor indicates surplus.

Source: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. Accessed from https://bao.arcgis.com/esriBAO/login/index.html on January 26, 2022.

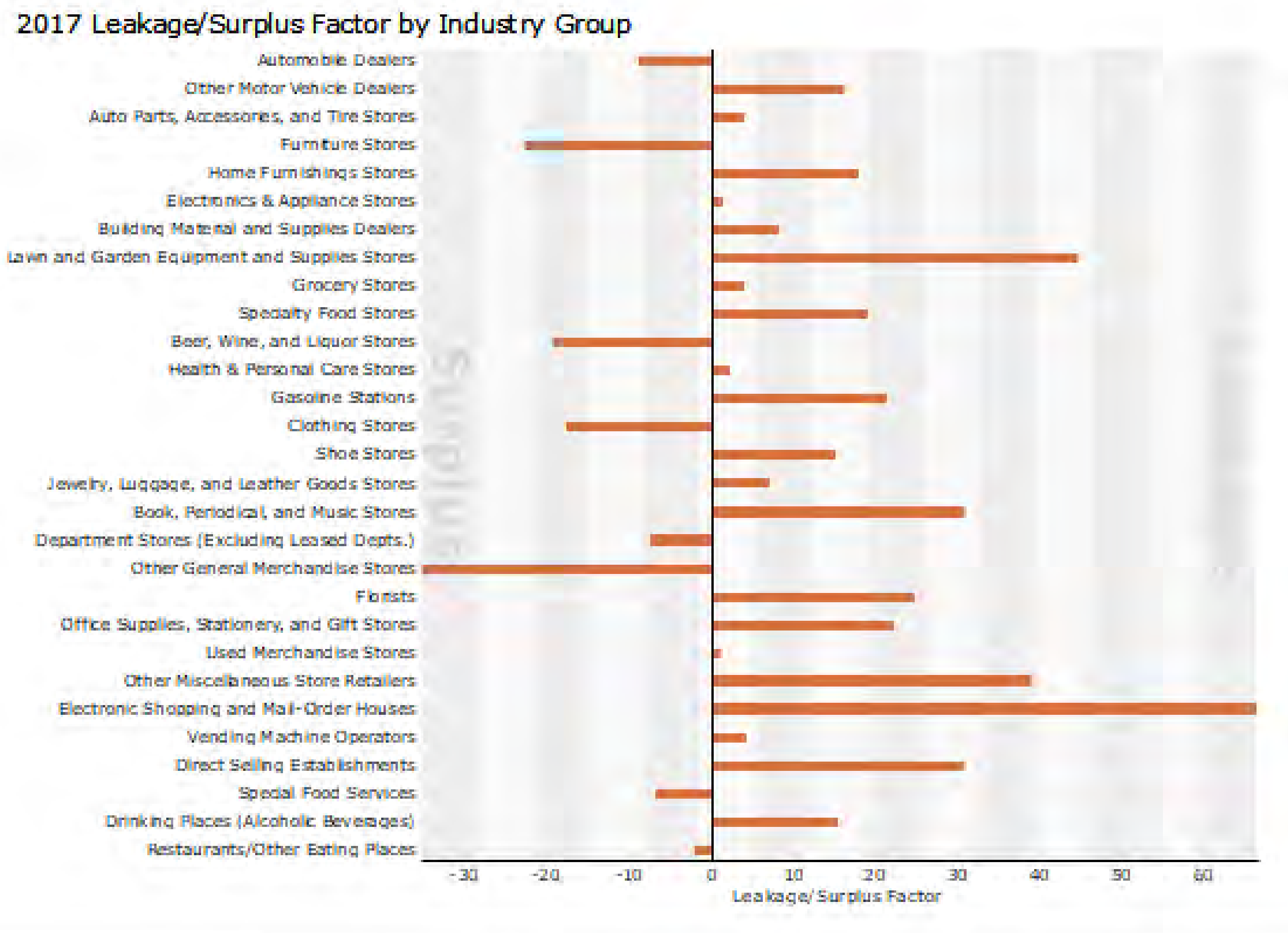

Figure 3-12: Monongahlea River Valley Communities Secondary Trade Area

Sector	Retail Gap/ Leakage	Sales per SF Estimates	Potential Square Feet of New Retail Space
Furniture/Home Furnishings	$85,567,279	$185	462,526
Building Materials and Garden Equipment Supply Stores	$35,481,576	$543	65,344
Specialty Food Stores	$9,194,361	$500	18,389
Office Supplies	$15,300,702	$150	102,005
Restaurants	$68,836,566	$300	229,455

Table 3-18: Secondary Trade Area Retail Potential
Note: Retail gap in 2017 dollars.

Sources: Chron; Bloom Intelligence; JLL; Statista; Office Depot; ESRI 2017 Retail MarketPlace (latest available data as of January 2022).

Communities Snapshot

AKRF also performed a retail gap analysis for each community in the two regions (see Tables 3-19 and 3-20 and Appendix E-1).

Beaver and Ohio River Valley Communities

As shown in Table 3-19, most of the communities in the Beaver and Ohio River Valley have a surplus of food and drink establishments, meaning that they are drawing in customers, with only two exceptions—Monaca Borough and Midland Borough. Most of the communities have leakage in terms of total retail trade, which means that residents are shopping outside of the downtown areas. This is particularly true in Beaver, Monaca, and Midland Boroughs. A couple of communities—Beaver Falls City and Rochester Borough—have surplus retail supply (both retail trade and food and drink)—which means that shoppers from surrounding areas are coming to these areas to shop; however, there may still be niche retail categories where there is unmet demand.

A closer look at the ESRI data reveals that several industry sub-sectors in Rochester Borough, for example, have a leakage factor of 100, meaning that there are no businesses in that industry subsector in the community (i.e., motor vehicle and parts dealers, furniture, and home furnishings stores, and building materials and garden equipment supply stores) (see Figure 3-13). However, these types of stores likely require larger footprints than are typically available in downtown areas. Instead, there may be opportunity for smaller clothing stores, book/hobby/music stores, general merchandise stores, and other miscellaneous store retailers (e.g., florists, stationery and gift stores, and antique/thrift stores) based on Figure 3-13.

As another example, New Brighton many industry groups that have a leakage factor of 100 (meaning that there are no businesses in that industry group in the community), as shown in the Figure 3-14. Sectors with a leakage factor of 100 that may be appropriate in the central business district include shoe stores, jewelry stores, luggage stores, and smaller types of home furnishings, book, music, and electronics stores.

	Demand (expenditure potential)	Supply (area sales)	Leakage or (Surplus)	Leakage/ Surplus Factor*	Number of Businesses
Beaver Borough					
Total Retail Trade and Food and Drink	$84,628,231	$34,477,396	$50,150,835	42.1	52
Total Retail Trade	$76,769,430	$26,201,127	$50,568,303	49.1	32
Total Food and Drink	$7,858,801	$8,276,269	($417,468)	-2.6	20
Aliquippa City					
Total Retail Trade and Food and Drink	$105,783,940	$86,052,539	$19,731,401	10.3	84
Total Retail Trade	$96,391,548	$76,053,451	$20,338,097	11.8	48
Total Food and Drink	$9,392,392	$9,999,088	($606,696)	-3.1	36
Ambridge Borough					
Total Retail Trade and Food and Drink	$71,273,064	$48,820,066	$22,452,998	18.7	70
Total Retail Trade	$65,140,608	$42,197,132	$22,943,476	21.4	42
Total Food and Drink	$6,132,456	$6,622,934	($490,478)	-3.8	28
New Brighton Borough					
Total Retail Trade and Food and Drink	$65,403,308	$51,656,573	$13,746,735	11.7	56
Total Retail Trade	$59,780,110	$45,436,616	$14,343,494	13.6	41
Total Food and Drink	$5,623,198	$6,219,957	($596,759)	-5.0	15
Beaver Falls City					
Total Retail Trade and Food and Drink	$73,135,661	$104,929,279	($31,793,618)	-17.9	75
Total Retail Trade	$66,310,371	$96,307,890	($29,997,519)	-18.4	52
Total Food and Drink	$6,825,290	$8,621,389	($1,796,099)	-11.6	23
Monaca Borough					
Total Retail Trade and Food and Drink	$75,426,851	$35,955,790	$39,471,061	35.4	40
Total Retail Trade	$68,984,400	$33,419,597	$35,564,803	34.7	29
Total Food and Drink	$6,442,451	$2,536,193	$3,906,258	43.5	11

Table 3-19: Beaver and Ohio River Valley Retail Gap Analysis
Note: Retail gap in 2017 dollars.
* The Leakage/Surplus Factor ranges in value from “-100” to “+100”. A positive factor indicates leakage; a negative factor indicates surplus.

Sources: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. Accessed from https://bao.arcgis.com/esriBAO/login/index.html on February 22, 2022.

	Demand (expenditure potential)	Supply (area sales)	Leakage or (Surplus)	Leakage/ Surplus Factor*	Number of Businesses
Rochester Borough					
Total Retail Trade and Food and Drink	$37,189,608	$60,820,748	($23,631,140)	-24.1	31
Total Retail Trade	$33,933,890	$57,433,744	($23,499,854)	-25.7	19
Total Food and Drink	$3,255,718	$3,387,004	($131,286)	-2.0	12
Midland Borough					
Total Retail Trade and Food and Drink	$29,672,537	$17,121,485	$12,551,052	26.8	19
Total Retail Trade	$27,047,478	$15,621,655	$11,425,823	26.8	13
Total Food and Drink	$2,625,059	$1,499,830	$1,125,229	27.3	6

Table 3-19: Beaver and Ohio River Valley Retail Gap Analysis (cont'd)
Note: Retail gap in 2017 dollars.
* The Leakage/Surplus Factor ranges in value from "-100" to "+100". A positive factor indicates leakage; a negative factor indicates surplus.

Sources: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. Accessed from https://bao.arcgis.com/esriBAO/login/index.html on February 22, 2022.

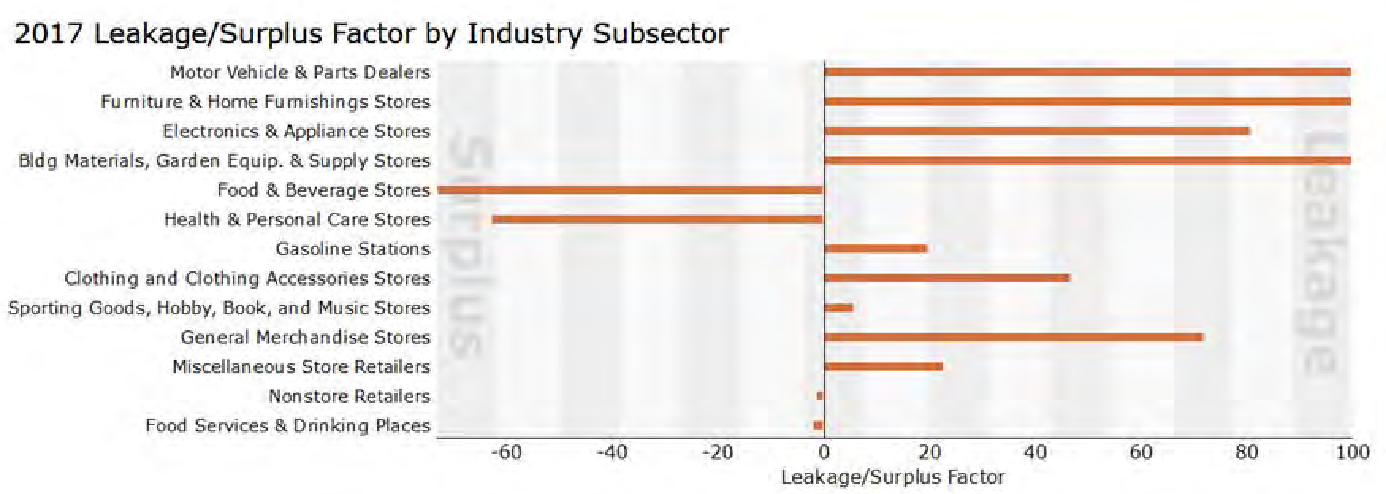

Figure 3-13: Rochester

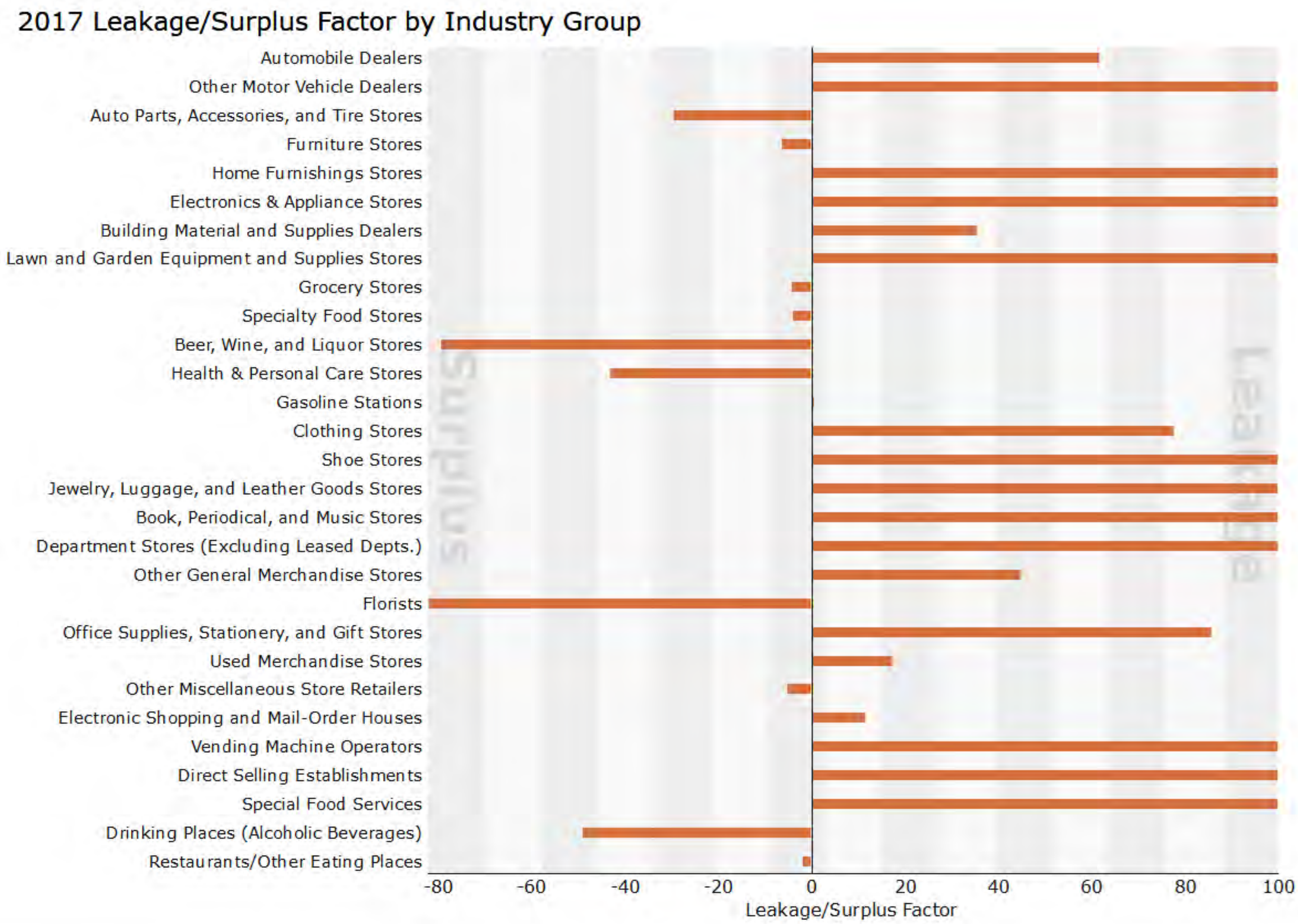

Figure 3-14: New Brighton

Monongahela River Valley Communities

As shown in Table 3-20, there is some unmet retail demand in the Monongahela River Valley, most notably in Donora Borough and Monessen City. These areas have unmet retail trade and food and drink demand. Mon City has a surplus of food and drink establishments, but unmet retail trade demand. Charleroi Borough, however, has a surplus of retail supply for both retail trade and food and drink establishments.

However, a closer look at the Esri data reveals that there are several industry sub-sectors in Charleroi with unmet retail demand, namely furniture and home furnishings stores, general merchandise stores, food and beverage stores, electronic stores, clothing stores, book/hobby/music stores, and building materials and garden supply stores (see Figure 3-15).

	Demand (expenditure potential)	Supply (area sales)	Leakage or (Surplus)	Leakage/ Surplus Factor*	Number of Businesses
Monongahela City					
Total Retail Trade and Food and Drink	$56,321,904	$48,169,789	$8,152,115	7.8	55
Total Retail Trade	$51,571,831	$40,651,067	$10,920,764	11.8	41
Total Food and Drink	$4,750,073	$7,518,722	($2,768,649)	-22.6	14
Donora Borough					
Total Retail Trade and Food and Drink	$51,131,120	$9,761,033	$41,370,087	67.9	17
Total Retail Trade	$46,782,524	$7,876,023	$38,906,501	71.2	11
Total Food and Drink	$4,348,596	$1,885,010	$2,463,586	39.5	6
Monessen City					
Total Retail Trade and Food and Drink	$88,514,044	$63,722,207	$24,791,837	16.3	49
Total Retail Trade	$80,909,418	$60,563,959	$20,345,459	14.4	36
Total Food and Drink	$7,604,626	$3,158,248	$4,446,378	41.3	13
Charleroi Borough					
Total Retail Trade and Food and Drink	$44,603,173	$82,502,477	($37,899,304)	-29.8	52
Total Retail Trade	$40,858,898	$74,404,842	($33,545,944)	-29.1	36
Total Food and Drink	$3,744,275	$8,097,635	($4,353,360)	-36.8	16

Table 3-20: Monongahela River Valley Retail Gap Analysis
Note: Retail gap in 2017 dollars.
* The Leakage/Surplus Factor ranges in value from “-100” to “+100”. A positive factor indicates leakage; a negative factor indicates surplus.

Sources: Esri and Data Axle. Esri 2021 Updated Demographics. Esri 2017 Retail MarketPlace. Accessed from https://bao.arcgis.com/esriBAO/login/index.html on February 22, 2022.

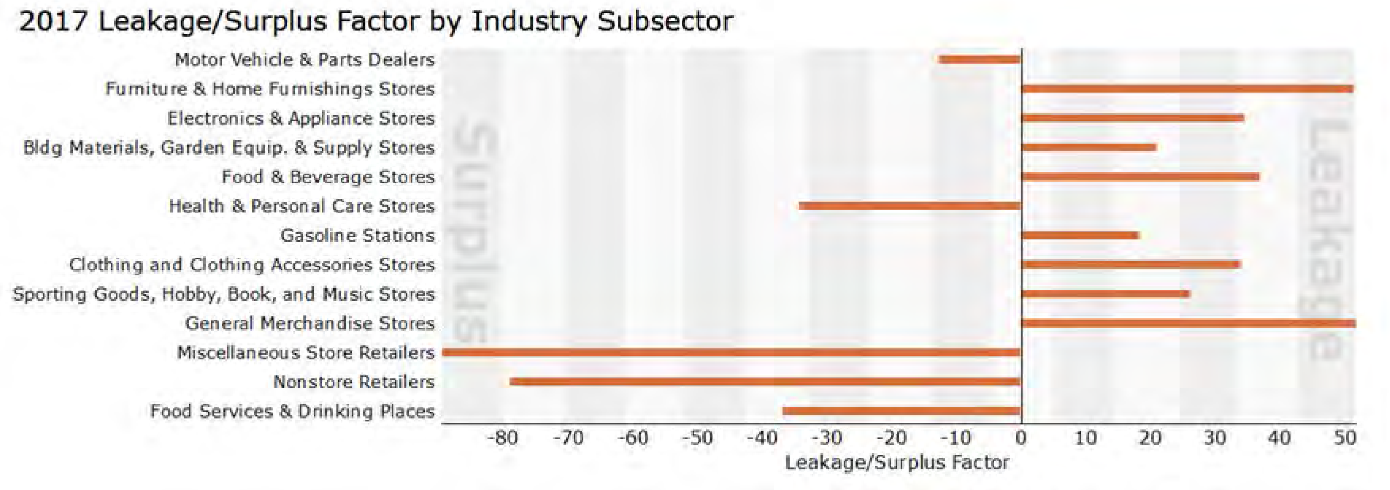

Figure 3-15: Charleroi

Entertainment

AKRF also reviewed Recreation Expenditures data from Esri to determine the market potential for new recreation and entertainment uses in the two regions. There is demand for recreational and entertainment uses, particularly in the Monongahela River Valley primary trade area, but also in the Monongahela River Valley secondary trade area and in the Beaver and Ohio River Valley primary trade area. These types of uses could include movie and other types of theaters, parks and museums (see also the Community Facility/Open Space and Recreational Opportunities analysis), ice rink/ skating lessons, boat rentals, and campsites (see Appendix E-2). Historic buildings that can serve as "anchors" to surrounding development may be appropriate locations for entertainment uses, which tend to require large square footages as well as prominent locations. A riverfront bike trail could further help to connect the communities.

SWOT Analysis

The following tables, Tables 3-21 and 3-22, identify the strengths, weakness, opportunities, and threats (SWOT) to the Beaver and Ohio River Valley and Monongahela River Valley's retail market, respectively, when it comes to developing retail in the future. The SWOT was informed by research as well as interviews with stakeholders.

Strengths	Weaknesses	Opportunities	Threats
Beaver and Ohio Rivers (water resources may help to attract retail, dining, and entertainment uses)	Lack of a comprehensive vision for the region (this is inhibiting regional economic/retail development)	Communities could work with local organizations to market waterfront events, attract waterfront restaurants and water-dependent and water-enhanced retail use	Potential flooding/ pollution concerns (proximity to the water may be a deterrent for locating new retail development)
New "cracker" plant (creates jobs and income that gets spent on retail)	Some do not place value on the historic buildings (which threatens the preservation of historic buildings that could serve as an anchor for new retail development or be repurposed for mixed-use)	Need for a comprehensive vision in terms of the value of the historic regional fabric (to achieve regional economic/retail development)	New "cracker" plant (may not be compatible with retail uses in the surrounding area)
Historic buildings/assets (may serve as anchors to future retail development or be repurposed for mixed-use)	Vacant, deteriorating buildings (may be an obstacle to redevelopment of these sites)	Tax incentives (Local communities may create tax incentives to attract retail developers)	External investors/new buildings (threaten the preservation of historic buildings)
Existing shopping destinations (create a customer base for future retail)	Dominant government/ institutional uses (may not create enough of a customer base as compared with residential uses)	Smaller stores; mom-and-ops; brick and mortar for online retailers	Competition between downtowns and surrounding big box stores
Affluent communities (e.g., Beaver Borough) (which have retail spending power)	Lack of convenience retail/Main Streets (may make it difficult to attract smaller retail tenants)	Convenience retail to support existing office and institutional workers and new residents	Traditional focus on new industry to support economic development
Attractive downtown commercial shopping districts	Limited or no public access to waterfront (need to attract retail customers to the waterfront)	Improved signage, walkways to attract retail customers to the waterfront	Shell plant may be causing landlords to hold on to their properties with unrealistic expectations for increased property values (causing buildings to be boarded up and remain vacant)
Residential neighborhoods within walking distance of the business district appear to be intact and well-occupied. (These residents could be future local patrons of new businesses in the business district)	Air quality is affected by active industrial sites nearby (may inhibit investment in the business corridor)	Leverage historic resources for local and tourist entertainment destinations	

Table 3-21: Beaver and Ohio River Valley SWOT

Strengths	Weaknesses	Opportunities	Threats
Inviting downtown retail areas (e.g., Beaver Borough, Beaver Falls City, and Rochester Borough)	Vacant retail storefronts	Need for vacant building and central business zoning ordinances (e.g., Beaver Borough)	
Strong leadership/ local planning and economic development organizations (useful for forming public-private partnerships, developing zoning to attract a suitable tenant mix, etc.)	Communities fragmented by rail lines and industrial uses	Public-private partnerships (e.g., to repurpose vacant and older buildings for retail and mixed-use)	
Destination for drinking places in the primary trade area	Lack of strong downtown shopping districts and convenience retail centers	Potential for new grocery/specialty food store and restaurants in the primary trade area	
Destination for furniture stores, clothing stores, and restaurants in the secondary trade area	Lack of workforce readiness and employee availability (inhibits new businesses from coming in)	Potential for new lawn/ garden supply stores and home furnishings stores in the secondary trade area	
Existing municipal/ institutional/public services base (customer base for convenience retail)	Inflexible zoning in some communities (makes it hard for smaller entities to navigate the development process)	Opportunity to repurpose vacant and older buildings for retail and mixed-use	
Access to Pittsburgh Metro Area, river and rail transportation (to facilitate retail trade across the region)		May be opportunity for more flexible zoning or in some cases more rigid (e.g., by only allowing retail on the first floor, for example, as was done successfully in Beaver Borough)	
		Prioritize the reuse of vacant buildings before new retail buildings are constructed	

Table 3-21: Beaver and Ohio River Valley SWOT (cont'd)

Strengths	Weaknesses	Opportunities	Threats
Monongahela River (water resources may help to attract retail, dining, and entertainment uses)	Fragmented leadership across the region/two counties (a challenge to having a coordinated vision, which is key to successful retail development)	Need for regional, coordinated approach to funding opportunities (e.g., for riverfront connections)	Presence of industrial uses (may not be compatible with retail uses)
Historic character/ assets (may serve as anchors to future retail development or be repurposed for mixed-use)	Older, vacant buildings (may be an obstacle to redevelopment of these sites)	Reuse of older, vacant buildings for retail or mixed-use	Potential flooding/ pollution concerns (proximity to the water may be a deterrent for locating new retail development)
Destination for grocery stores, florists, and drinking places in the primary trade area	Real or perceived economically disadvantaged communities (may be hard to see the value of historic preservation)	Lack of furniture stores in the primary trade area; potential for new book/music store, specialty food stores, restaurants	New buildings/external developers (who don't necessarily appreciate the historic fabric of the communities)
Destination for motor vehicle dealers and jewelry stores in the secondary study area	Many communities don't fit the box in terms of typical retail space	Potential for new furniture/home furnishings stores, office supply and building material/ garden supply stores in secondary trade area	Cost of rehabilitation (competes with desire to demolish and build new buildings)
Mon City has a booming central business district (approximately 40 businesses opened during the pandemic)	Some downtowns decimated/vacant, although architecturally beautiful (e.g., Donora)	Communities need a model (e.g., Mon City-smaller, entrepreneurial, heterogeneous retail, Main Street program)	The 2020 Pandemic and future similar events has/may exacerbate the problem of lack of workforce (to support new retail businesses or development)
Strong presence of retail workers (to support convenience retail in the primary trade area)	Opt-out communities (e.g., Monessen) tend to work more independently (which can be challenging for a regional approach to retail/entertainment development)	New convenience retail on ground-floor of new office and housing (5-mile radius)	May not get buy-in from all the communities in the region (to apply for joint funding, for example)
The people/ history (community development builds the base for economic development)	Vague zoning (e.g., in terms of whether or not outdoor seating is allowed)	May be opportunity to update zoning codes (e.g., to allow for outdoor seating, restrict first floor to retail uses, or adopt vacant building ordinances)	

Table 3-22: Monongahela River Valley SWOT

Strengths	Weaknesses	Opportunities	Threats
There are a variety of models that exist; there is some funding	The two counties are not necessarily working together	Grassroots organization in each community and/or regional organization to do marketing, planning, etc. (to market the area to potential new businesses and employers and residents who will form a customer base)	
The people (have ties to/knowledge of the history which is helpful for preserving historic buildings for retail reuse or to serve as anchors to future retail development)	Lack of suitable supply of workforce housing (to attract employees to support retail businesses)	Framework/model for each community	
Successful downtown (e.g., Mon City); Good restaurants (e.g., Monessen)	Lack of education in school system regarding historic preservation	Funding earmarked for renovation	
There are grassroots efforts underway to attract employees and residents (to support new retail)		Need for place-making, creative arts (to create communities that will complement but not compete with Pittsburgh)	
Prior to the pandemic, Mon City offered a vibrant event schedule with more than 900 community events a year (could be used as a model for other communities)		Think about things the communities and buildings can do without a lot of funding (e.g., use of volunteers, organized regional collaboration, etc.)	
Access to Pittsburgh Metro Area and river, rail, and air transportation (to facilitate retail trade)		Need to align investment with entities that care about the communities (to retain historic buildings for retail reuse and as anchors for new retail development)	
		New destination shopping (10-mile radius)	

Table 3-22: Monongahela River Valley SWOT (cont'd)

What this Means: Retail Market Opportunities

The data and analysis presented above reveals the following retail market opportunities in the regions:

There is opportunity in both regions to capture additional retail sales through existing and new retail businesses. The Beaver and Ohio River Valley region has unmet retail potential in numerous categories in the primary trade area, such as auto parts stores; furniture and home furnishings stores; electronics and appliance stores; building material and garden equipment stores; grocery stores; specialty food stores; health and personal care stores; clothing stores; shoe stores; jewelry stores; book/music stores; florists; office supply, stationary, and gift stores; used merchandise stores; and restaurants. Within the secondary trade area there is surplus retail supply overall, which means that shoppers from surrounding areas are coming to the region to shop; however, several retail categories have large leakages (i.e., opportunity to capture additional sales) including lawn and garden equipment and supplies stores, other miscellaneous retailers, book and music stores, other motor vehicle dealers, home furnishings stores, specialty food stores, shoe stores, and office supply stores. There may be opportunities for retail improvements in the downtown areas of the Beaver and Ohio River Valley, particularly for those communities that are losing customers to surrounding big box stores (e.g., Monaca and Beaver, which are adjacent to the Beaver Valley Mall). The retail capture rate data suggests that for the region as a whole, there is sufficient consumer expenditure potential to support up to an additional 290,000 square feet of furniture/home furnishings stores; 150,000 square feet of building materials and garden equipment supply stores; 115,000 square feet of grocery and special food stores; and 125,000 square feet of restaurants.

In the Monongahela River Valley region, most of the communities have leakage in terms of total retail trade, which means that residents are shopping outside of the downtown areas. There is unmet retail demand for furniture and home furnishings stores (there is a lack of new furniture stores in the primary trade area), specialty food stores, shoe stores, book and music stores, and clothing stores, and restaurants. Most notably, the unmet retail demand in the Monongahela River Valley is in Donora and Monessen, as well as Mon City. Although Charleroi has a surplus of retail supply for both retail trade and food and drink establishments, a closer look at the Esri data reveals that there are several industry subsectors in Charleroi with unmet retail demand, namely furniture and home furnishings stores, general merchandise stores, food and beverage stores, electronic stores, clothing stores, book/hobby/music stores, and building materials and garden supply stores. Restaurants, which are already popular, and hotels may also be viable uses. Within the Monongahela secondary trade area there is unmet retail demand in most industries including furniture and home furnishing stores, clothing stores, and restaurants. The retail capture rate data suggests that for the region as a whole, there is sufficient consumer expenditure potential to support up to an additional 460,000 square feet of furniture/home furnishings stores; 65,000 square feet of building materials and garden equipment supply stores; 18,000 square feet of grocery and special food stores; and 229,000 square feet of restaurants.

Restaurants (eating and drinking establishments) play an important role in the retail landscape in that they attract customers who may also frequent other retail stores before or after a meal. Most of the communities in the Beaver and Ohio River Valley have a surplus of food and drink establishments, with only two exceptions—Monaca and Midland. A surplus of food and drink establishments does not suggest an oversupply, but rather it is in indication of a healthy market that is drawing in customers from outside a local area. In the Monongahela River Valley, Mon City and Charleroi have a surplus of food and drink establishments, while Donora and Monessen have unmet food and drink demand.

There is opportunity to encourage recreation and tourism in downtown areas and along the waterfronts. These types of opportunities may be centered on the regions' heritage or environmental education on the value of the rivers. Their riverfront locations present opportunity to create waterfront destinations that will attract visitors to the regions and connect to downtowns in their communities. However, their locations along rivers also present challenges in terms of unique flooding conditions—particularly in the Monongahela River Valley.

The market study identified additional unmet demand for recreational and entertainment uses in the Beaver and Ohio River Valley and Monongahela River Valley primary trade areas. Use opportunities could include movie and other types of theaters, parks and museums, ice rink/skating lessons, boat rentals, and campsites (see also the Community Facility/Open Space and Recreational Opportunities analysis).

Recommendations to Enhance Market Opportunities

Communities can realize market opportunities through the adaptive reuse of historic buildings/assets in the downtown areas, and by leveraging the river and historic districts to draw consumers. Historic buildings can serve as anchors to future retail development or be repurposed for mixed-use. The existing office and institutional workers would serve to benefit from additional convenience retail. The addition of new residents would also support new convenience retail uses.

The communities should work with local entities (e.g., Chambers of Commerce) to facilitate tenanting of smaller/local businesses; market riverfront events; and work with businesses to cater to the existing population such as by using takeout services. Planning agencies and county agencies should work with developers to market key building sites to potential developers and investors. Communities can look to Beaver Falls and Rochester as examples of attractive downtowns that are performing relatively well (as discussed above shoppers from surrounding areas are coming to these communities to shop). Downtowns should complement rather than compete with surrounding big box stores and each other.

Communities should collaborate to coordinate events and attractions so that they can collectively attract and retain consumer dollars within the region, rather than competing for the same local spending. For example, communities within the region can coordinate events calendars so they have complementary rather than competitive events (particularly riverfront events and events that highlight the regions' industrial and cultural heritage). Grassroots efforts in each community can help to cement each community's unique identity and place in the regions.

Communities should seek to find ways to activate waterfront space as a means of drawing consumers. It is important to utilize signage and design to foster connections between the downtowns and the waterfronts. The river is the industrial and recreational asset that is shared amongst the communities in each region; therefore, activating that waterfront space is a key to revitalization in the regions.

3.5 Commercial Office Market Assessment

This section presents an assessment of commercial office market conditions in the regions, identifies near-term and longer-term challenges and opportunities, and advances recommendations to facilitate the growth of commercial office activity. Consistent with the objectives of the overall study, this section emphasizes challenges and opportunities specific to historic resources that generally exist in downtown areas of the communities within the two regions.

Commercial office space is an important component of a vibrant community. It provides space for businesses to locate and grow, and provides services to residents (e.g., banks and medical offices). Business activities downtown also contribute to a demand for other local businesses that support office tenants, such as restaurants, retail, and personal and professional services.

Communities must be mindful of the locations for office uses in a downtown area. As described in Chapter 2, "Planning Context," too much office space on the ground-floor of buildings—rather than retail uses—can be counterproductive because office uses do not create the same vibrancy as retail. Commercial office uses are best suited for spaces above the ground-floor and/or at ground-floor locations that are not central to a downtown area, where consumer traffic is relatively low. For example, as described in Chapter 2, "Planning Context," Beaver Borough prohibits office uses in ground-floor spaces within its downtown core, in order to encourage a vibrant pedestrian experience.

Types of Office Users

According to Coldwell Banker Richard Ellis Group (CBRE), the following industries lease the most office properties in the United States: high-tech/information; business services; financial services; health care; government; insurance; creative industries; and legal. Businesses within these industries can serve non-local markets (e.g., major corporations) or local markets (e.g., accountants, doctors, and government)[i]. A vast majority of office uses within the regions serve local markets, which is typical outside of the suburban markets of major urban areas. Suburban markets located closer to Pittsburgh have a broader mix of users serving the local market as well as back-office and satellite office spaces for corporate users serving non-local markets.
In some cases, there are shared office environments, such as co-working spaces or business incubators, that provide flexible uses while serving a variety of working individuals.

New economy office uses also include light industrial businesses such as research and development companies and "maker" businesses. Maker businesses are typically formed by entrepreneurs that fund, design, prototype, manufacture, market, and distribute their own goods. The businesses may sell products based on traditional craftmanship and manufacturing processes, but also can involve modern technologies such as 3D printers and laser cutters. Maker businesses are also more adept at utilizing former industrial spaces because they can more easily utilize large, unfinished floorplates.

i: Downtown and Business District Market Analysis, University of Wisconsin-Madison. https://fyi.extension.wisc.edu/downtown-market-analysis/analysis-of-opportunities-by-sector/office-space/

Office Supply and Demand Trends

Supply side trends

The supply of office space in the regions was studied using a combination of online research of available spaces for lease, field surveys, and discussions with real estate brokers, planning and economic development agencies, and other stakeholders.

Online listings identified very few available properties for lease within the regions, and many listings were outside of the communities' downtown districts (see Appendix F, "Commercial Office Listings"). Larger-sized offerings approaching or exceeding 10,000 sf tend to be found in stand-alone professional buildings outside of downtown areas, while smaller spaces generally 5,000 sf or less are more prevalent within buildings in a downtown. A vast majority of listed properties are Class B or Class C spaces[i].

Asking rents across both regions generally range from $5 to $16 per square foot per year (psf/yr), with some higher outliers for smaller spaces, and/or newly built or newly renovated spaces. By way of comparison, as of the 4th quarter of 2021 rental rates in the Pittsburgh Metropolitan Statistical Area averaged $22.64 per square foot per year (psf/yr) for Class A suburban office space and $19.37 psf/yr for Class B suburban office space[ii].

While a dearth of advertised listings would typically suggest a supply-constrained market, field surveys and discussions with stakeholders revealed a high incidence of vacant retail storefronts in most communities' downtown areas, and an even greater number of vacant spaces above the ground-floor that, if renovated, could be made available as office space. The most noteworthy discrepancy between office space listings and "potential" office space is in Donora, where there were no identified advertised vacant office spaces for lease online, but there are many vacant or partially vacant buildings within the downtown core that could accommodate office uses if renovated. However, real estate brokers and stakeholders noted that for many property owners of downtown buildings, the renovation costs required to meet ADA compliance for above-ground-floor office spaces in non-elevator buildings is a major impediment, particularly in weaker markets that may not command as high a rent.

Real estate brokers noted that in larger employment centers such as Beaver, there is a mismatch between what is available and what potential tenants desire. Potential tenants are interested in Class A office spaces with elevators and desire a prime location such as Third Street in Beaver. However, there is very limited supply of this type of product and zoning prevents development of additional office space in many desirable areas, emphasizing the need for municipal zoning reviews. On the other hand, one broker noted that there is a local oversupply of medical office space within Beaver due to Heritage Valley Health Systems moving their offices off of 3rd Street.

i: Office spaces are typically categorized as either Class A, Class B, of Class C. While there is no hard-and-fast rule, criteria that brokers typically use to classify buildings includes: age of the building, location/accessibility, infrastructure, technological capabilities, rental rates, market perception, quality of the HVAC system, how well it's maintained, finishes, tenancy, ownership, and amenities.

ii: Avison Young Pittsburgh Office Market Report, Q4 2021. https://www.avisonyoung.us/web/pittsburgh/office-market-report.

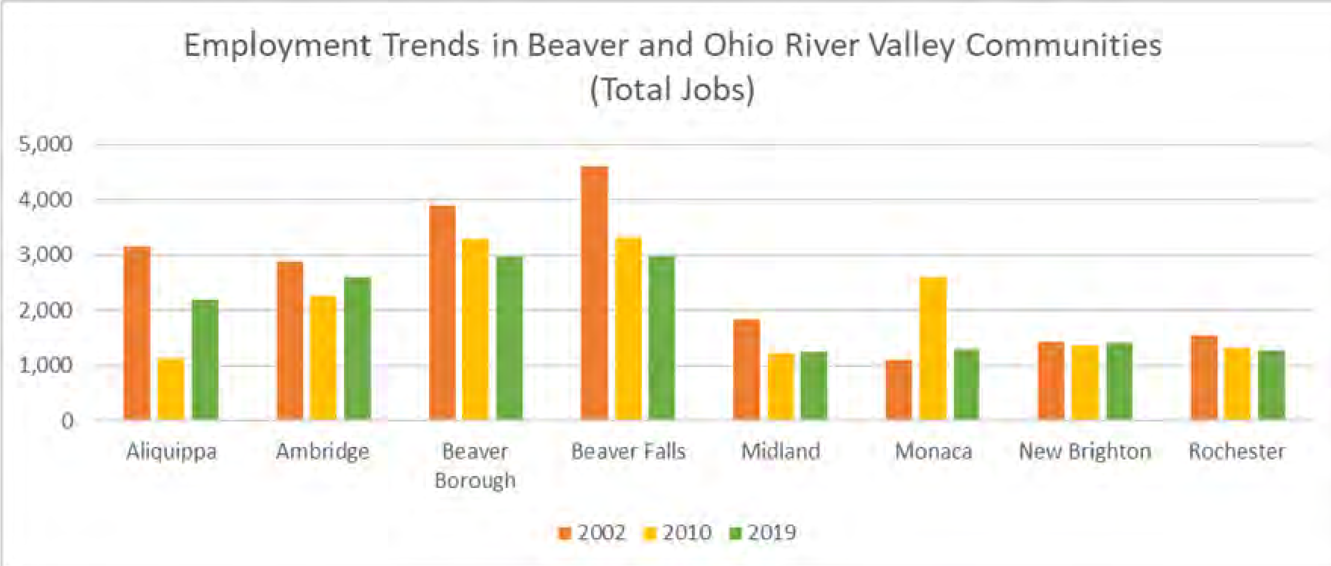

Figure 3-16
Source: U.S. Census Longitudinal Employer-Household Dynamics (LEHD) data, accessed through OnTheMap (https://onthemap.ces.census.gov/).

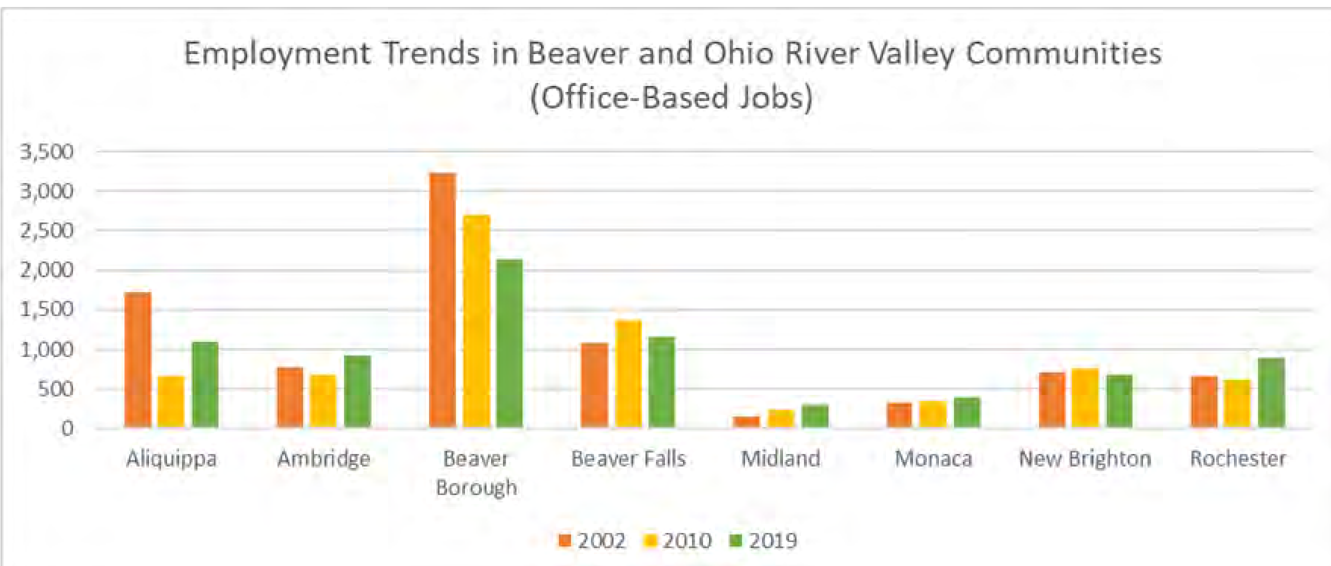

Figure 3-17
Source: U.S. Census Longitudinal Employer-Household Dynamics (LEHD) data, accessed through OnTheMap (https://onthemap.ces.census.gov/).

Demand side trends

Within both regions, pre-pandemic population and employment trends suggest a declining demand for office supply. With the exceptions of Charleroi and Beaver Falls, all communities within the regions have experienced a loss in population since 2010 (see Figure 3-1, Residential Population Trends in the Study Area Communities, above). With a loss in residential population often comes a loss in economic activity, thereby decreasing demand for office-related spaces.

As compared to residential trends, there is greater variation in employment trends among communities since 2010. Within Beaver and Ohio River Valley communities, the total number of jobs located in Aliquippa and Ambridge in 2019 (pre-pandemic) had increased since 2010, while in Beaver Borough, Beaver Falls, and Monaca total jobs had decreased (see Figure 3-16).

Figure 3-17 presents Beaver and Ohio River Valley job trends over the same period within industries that have high proportions of office-based employment[i]. Office-based employment trends were similar to total employment trends for Aliquippa, Ambridge, Beaver Borough, and Beaver Falls. Office-based job trends were slightly more positive compared to total jobs trends for Midland, Monaca, and Rochester. The demand for office space is generally dictated by the local employment trends, suggesting a slight trend for increased demand in use.

Within Monongahela River Valley communities, Charleroi and Monessen saw increases in total jobs between 2010 and 2019, while Donora and Monongahela experienced slight decreases (see Figure 3-18). Job trends in office-based sectors generally decreased across the Monongahela River Valley communities, with the exception of Charleroi, which saw a significant increase in office-based jobs between 2010 and 2019, as shown in Figure 3-19. The general decrease in office-based jobs is likely to have a direct impact on the demand for office spaces within the local communities.

Discussions with commercial real estate brokers and stakeholders confirmed that for many communities, there is not enough demand for speculative office development or renovation of existing buildings to produce and tenant additional office space. In many communities even ready-to-lease spaces are difficult to tenant, particularly stand-alone office buildings outside of downtown areas that often remain vacant for a year or longer. In downtown buildings, recently renovated office spaces tend to perform better, but still are slow to lease in many communities.

For example, a property management representative for the historic 501 McKean Avenue building in downtown Charleroi has been unsuccessful in leasing recently renovated spaces with asking rents as low as $5.50 psf/year, which is the low end of asking rents in the region. Other brokers noted that leasing activity tends to come from existing local businesses looking for a different type of space, rather than businesses that are new to the community or region. Therefore, by creating additional vitality with an appropriate business mix as well as developing residential use in these central business districts, both of which will require appropriate planning, zoning and design guidance, office demand will increase thereby providing a market for higher rents and a better return on investment (ROI).

i: This includes the following industry categories as defined by the North American Industry Classification System (NAICS): Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific, and Technical Services; Management of Companies and Enterprises; Administration and Support, Waste Management and Remediation; Health Care and Social Assistance; Arts, Entertainment, and Recreation; Other Services; and Public Administration.

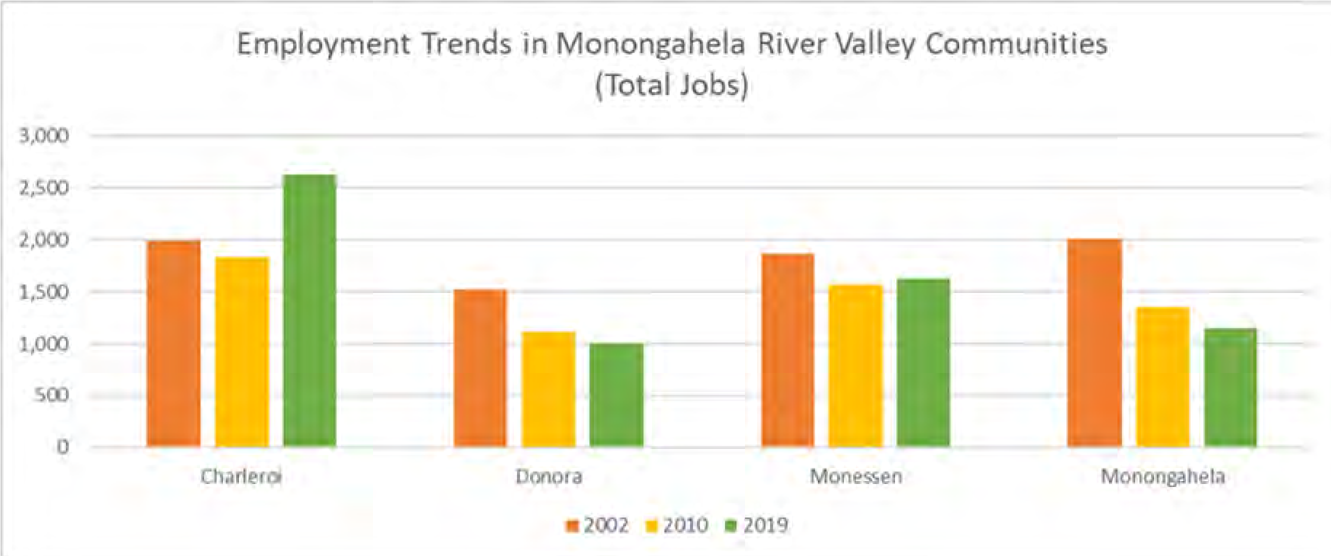

Figure 3-18
Source: U.S. Census Longitudinal Employer-Household Dynamics (LEHD) data, accessed through OnTheMap (https://onthemap.ces.census.gov/).

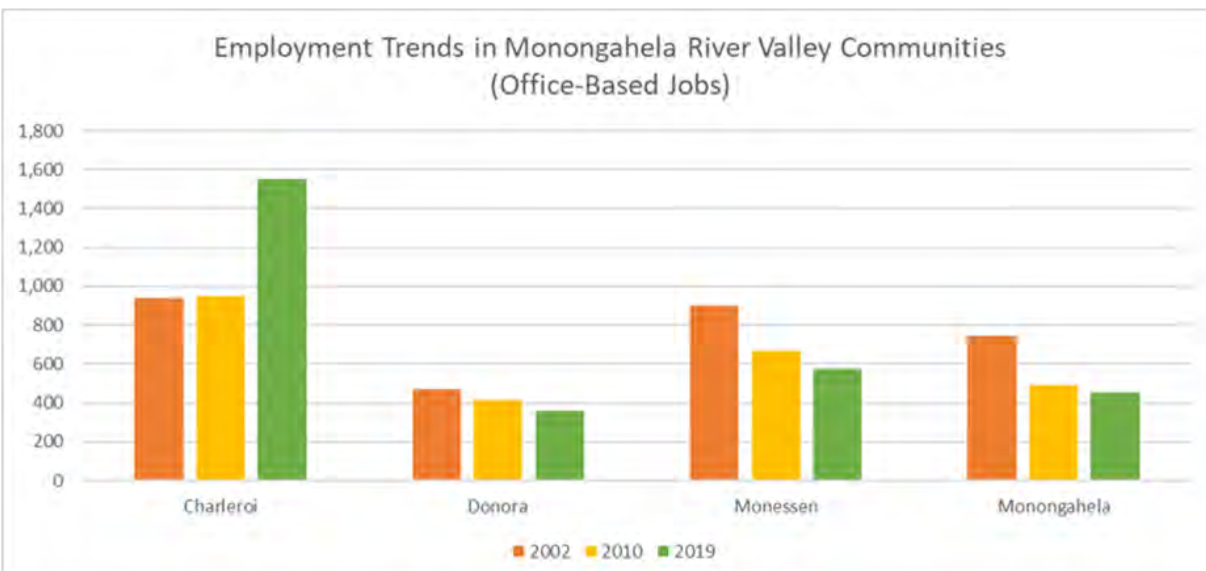

Figure 3-19
Source: U.S. Census Longitudinal Employer-Household Dynamics (LEHD) data, accessed through OnTheMap (https://onthemap.ces.census.gov/).

Brokers also noted that the COVID-19 pandemic has had a negative impact on the office market as many businesses downsized their offices, and there have been fewer inquiries about available spaces. This is consistent with national and regional trends; In the Pittsburgh metropolitan statistical area (MSA), overall leasing activity was sharply affected by the pandemic, as the office market experienced a 47.5 percent decrease in leasing activity from the 20-year historic annual average[i].

While there has been some movement of corporate offices to suburban markets outside of Pittsburgh due to the pandemic, it has not led to substantial growth opportunities[ii]. However, discussions with brokers and stakeholders revealed some optimistic signs post-pandemic, including high volumes of commercial lease transactions in downtown Monongahela since the onset of the pandemic. In addition, communities in the regions have attracted some new residents from Allegheny County due to the pandemic. The pandemic has rapidly accelerated businesses willingness to engage in remote working and working from home on some workdays, leading to a broader "commuter shed" from which families with jobs in Pittsburgh can live and work. This presents opportunity to capture this interest and promote the regions' communities as a desireable place to live and work. The accelerated trend toward increased telecommuting also presents potential opportunities in terms of co-working spaces in suburban markets.

What this Means: Office Market Opportunities

The regions' small to mid-size communities are unlikely to attract large office-based corporations. The regions are not close enough to Pittsburgh to capture larger corporate tenants, and most existing buildings do not provide large office floorplates. Development of new office buildings, or renovation of former industrial buildings as was done in East Liberty with the former Nabisco Bakery[iii], is not economically feasible unless a major anchor tenant has been identified.

In the near-term, market opportunities will continue to be driven by office uses primarily servicing local residents and other area businesses (e.g., lawyers, real estate, medical offices). This demand can largely be met through the rehabilitation and retention of existing spaces, including the reuse of upper floors within historic buildings. Although they would likely be Class B or Class C spaces, such spaces in downtown business districts would be desirable to prospective tenants that value a central location, authentic character and other amenities that are provided by historic buildings and historic districts.

Shared office space environments present a longer-term opportunity to grow business activity and interest in downtown locations. This includes co-working spaces for individuals working remotely but who cannot or do not want to work from home, as well as entrepreneurs and freelancers who need the office infrastructure provided by co-working spaces and who are not ready to commit to larger office space offerings that require longer-term leases. Co-working spaces also appeal to a younger generation of workers seeking a collaborative work environment.

i: Avison Young Pittsburgh Office Market Report, Q4 2021. https://www.avisonyoung.us/web/pittsburgh/office-market-report

ii: Tim Schooley, REQ: Will pandemic lead to suburban gains for the office sector? Pittsburgh Business Times, December 31, 2020. https://www.bizjournals.com/pittsburgh/news/2020/12/31/req-pandemic-lead-gains-office-sector.html

iii: https://www.bakery-square.com/

The growth of and economic feasibility of shared office space can be supported by local economic development agencies in the form of business incubators. Business incubators are programs often sponsored by economic development agencies, government entities, and academic institutions that provide office space at discounted rates and business support services to small business start-ups. They are often centered around a particular industry sector so that participating businesses can benefit from collaboration with other like-minded businesses[i].

For most communities in the region, these types of shared spaces are not immediate opportunities; population, jobs and workforce trends do not suggest favorable conditions, and real estate brokers did not indicate demand for such spaces. However, Beaver Falls is already taking steps toward facilitating shared office spaces as part of their “Innovation Corridor” which runs from 11th to 16th Streets on Seventh Avenue. It includes the Beaver Valley Hub for Innovation and Entrepreneurship, or BHIVE, a planned innovation hub that is being coordinated by four educational institutions: Geneva College, Penn State Beaver, Community College of Beaver County (CCBC) and Robert Morris University. These institutions have formed a partnership that seeks to build an innovation hub building that will include innovation/maker spaces and classroom and meeting spaces for both students and businesses, including entrepreneurs. Bethany Williams, the city director of community development, plans for Beaver Falls to be the center spoke of a broader effort to locate smaller hubs in municipalities in other counties such as Washington County[ii].

Recommendations to Enhance Market Opportunities

Where to focus investment

Focusing investment in communities’ downtown cores is the most cost-effective use of always-limited resources. Physical improvements and successful tenanting of spaces has greater “spinoff” effects as compared to investments in more isolated office locations because a business’ presence in a downtown core increases foot traffic, which in turn benefits nearby retailers and other businesses. In addition, from the perspective of prospective office tenants, a downtown area is more attractive to workers who appreciate both the vibrancy and the amenities within walking distance of their workplace.

Local planning departments should work to gather information on vacant properties through vacancy inventories, coupled with support from economic development corporations that can establish small business liaisons who help property owners address specific reasons for persistent vacancies and identify whether vacant spaces are best suited for residential or office uses based on the physical layout of a building and local demand factors. Vacancy inventories exist in some form in many communities, although they must be living documents that are consistently updated and used as a tool for action and prevention.

i: https://fyi.extension.wisc.edu/downtown-market-analysis/analysis-of-opportunities-by-sector/office-space/

ii: Nicholas Vercilla, Update given on projects in Beaver Falls “Innovation Corridor,” Beaver County Times, September 2, 2021

In addition, local planning departments can establish an online platform that tracks vacancies, and that provide property owners with a means to interact with community officials, learn about strategies for rehabilitating property to meet code requirements, and identify financing opportunities specific to building rehabilitation.

These supportive measures must be coupled with financial disincentives for long-term vacancy. Local municipalities can establish financial penalties for persistent vacancy and tax delinquent properties (with penalties going toward funding the initiative), coupled with exemptions for property owners who participate in temporary activation of their buildings' vacant spaces. A common vehicle for this is a Vacant Property Registry Ordinance, which can require that the building be available for rent or purchase after an established period of vacancy after which time an owner faces penalties[i]. Municipal and economic development agencies can coordinate efforts with community groups and the county economic development agency to temporarily activate buildings and develop a program for vacant storefronts.

How to Support Investment

Municipalities must be proactive in efforts to attract and retain office-based tenants. As noted above, property owners within downtown areas, particularly with older and historic buildings, face significant challenges making rehabilitation and tenanting work from both regulatory and financial perspectives, and in many cases there are knowledge gaps that inhibit implementation of best practices. The following are key steps that should be taken to create conditions that facilitate and encourage investment.

Identify strengths, weaknesses, opportunities, and threats at local level. This market study provides assessments of strengths, weaknesses, opportunities, and threats at a regional level. Some questions to consider as part of this process include:

- What are the key features of your community's location that are attractive to residents and workers? For example, is there access to outdoor recreational resources?
- Are there unique amenities that may be attractive to businesses?
- What kind of challenges do you hear from businesses? Are they getting the financial and technical support they need to help their business grow? Do they have adequate high speed internet service?

This exercise should involve business owners and community groups, not just municipal governments and economic development agencies. This allows for greater perspective on issues and facilitates agreement and ownership of concept, which is critical, as all stakeholders play important roles in executing change.

i: For more on Vacant Property Registry Ordinances and storefront vacancy best practices, see "Storefront Vacancies Best Practices," by Larisa Ortiz Associates, June 2018.

Address regulatory and financial barriers to historic property investment. During focus group discussions and interviews with real estate brokers, we heard that compliance with building codes can be challenging, particularly with respect to older, historic buildings. The economic development and planning focus group participants also noted that there is uncertainty about the zoning and development process in some communities, as well as financial challenges to redevelopment. Provide flexibility in zoning regulations and building codes to reduce barriers to investment in historic properties. Progressive zoning has proven successful in several of the communities in the study area. For example, Charleroi and Aliquippa both have adaptive reuse ordinances that expand the permitted uses for historic properties. Educate property owners on financing opportunities related to rehabilitation of historic properties.

Regional planning agencies should offer model ordinances or technical assistance for rewriting municipal ordinances that enable the reuse and preservation of older buildings. Today's "new economy" requires greater flexibility to promote the diversity of use types needed and/or desired by businesses. Regional planning agencies can provide municipal planners a forum for sharing best practices and strategies. Local planning agencies can adopt the International Existing Building Code (IEBC), which includes provisions for older buildings, including the repair, alteration, additional and change of occupancy for existing building Properties designated as historic, either through local ordinance or National Register designation, are provided some flexibility in meeting code and accessibility compliance[i].

Although adaptive reuse of historic properties is typically more cost-effective than new development, there are still financing challenges associated with rehabilitation, including most notably cost of accessibility compliance for above-ground-floor uses if a building isn't already equipped with elevators. Financing strategies can include:

- Federal and State rehabilitation investment tax credits for income-producing National Register-listed historic buildings, including those that contribute to National Register historic districts[ii]
- Neighborhood Assistance Program (NAP) tax credits available through the Pennsylvania Department of Community & Economic Development[iii]
- Revolving loan funds (RLF), which are a gap financing measure for development and expansion of small businesses administered federally through the Council of Development Finance Agencies[iv]
- Keystone Community Program (KCP) available through the Pennsylvania Department of Community & Economic Development. The program encourages partnerships between public and private entities to support economic development[v]

i: For more information on code requirements and allowances for designated historic, see: Historic Buildings (pa.gov): https://www.dli.pa.gov/ucc/Pages/Historic-Buildings.aspx

ii: See: Pennsylvania Historic Preservation Tax Credit (PA HPTC): https://www.deltaone.com/pa-historic-preservation-tax-credit.html#:~:text=PENNSYLVANIA%20HISTORIC%20PRESERVATION%20TAX%20CREDIT%20(PA%20HPTC)&text=The%20PA%20HPTC%20is%20computed,receive%20a%20credit%20of%20%24500%2C000.

iii: See: Neighborhood Assistance Program (NAP) - PA Department of Community & Economic Development: https://dced.pa.gov/programs/neighborhood-assistance-program-nap/

iv: See: CDFA Revolving Loan Funds & Development Finance: https://www.cdfa.net/cdfa/cdfaweb.nsf/pages/revolving-loan-funds.html

v: See: Keystone Communities Program (KCP) - PA Department of Community & Economic Development: https://dced.pa.gov/programs/keystone-communities-program-kcp/:

Develop platforms to share ideas and communicate best practices within and among communities. Communities—including not just government agencies but also community groups representing residential and business interests—should partner to share ideas and resources. Collaboration is key, because economic development within the regions is not a zero-sum game; gains that are realized within one community do not need to come at the expense of others. Nearly every community has its own historic resources and unique attributes that can be promoted in ways that improve the perception of the region as a great place to live, work, and play.

County agencies should host networks of local business owners or organizations that can collaborate to develop strategies and pursue regional grants and programs that will benefit the region as a whole. For example, the Community Development Program of Beaver County hosts the Rivertowns Partnership of Beaver County, a committee of municipal managers from 10 communities that convenes to share resources. Each year, the Rivertown Partnership selects a single member community that will receive all of the streetscape improvement funds, allowing for a more effective use of the funds and the potential for leveraging other grants.

Additional strategies to foster communication include the following:

- **Create and maintain forums to share ideas.** During focus group meetings, stakeholders all agreed that the regions would benefit from more regular opportunities to share ideas. Government and economic development agencies have the greatest resources to organize and host online forums, but they should be advertised in a way that promotes inclusiveness from a variety of stakeholders. If the pandemic has been good for anything, it has facilitated growth in individuals' and groups' abilities to participate in virtual meetings without travel. However, this should not be the only opportunity for participation, as there still exists a digital divide that limits online participation from some stakeholders.
- **Create and maintain online "best practices" portals.** Similar to the recommendation above regarding a central place for providing technical assistance to property owners and developers, residents, businesses, community groups, and government agencies can all benefit from information sharing.

3.6 Industrial Market Assessment

While most of the communities in the study area have experienced deindustrialization and a loss of manufacturing jobs over the past two decades, many still support active industry and many have large underutilized or vacant industrial properties that could support new industry or that could be redeveloped or opened for waterfront connection/park spaces. There may also be opportunities for “maker economy” light industrial/commercial uses closer to the downtown.

In the Monongahela River Valley region, Manufacturing is the second major employment sector with 16.9 percent of all the jobs in the region, compared to 9.6 percent in Washington County and 13.5 percent in Westmoreland County. Though iron and steel mills have largely left the region, the Beaver and Ohio River Valley Region maintains a strong manufacturing sector as well, with 13.3 percent of the jobs, compared to 12.9 percent in Beaver County overall.

Suburban industrial parks have replaced older manufacturing buildings as the new employment centers, such as the Port Ambridge Industrial Park and the Ambridge Regional Distribution and Manufacturing Center. Just outside of Monaca, the Royal Dutch Shell Pennsylvania Petrochemicals Complex is undergoing development and is anticipated to begin operation in 2022 with an estimated 600 permanent employees[i].

Community Facility, Open Space, and Recreational Opportunities

Outdoor recreational areas and community facility/arts and cultural uses support overall economic development that can support historic property investments downtown. The rivers in both regions are a shared asset; the riverfront presents a tremendous opportunity to connect the study area communities to each other and to the larger regions. As described in Chapter 2, “Planning Context,” communities will benefit from riverfront projects such as the Ohio River Trail in the Beaver and Ohio River Valley and Magic Riverfront Park in Charleroi.

Establishing and improving riverfront connections will contribute to economic vitality in the regions. As described in Chapter 2, “Study Communities,” some communities lack public riverfront access, including Charleroi in the Monongahela River Valley, and Aliquippa, Ambridge, Beaver, and Midland in the Beaver and Ohio River Valley. In these communities, nonprofits or regional agencies can explore opportunities for permanent easements on private underutilized parcels along the riverfront, to activate the properties for public use or provide public waterfront access.

Communities that do have riverfront access can leverage those spaces by identifying other opportunities to activate the waterfront, such as with outdoor theaters, boat rentals, parks, and museums centered on environmental and/or cultural awareness. For instance, there may be opportunity to spark tourism and economic activity along the Monongahela River via fishing tournaments, water recreational activities, scenic resources, boating/canoeing/kayaking, waterfront trails for hiking and biking, and walking tours using signage that connects and interprets heritage sites[ii].

Magic City Riverfront Park, when fully completed, will feature trails, playfields, fishing access, and a boat launch. Future uses in Charleroi’s business corridor can serve the visitors and residents that will come to use this park, drawing foot traffic from the riverfront to the business district. According to the Mon Valley Alliance, and as demonstrated in the Key Projects in Chapter 2, “Planning Context,” many communities are expressing an interest in developing and enhancing their parks, recreation, and outdoor space.

i: Nelson, G. (2022, January 5). Cracker plant to begin operations this year; holding hiring event Thursday. Business Journal Daily | The Youngstown Publishing Company. Retrieved February 18, 2022, from https://businessjournaldaily.com/cracker-plant-to-being-operations-this-year-holding-hiring-event-thursday/

ii: U.S. Army Corps of Engineers: Pittsburgh District. (2011). Monongahela River Watershed Initial Watershed Assessment. Retrieved from https://www.lrp.usace.army.mil/Portals/72/docs/HotProjects/signed%20IWA_final_revised%20FEB12%20public%20comments%20incorporated.pdf

In the short-term, communities that are most at risk are those that have already experienced tremendous population and business loss, and that are characterized by large areas of neglected or underutilized buildings and vacant lots. Despite these patterns of disinvestment and building loss, these communities possess downtowns that retain historic character, and that are centrally located and in proximity to the riverfront.

3.7 New Challenges Presented by the COVID-19 Pandemic

Since March 2020, the COVID-19 pandemic has impacted downtowns nationwide with job losses and small business closures[i]. Downtowns experienced a large reduction in daytime population, as office-using employers shifted to remote work, and retailers, restaurants, nightlife and cultural attractions adapted to public health restrictions[ii]. In response to these challenges, businesses and agencies developed innovative strategies to adapt and survive. As this report is published in spring 2022, recovery efforts are taking place and downtown revitalization is occurring with new lessons learned and innovative strategies.

During the COVID-19 pandemic, outdoor spaces were used creatively to build a sense of vibrancy and accommodate restrictions for social gathering. Parking spaces were converted to sidewalk parklets, and restaurants were permitted to expand outdoor dining and "streeteries." Cities and towns found these programs did not disrupt traffic and increased business for many retailers and restaurants[iii]. Open streets programs temporarily convert streets to pedestrian-only areas. As identified in a 2021 International Downtown Association (IDA) report, the popularity of open streets programs has widely expanded since the pandemic; the report recommends that downtown agencies make these programs permanent.

The pandemic has altered the shopping habits of Americans as they have turned to online platforms for purchasing items. Despite this downturn, however, a 2021 Moody's report finds that brick-and-mortar shopping has sustained for certain types of shopping, and expanded for traditionally online-only retailers who desire to provide an in-person shopping experience that coincides with their online presence[iv]. Although e-commerce will remain a significant mode of shopping, brick-and-mortar will retain a large market for the apparel and beauty segments, where shoppers can stay abreast of trends and try new styles[v]. Furthermore, brick-and-mortar businesses are experiencing the most growth in smaller cities, which have experienced an influx in population during the pandemic. As identified in a 2021 Brookings Institution report, remote work was available and growing before the pandemic, and it is expected that post-pandemic remote work will continue to be a means of work. A 2021 IDA report recommends that, in a future where workers do not have to attend an office five days a week, downtowns will need to rely on place-making to attract workers, offering strong amenities, activities, and vibrancy[vi].

Relative to the "old economy" that relied on major manufacturing employers, today's "new economy" is driven by smaller service-oriented and creative businesses often founded by entrepreneurs. Today's workforce is also more mobile and tends to choose an attractive location to live rather than focusing on retaining a job and locating near that job. The quality of place is now the driving factor in attracting talented workers, which in turn grows business opportunities. The COVID-19 pandemic reinforces and accelerates this ongoing trend toward greater importance of place-making, because workers have even more flexibility in live/work locational considerations. Future investment should focus on downtown areas, which have become the new economic drivers of communities as now host more employment than the major industrial employers of previous generations.

i: Brookings Institution. December 2020. Rural Main Streets can't achieve true economic revival without bridging social divides. Available at https://www.brookings.edu/research/rural-main-streets-cant-achieve-economic-revival-without-bridging-social-divides/.

ii: Brookings Institute. April 15, 2021. To Recover from COVID-19, downtowns must adapt. Available at https://www.brookings.edu/research/to-recover-from-covid-19-downtowns-must-adapt/.

iii: IDA. 2021. Building on Recovery for Urban Place Management: Final Report. Available at https://downtown.org/building-on-recovery/

iv: Moody's Analytics. November 2021. Retail Openings: The Continued Lure of Brick-and-Mortar Shopping. Available at https://cre.moodysanalytics.com/insights/research/retail-openings-the-continued-lure-of-brick-and-mortar-shopping.

v: Ibid.

vi: IDA. 2021. Building on Recovery for Urban Place Management: Final Report. Available at https://downtown.org/building-on-recovery/

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Businesses are attracted to vibrant, amenity-rich downtown locations that maintain authenticity in their built form because they are better able to attract workers at such locations.
Interviews with stakeholders revealed that the pandemic exacerbated the rent burden situation and also population and workforce declines. There may be a need to update local zoning codes to provide greater clarity around outdoor seating, which was allowed in some communities (e.g., Mon City) during the pandemic. There are grassroots efforts underway to attract new residents, businesses, and employees (e.g., Mon Valley Alliance). Mon Valley Alliance is also pushing for greater outdoor space, which may have evolved during the pandemic.

Mon City reportedly saw 40 businesses opening during the pandemic due in part because of the Monongahela Main Street Program. Prior to the pandemic, Mon City offered a vibrant event schedule with more than 900 community events a year. Despite the pandemic, Monongahela Main Street Program's volunteer board and members safely maintained annual events – like the Avenue of the Hanging Jack-o-Lanterns and the street fair, and found new ways to engage the community with local businesses.

The program also established an outdoor art gallery, Main Street Fine Art Gallery, at 221 West Main Street. The vacant building's façade provided the perfect opportunity for the community to enjoy different displays while practicing social distancing[i]. The pandemic reinforces and accelerates an ongoing trend toward the greater importance of place-making. Workers have more flexibility in live/work locational considerations. Efforts to provide rental assistance to retain existing residents and to provide a suitable supply of workforce housing and recruit community-based talent should be continued. Working together within communities, developing a vision based upon national Main Street principles, use of social media, and providing takeout options and outdoor dining are also important lessons for success that can be learned from Mon City in the aftermath of the pandemic.

Pandemic Strategies for Businesses

The COVID-19 pandemic has altered shopping and work patterns, with long-term consequences that may benefit smaller communities. Communities that thrived in the aftermath of the pandemic applied various strategies, including:

- Use social media to create a buzz
- Provide takeout options and outdoor dining
- Emphasize and support place-making and live/work options
- Provide a diversity of housing options, including workforce housing that attracts community-based talent
- Coordinate event calendars across organizations and across communities
- Retain workers and community-based talent with assistance programs, such as Emergency Rental Assistance, a rental and utility assistance program created to help renters experiencing financial challenges due to the COVID-19 pandemic[ii]

i: https://observer-reporter.com/publications/mon-main-street-program-supports-community-through-pandemic/article_bc94924a-7f8d-11eb-b053-abe831d8e1b0.html

ii:

3.8 Future Demand Analysis

While the study area regions are projected to continue to experience population declines into the foreseeable future, there is some unmet demand for housing—particularly quality affordable housing—as well as retail, restaurant, entertainment, and recreational uses. In the future, existing trends such as workers moving to Beaver County with the construction of the new cracker plant and residents moving from Pittsburgh to more rural areas of Pennsylvania during and after the pandemic, may continue, and certain communities may start to see a comeback.

Real estate brokers reported that demand is not lacking but that the right type of office product does not exist to attract new businesses. State and county community and economic development departments indicated a strong need for quality affordable housing. With the right mix of uses, combined with enhanced community and regional collaboration, leveraging key catalytic projects, and more progressive zoning and adaptive reuse ordinances, the future looks bright for these deindustrialized riverfront communities—there will be increased opportunities to attract and retain new residents and talent. All of the communities in this study have historic downtowns that are largely underutilized assets. Existing older buildings provide a rich sense of place and identity, which is highly valued by workers and businesses today; they are also diverse in type and size and can be repurposed and rehabilitated to serve the existing market demands.


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