

VII. Retail and Entertainment

Downtown Wilkes-Barre, Pennsylvania, is poised to once again become a vibrant downtown community that serves as a gathering place for the people of Luzerne County. Centrally located to an MSA population of over 600,000, Wilkes-Barre is ideally situated to capture a significant portion of retail sales around the Wyoming Valley area.

Once one of the great coal-producing regions of the nation and the hub of business and industry in Luzerne County for over 200 years, since World War II Wilkes-Barre has seen a marked drop in coal industry employment and an increase in development away from the City's center.

Over the last decade, a number of businesses and residents have left the Downtown, either relocating in other areas around Luzerne County or leaving the market area altogether.



The Wilkes-Barre Downtown Revitalization Market Analysis was developed to respond to the Diamond City Partnership's desire to return central Wilkes-Barre to the role of a vibrant community center, where people live, work, shop and recreate. Included in this section of the report is an explanation of the goals of this analysis, and a description of the methodology utilized to arrive at conclusions. Following that is a description of the pertinent demographic and housing characteristics of the trade areas defined and a discussion of relevant competition to the existing and proposed retail component of the Downtown.

The estimated supportable retail for the Downtown study area ranges from 187,200 square feet under the existing conditions, to 296,100 square feet assuming the development of 150 housing units a year and construction of a multiscreen movie theater Downtown. Downtown retail should include a variety of specialty shops and boutiques that appeal to students and the elderly population.

A. Wilkes-Barre Downtown Revitalization Market Analysis

Description of Goals

The Wilkes-Barre Downtown Revitalization Market Analysis was conducted during the Fall of 2002 in order to develop an implementable strategy for redeveloping central Wilkes-Barre, Pennsylvania, and restore it as a place where residents and visitors alike will shop, live, work and utilize a variety of entertainment and recreation options. Wilkes-Barre is a midsize city, and together with Scranton and Hazleton forms a tri-city Metropolitan Statistical Area (MSA). The MSA has an estimated 2002 population of approximately 620,000, with approximately 85,000 people living within 3 miles of Downtown Wilkes-Barre.

The central city was once a vibrant community serving a variety of shopping and office functions, and supported by a solid residential population. Over the past decade, the city has seen a decline in population and the exodus of retail operations to the area around the Wyoming Valley Mall and the Arena Hub area. As a result, Downtown Wilkes-Barre is showing signs of blight, including a number of vacant buildings, decreasing foot traffic and general disrepair. The city will require an implementable plan to restore it as a community gathering place and a focal point for Luzerne County and the Scranton—Wilkes-Barre—Hazleton MSA. This plan should incorporate a strategic retail development program that is based on both realistic market evaluations and the needs and desires of the community.

Qualifying Study Area

The study area for this analysis is bounded approximately by the Susquehanna River, North Street, Wilkes-Barre Boulevard and Academy Street. Public Square serves as a focal point of the study area, which also incorporates a number of amenities, including Wilkes University, Kings College, the YMCA and Luzerne County Community College.

Methodology

Gibbs Planning Group, Inc. (GPG) was commissioned by Lincoln Property Company to assess the feasibility of retail space in Downtown Wilkes-Barre as part of the process for developing the Diamond City Partnership Strategic Development Plan for Downtown Wilkes-Barre. The following assumptions form the basis of this analysis:

- Housing and population growth will occur as projected herein.
- No new commercial/retail development will occur unless mentioned in this report.
- The retail establishments in Downtown Wilkes-Barre will operate in a manner consistent with successful retailing, including remaining open during hours that are convenient to potential customers, maintaining clean facilities and streetscaping, and applying appropriate visual merchandising.
- The City of Wilkes-Barre will respond to issues regarding basic infrastructure maintenance and crime

The analysis addresses the following issues:

- *Is retail development viable as part of Downtown revitalization?*
- *If so, to whom would this retail appeal? That is, what are the population and demographic characteristics of existing trade area residents? What are the trade area's projected population and demographic characteristics?*
- *What type of retail should be attracted? Should the proposed retail component have a neighborhood, specialty or regional appeal?*
- *What types of retail are supportable in Downtown? What are the projected sales volumes?*

To address these issues, a detailed field evaluation of retail around the study area, as well as major existing and planned shopping centers in and surrounding the defined trade areas, was conducted in early December 2002. During this evaluation, GPG thoroughly drove the market, visited and evaluated the major existing and planned retail concentrations in the area, and evaluated the accessibility and other site characteristics of Downtown.

The study area was visited both in the daytime and in the evening in order to gain a qualitative understanding of the gravitational and traffic patterns throughout. GPG then defined primary and secondary trade areas for Downtown Wilkes-Barre based on the field evaluation. Population and demographic characteristics were collected by census tract, and then updated based on information gathered from local sources. This study assumes that all local data is accurate and reliable.

Finally, based on the population and demographic characteristics of the trade areas, the characteristics of existing and known retail competition, and the area's traffic and retail gravitational patterns, GPG developed its qualitative assessment for Downtown Wilkes-Barre. This assessment included examining the existing square footages for a variety of retail categories, the expenditure potential for each retail category, and the level of growth in the area, to determine what retail categories are underrepresented.

Expenditure potential refers to the total dollar amount estimated to be available for each retail category, as published by the U.S. Census Bureau, and supplemented with data from Claritas, Inc. Expenditure potential will not increase for any given retail category as more competitors are introduced into a market, but rather the market share for each retail unit will be redistributed. Expenditure potential will increase with population growth and an increase in household income levels.

By calculating what proportion of the area's expenditure potential is already accounted for by existing and planned retail, it can be determined which retail categories have potential remaining. This methodology assumes that there is no "over-storing" in a market. In other words, each retail category will attempt to reach the limit of its expenditure potential, but not go beyond it.

In addition, GPG, along with LPC and the Greater Wilkes-Barre Chamber of Business and Industry, conducted a number of focus groups during the course of the analysis to assess the needs and desires of the people most likely to use the Downtown and to be impacted by its redevelopment. The overall findings of the focus groups will be presented in this report.

B. General Demographic and Economic Characteristics

Overall, the Greater Wilkes-Barre area and the associated MSA have been experiencing a decline in overall population, and an increase in the median age of residents. The following tables compare the populations of the City of Wilkes-Barre, the MSA and Luzerne County:

Population By Age

	Luzerne County		MSA		City of Wilkes-Barre	
	<u>1990</u>	<u>2000</u>	<u>1990</u>	<u>2000</u>	<u>1990</u>	<u>2000</u>
0-17	70,426	65,528	140,149	136,378	9,656	8,548
18-34	78,804	63,705	157,971	128,239	12,880	10,328
35-54	78,471	92,144	151,928	178,334	9,936	10,905
55-64	35,823	36,073	67,155	67,559	5,079	3,996
65-74	36,581	33,606	68,955	63,062	5,441	3,915
75+	28,044	31,109	52,308	58,145	4,531	4,731
<i>Total</i>	<i>328,149</i>	<i>322,165</i>	<i>638,466</i>	<i>631,717</i>	<i>47,523</i>	<i>42,423</i>
Median Age (Years)	38.2	41.4	37.3	40.8	37.1	39.3
Median Household Income	\$23,598	\$34,251	\$24,232	\$34,708	\$19,520	\$28,215

Source: Greater Wilkes-Barre Chamber of Business and Industry, Claritas, Inc. and U.S. Census Bureau.
Median Household Income is from 1989 Census data.

Unemployment rates in the area are significantly better than they were in 1980 and 1990, although they have generally shown a modest increase over the past year. The chart at left compares local unemployment rates in comparison with the state.

The top ten employers in the Greater Wilkes-Barre area are:

Wyoming Valley Health Care Systems (HQ)	3,500
Commonwealth Telephone Enterprises	1,350
Techneglas	1,250
Social Security Administration	1,200
Geisinger Wyoming Valley (Hospital)	1,100
Fleet Bank	1,050
Department of Veterans' Affairs (Hospital)	994
Sallie Mae Loan Processing	905
Mercy Health Care Partners	890
Blue Cross of NEPA	847

Source: Greater Wilkes-Barre Chamber of Business and Industry

There are several institutions of higher education in the Wilkes-Barre area, resulting in a relatively large student population. The colleges and universities support over 14,000 students, as indicated in the table below. Discussions with the two major universities, King's College and Wilkes University, determined that it is anticipated that these enrollment levels will continue to increase slightly in the next five years, but not significantly change.

<u>College/University</u>	<u>Full-Time</u>	<u>Part-Time</u>	<u>Total</u>
College Misericordia	1,330	707	2,037
King's College	1,740	493	2,233
Luzerne County Community College	2,401	3,519	5,920
Pennsylvania State University Wilkes-Barre Campus	629	248	877
Wilkes University	<u>1,679</u>	<u>1,891</u>	<u>3,570</u>
<i>Total</i>	<i>7,779</i>	<i>6,858</i>	<i>14,637</i>



C. The Trade Areas

The trade areas for Downtown Wilkes-Barre were defined using a variety of factors, including accessibility, existing and planned competition, physical and psychological barriers and overall drawing power of the area. The primary trade area consists of those communities for whom central Wilkes-Barre represents their predominant shopping destination, and is confined primarily to those areas in the city itself, and the southern edge of Kingston. The primary trade also functions as an indicator of the drawing power for more neighborhood and community-oriented development, as opposed to retail with a regional draw.

The secondary trade area consists of those communities for whom Downtown Wilkes-Barre represents a shopping opportunity they will frequent, but will not necessarily be their primary retail destination. The secondary trade area includes communities such as Pittston, Nanticoke and the southwestern edge of Scranton. While the majority of central Wilkes-Barre's patronage will originate from within the trade areas, there will be some sales generated from those areas beyond the trade area boundaries, especially as the study area becomes a destination for people outside of the immediate vicinity. However, these consumers will visit the area infrequently and were therefore not included as trade area sales. These areas include Scranton, Dallas and Hazleton. Sales from beyond the trade area also account for the high student population in Downtown that are not counted within the census estimates and is not year-round but will still contribute to the overall sales potential for Downtown Wilkes-Barre.

The following map depicts the defined trade area boundaries:

Primary Trade Area:

- Susquehanna River, U.S. Highway 11 to the north and west
- State Highway 309 to the east and north
- Just beyond I-81 to the southeast
- Wilkes-Barre Township limit to the southwest

Secondary Trade Area:

- Kingston/Jackson Township boundaries to the northwest
- Just north of the Luzerne/Lackawanna County boundaries to the northeast
- Lackawanna/Luzerne County boundaries to the southeast
- Nuangola and Nanticoke to the south and southwest

Primary Trade Area

The primary trade area is estimated to have a 2002 population of 45,900, but is projected to decrease slightly, to 44,100 people, by 2007—a decline of 0.8% annually. The number of households is projected to decrease as well, from 19,500 in 2002, to 19,000 in 2007. These figures are projections based on current trends and do not reflect any changes due to the anticipated revitalization.

The primary trade area population has a high median age of 40.2 years, but this number may not be truly indicative of the residents. Students are not counted as residents in the census of the primary trade area, and the presence of several senior citizen residence towers in Downtown Wilkes-Barre skews the numbers toward an older population. However, it is important not to discount the importance of both of these groups of residents when conducting any analysis, as they contribute significantly to the economy.

The primary trade area also has a low median household income of just \$29,700, and a per capita income of \$18,219. These low figures reflect the large number of older residents living on fixed incomes. However, the primary trade area has a strong level of educational attainment, with almost 20% of the population over the age of 25 having some type of college degree. The primary trade area also has a high level of newcomers, with almost 37% of residents having moved in within the last five years.

Secondary Trade Area

The secondary trade area also shows an anticipated decline in population, with a projected 0.6% annual decrease, going from 156,700 in 2002, to 151,900 in 2007. The secondary trade area's median age is higher than the primary trade area at 42.3, and the median household and per capita incomes are significantly higher at \$33,200 and \$19,800, respectively. Almost 19% of secondary trade area residents have a college degree and 30% have lived in their current home five years or less.

The following table compares selected demographic characteristics of the total trade area (the primary and secondary trade areas combined) with Luzerne County, the Scranton–Wilkes-Barre–Hazleton MSA and the Commonwealth of Pennsylvania.

<i>Characteristic</i>	<i>Total Trade Area</i>	<i>Luzerne County</i>	<i>MSA</i>	<i>Pennsylvania</i>
Median Household Income	\$32,400	\$34,300	\$34,700	\$44,000
Percent Incomes \$50K+	31%	33%	33%	44%
Persons Per Household	2.23	2.46	2.31	2.44
Median Age (Years)	41.8	41.4	40.8	38.5

D. Physical Site Characteristics

The Downtown Wilkes-Barre study area incorporates Public Square, as well as a number of communities surrounding the Square. Included in the study area are Wilkes University and King's College. The study area comprises the heart of Wilkes-Barre and is easily accessible via the Market Street Bridge from points north, and from both Main and Market Streets from areas south of the river. Wilkes-Barre Boulevard provides good secondary access to the roads leading into Downtown.

The majority of access routes to and within Downtown are 2- to 3-lane surface roads. While these smaller roads will preclude any new large format retail from locating Downtown, they do adequately serve to slow traffic down and can be utilized in a plan to make a more pedestrian-friendly environment.

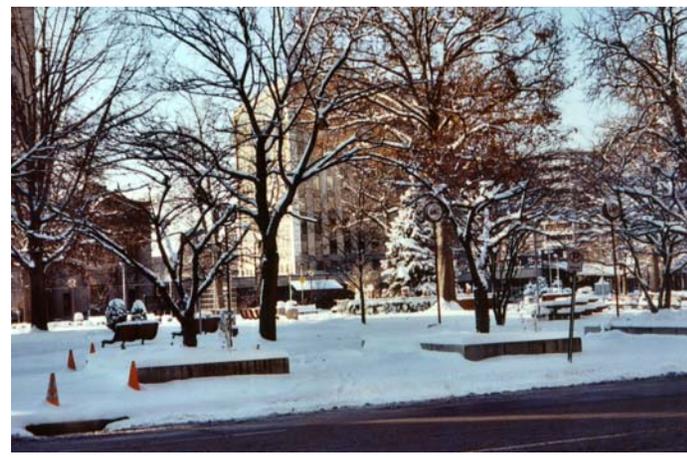
Visibility from the north is excellent via the bridges and there is an opportunity to create an attractive gateway to the City. Redevelopment opportunities such as the Sterling Hotel will improve the entrance into the City while not detracting from the visibility of Downtown.

While parking is currently viewed by some as being an issue, it does not appear that it is currently a genuine problem. However, parking will need to be adequately planned for as part of the revitalization process to prevent it from becoming an issue as the traffic flow into Downtown increases.

E. Existing Retail Conditions

Currently, Downtown Wilkes-Barre is undergoing a slow state of decline. While it seems that the onset of blight has been recent, it is an evolving process, and a process that both business people and residents of the City desire to halt. There are a number of factors working both for and against Downtown. The central city used to be a vibrant shopping and working area, but has seen a growing number of businesses and residents leaving for the surrounding communities. There are currently very few retail operators downtown, and a declining number of office workers and residents. The retail establishments that remain do so because they are destinations for the people of Luzerne County (Bartikowsky Jewelers or Hottle’s Restaurant are examples) and have an established clientele.

Public Square is significantly underutilized. The opportunity to build around the Square is immeasurable in value, as it has the potential to provide a sense of place for Downtown Wilkes-Barre that is currently lacking. Public Square should be a gathering place where residents and visitors from all walks of life can gather safely and enjoy everything the urban environment has to offer. In its current state, the fountain has a chain-link fence around it and the landscaping, benches and other amenities are poorly designed and poorly maintained.



There are few retail operations left either around Public Square or in the areas immediately surrounding it. Of those that remain, sales have dwindled over the last 10 years—Boscov’s sales have declined almost 50%—and crime has increased. There are currently few shopping

alternatives for Downtown residents and workers, with the strongest remaining stores including:

- Rite Aid
- Hallmark
- Circles on the Square
- Bartikowsky Jewelers
- Joe Nardone’s Gallery of Sound
- Hottle’s Restaurant
- Wendy’s
- Boscov’s
- Bell Furniture
- Katana Sushi and Japanese Cuisine
- Tara Men’s Clothing
- Marquis Art & Framing



Boscov's Department Store



Circles on the Square



Hallmark on Public Square

There are currently rumors circulating that Boscov’s may close their store in Downtown Wilkes-Barre. This rumor could not be confirmed at the time of this analysis, but the question of whether or not Boscov’s will remain raises a number of issues. In the Conclusions section of this analysis, it is noted that a junior department store of up to 45,000 square feet is supportable, even with Boscov’s in place, demonstrating that there is a market for this type of retail operator even under current conditions. If Boscov’s were to leave, Downtown could support another department store and should look to such a retailer as an anchor for Downtown retail. Further, once Downtown begins its resurgence, sales will improve for all retailers. Currently, Boscov’s, as well as other downtown retailers, are relying primarily on daytime, weekday shoppers and have little or no business in the evenings or on weekends. Once Downtown Wilkes-Barre develops 24-hour traffic through office, residential, entertainment and retail development, sales should improve noticeably. Established retailers such as Boscov’s have a unique opportunity to be a part of the

solution, creating a model for successful urban redevelopment. This successful redevelopment will in turn create a stronger housing market by making Downtown Wilkes-Barre an attractive place to live, which will in turn further enhance retail sales.

There is little additional shopping beyond the Public Square and its immediate environs. Most additional retail consists of either small strip centers such as North Main Plaza (Natural Foods, Medicine Shoppe and China Buffet are the main tenants, with CVS and Eckerd nearby), worn and outdated stores (such as the Bi-Lo grocery), or small, independent retailers. In between these stores and Public Square is a high number of vacant storefronts and severely underutilized space.

Despite the decline in retailing, a number of downtown institutions are still thriving, including the YMCA, Kirby Center, Wilkes University and Kings College. Several institutions have made multimillion dollar renovations to their facilities and are seeing increases in membership or enrollment of at least 10%. These increases in enrollments/membership are indicative of a continued interest in Downtown.

There are currently a number of developments planned for Downtown, including a multiscreen movie theater, the Susquehanna River Landing and a technology incubator. All of these developments have the potential to be strong catalysts for the redevelopment of Downtown, but cannot be viewed as the sole answer to the current state of the city. These projects need to be a starting point, from which revitalization can build to create a community in which more people desire to live, work, shop and dine. It will be vital to the development of any successful downtown retail that a housing market strong enough to support retail on evenings and weekends be created. A clean, attractive and safe Downtown will help to create such a market.

A significant opportunity for development lies in the Sterling Hotel, located at the foot of the Market Street Bridge. If revitalized into something creative and exciting, this key structure could create an identifiable gateway into the City of Wilkes-Barre. The Sterling Hotel is the first thing that comes into view when crossing the river into the City and should reflect a positive urban image. The Hotel could be a cornerstone of Downtown's rejuvenation.

As these planned projects begin to take shape, additional interest will be generated in the City, making it easier to continue to improve Downtown.



F. Other Shopping Areas

The most significant competition to Downtown Wilkes-Barre comes from the Wyoming Valley Mall and Arena Hub area, with additional, but more moderate, competition from north of the Susquehanna River in Kingston, Edwardsville and other communities along U.S. Highway 11. Shopping centers such as the Mall at Steamtown and Viewmont Mall in Scranton are expected to have a marginal impact on Downtown Wilkes-Barre due to their distance from the study area as well as replicated competitive opportunities at and around the Wyoming Valley Mall.



Wyoming Valley Mall



Arena Hub Plaza



Wal-Mart

Wyoming Valley Mall, billed as northeast Pennsylvania's largest one-stop shopping center, is a 916,500-square-foot regional mall anchored by Kaufmann's (146,400 square feet), JC Penney (165,900 square feet), Sears (117,500 square feet) and The Bon-Ton (155,900 square feet). Wyoming Valley Mall was opened in 1971 and last renovated in 1995. Plans currently call for the vertical expansion of Sears and The Bon-Ton (by 49,300 square feet and 79,700 square feet, respectively) and ground level expansion by JC Penney (34,600 square feet) but no completion dates were available at the time of this analysis. Other pertinent facts regarding Wyoming Valley Mall are:

- The Mall's 2001 trade area had a total population of 342,500 persons.
- Sales per square foot have risen steadily, from \$280/sf in 1997 to \$321/sf in 2001.
- 89% of sales are derived from the trade area and 11% from beyond.

Arena Hub Plaza, located less than a quarter-mile from Wyoming Valley Mall, is a power center serving the Wilkes-Barre market. Current tenants include:

- Lowe's Home Improvement
- Dick's Sporting Goods
- TJ Maxx
- Barnes & Noble Booksellers
- Old Navy
- Bed Bath & Beyond

- Staples
- Pier 1
- Olive Garden

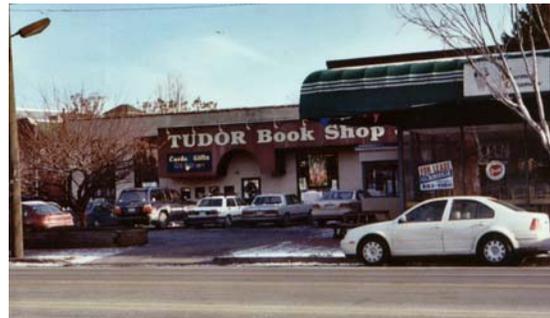
Also in the vicinity of Wyoming Valley Mall are the following shopping center or freestanding retailers:

- Wegman’s Supermarket
- Home Depot
- Sam’s Club
- Wal-Mart – will be relocated to a 205,000-square-foot Wal-Mart Supercenter
- East End Centre: 300,000-square-foot center anchored by Price Chopper
- Circuit City
- Power center with Kids R Us, Office Depot
- Kmart Center – 115,000-square-foot with Eckerd and other small shops

There are two proposed shopping centers coming into the Arena Hub area, near Wyoming Valley Mall, including the Wilkes-Barre Township Marketplace, a 312,000-square-foot center that will be anchored by a Wal-Mart Supercenter (the existing Wal-Mart will close), A.C. Moore Arts & Crafts, Fashion Bug and Payless Shoe Source, and a planned Target Center (this is not currently planned as a SuperTarget). Both centers are expected to come on line in late 2003/early 2004.



Gateway Plaza – Kingston



Tudor Book Shop & Café – Kingston



Big Kmart at Mark Plaza, Edwardsville

Some additional competition exists across the Susquehanna River in Kingston and Edwardsville. These centers will have some impact due to the ease of access across the river, but many are in a state of disrepair and/or offer the same types of retail found around Wyoming Valley Mall and

the Arena Hub Plaza. In addition, there are a number of independent retailers along U.S. Highway 11, such as the Tudor Book Shop and Café, pictured above, that will also provide competition. The most significant of these competitive centers are:

- Gateway Plaza – predominantly vacant but has potential for redevelopment
- West Side Mall – Price Chopper, Staples, Rite Aid, Family Dollar
- Mark Plaza – Big Kmart, Dollar Tree, Redner’s Warehouse Market
- United Penn Plaza – Talbot’s
- Midway Shopping Center – The Bon-Ton, CVS, Price Chopper
- Narrows Shopping Center – Price Chopper

There are some smaller shopping centers in the surrounding areas, including the Mr. Z’s (Weis Markets) center northeast of State Highway 309 on River Road, and several shopping places in Nanticoke. These retail centers are primarily neighborhood-oriented and will not draw a significant level of their sales from the Downtown area, limiting their competitive impact.

The competition in Scranton, such as the Mall at Steamtown (750,000 square feet anchored by Boscov’s and The Bon-Ton) and Viewmont Mall (770,000 square feet anchored by Kaufmann’s, Sears and JC Penney) will offer minimal competition because they are at least 15 miles away from Downtown and offer many of the same retailers found at Wyoming Valley Mall or its vicinity.

G. Focus Group Results

During the course of this analysis, several focus groups and individual interviews were conducted in order to gain an understanding of how the people most likely to be affected by changes in Downtown currently perceive their city, as well as what they would like to see happen in the future. Public involvement is a crucial part of any market analysis as it provides insight into specific nuances in a market and addresses issues that cannot easily be ascertained from site visits alone.

Summary of Retail-Related Comments	
<ul style="list-style-type: none"> • Crime is a pressing issue. Crime has increased and it is perceived as being mainly from out-of-town people coming to Wilkes-Barre from New York City and Philadelphia. It is felt that this criminal element moved to the area to expand their territory. • Downtown is declining because there is little or no reason to go there. • Strong desire for more restaurants and boutique-style shopping. • Do not want to try to recreate the old Downtown, nor compete directly with the Mall or Arena Hub area. • Would like to see more festivals but they need to be advertised better with better communication between organizers and potential sponsors. • Downtown businesses need to take pride in their facilities. Too many wait until something starts and then jump on the bandwagon. Downtown retailers/business owners should be leading the way in terms of improving Downtown. • How about having a window-decorating contest for each holiday to cover up the boarded-up buildings until they are revitalized? • Local businesses should be tooting their own horns: publicize it when something good happens. • Need 24-hour traffic. • Would like a bookshop, specialty foods. • Divided on whether want national chains or independently owned stores – most want a mix. 	<ul style="list-style-type: none"> • Repeatedly suggested that Boscov’s remodel to be more attractive and carry a line of merchandise similar to their unit at the Mall at Steamtown. Many claimed to have stopped shopping there because of the inferior merchandise selection. • There are two strong colleges/universities in Downtown, so why isn’t Wilkes-Barre a college town? • There is no connectivity around the City. Most people are disconnected from the colleges, river, etc., and vice versa. • Mixed idea of whether retail should be upscale or not. General feeling is that the students and older residents do not have money and upscale will not bring the community together. • Need more people living Downtown. • Need more entertainment and dining options. • Historical significance: respondents were divided. Some said to remember the area’s history, and some said “What history?” • Want something sports-related Downtown. • Why doesn’t Downtown have a bar/restaurant where you can sit and see Downtown? • Need businesses that will employ students. • Need to try to retain students when they graduate, instead of having them come here during their poorest years and then leave to go make money. • Need greater diversity in both businesses and the population. • What if Boscov’s goes out of business? • Who cares if Boscov’s goes out of business?

H. Conclusions and Recommendations

Based upon the data gathered during GPG’s field evaluation, GPG generated three potential scenarios for the redevelopment of Downtown Wilkes-Barre. The base scenario assumes that current conditions continue, no new housing is added, and the proposed theater is not developed. The first alternate scenario (Scenario A) assumes the addition of a multiscreen, stadium-seating movie theater of up to 12 screens. Scenario B assumes the theater, as well as the addition of 50 housing units per year, with an average of 2.11 persons per household and 100% absorption. The other two scenarios (C and D) assume 75 & 150 new residential units will be added annually (with 2.11 persons per household and 100% absorption) and the multiscreen movie theater will be built Downtown. All figures stated below are in addition to the existing retail in the study area.

Estimated Supportable Square Feet by Category

<i>Category</i>	<i>Existing Conditions</i>	<i>Scenario A</i>	<i>Scenario B</i>	<i>Scenario C</i>	<i>Scenario D</i>	<i>Comments</i>
Junior Department Stores	35,000	35,000	37,500	40,000	45,000	Stein Mart, Kohl’s or something similar.
Women’s Apparel	3,000	3,000	3,200	3,500	4,500	
Men’s Apparel	1,200	1,200	1,500	1,700	2,200	
Unisex Apparel	4,500	4,500	4,800	5,000	6,500	
Athletic Shoes	1,500	1,500	1,700	2,000	2,500	
Shoes/Accessories	2,500	2,500	2,800	3,000	3,500	
Quality Restaurants (with liquor)	18,000	23,000	24,000	25,000	29,000	Theme national chains and some independent.
Family Restaurants (no liquor)	6,500	8,500	9,000	9,500	11,500	
Fast Food Restaurants	3,000	3,000	3,500	3,800	5,500	
Grocery Store	45,000	45,000	47,000	50,000	55,000	Full line grocery with better quality than Bi-Lo. Wegman’s or a Whole Foods.
Bar/Tavern	8,500	11,500	11,500	12,000	12,000	Make inviting to college students.
Liquor	-	-	1,000	2,000	2,500	Deploy once criminal element is diminished.
Specialty Food Stores	1,500	1,500	1,800	2,000	2,500	Ice cream, coffee, bakery.
Appliance/Electronic	1,500	1,500	2,000	2,500	3,000	Wireless, electronics boutique.

Books	-	-	-	2,500	5,000	Borders may be too much despite two colleges. Barnes & Noble very close.
Card/Gifts/Stationery	2,000	2,000	2,400	3,000	3,500	Can carry office supplies.
Computers	3,000	3,000	3,300	3,500	4,000	
Dollar/Variety	20,000	20,000	21,000	22,500	25,000	Avoid low-end operators such as Dollar General or Family Dollar. Tuesday Morning may be one option.
Drug Store	-	-	-	7,500	12,000	Include in grocery in Existing Conditions Scenario.
Florist	-	-	-	-	-	Include in grocery store.
Health/Beauty	2,000	2,000	2,200	2,500	3,000	
Home Furnishings	10,000	10,000	11,250	12,500	16,000	Paint, wallpaper and also antiques.
Hardware	-	-	-	-	15,000	
Laundry/Dry Cleaning	1,500	1,500	1,500	2,000	2,500	
Optical	-	-	-	1,200	1,500	
Personal Service	-	-	-	1,500	2,500	Hair, nails, barber, weight loss.
Pet Supplies	3,000	3,000	3,200	3,400	3,700	
Toy/Hobby Shops	3,000	3,000	3,300	3,500	4,200	
Video/Entertainment	3,500	3,500	3,800	4,000	4,500	
Service Retail	7,500	7,500	8,000	8,000	8,500	Travel, insurance, realty, investments.
Total	187,200	197,200	211,250	239,600	296,100	

As demonstrated in the above table, there is already significant retail potential within Downtown. There are a number of categories that are currently underserved. Downtown should be redeveloped as a specialty retailing center and should not attempt to compete with the Wyoming Valley Mall. In the current trend across the country, malls are beginning to lose some market share to specialty and downtown retailing. Most malls look exactly the same and have no character, rendering them a very boring experience. By creating a unique downtown environment, Wilkes-Barre can capture a niche currently not available in the area while taking advantage of the potential offered by a rejuvenated Public Square.

The junior department store to be attracted to Downtown should not only compliment Boscov's, but should be of the variety to encourage Boscov's to upgrade its merchandise selection. While 35-45,000 square feet are estimated to be supportable, the importance of such an anchor downtown would allow for a larger unit, such as an 80,000-square-foot Kohl's. The junior department store can also be a regional or local chain, but the corporate stability of any such operator should be carefully investigated before they are introduced to Downtown. Further, should Boscov's decide to leave Downtown Wilkes-Barre, an additional department store would be supportable of up to 250,000 square feet. However, Boscov's, as well as other downtown retailers, has a quality opportunity to be a cornerstone in the revitalization of Downtown Wilkes-Barre and be looked to as a model for successful urban renewal.

Retailers developed in Downtown should encourage a mixture of clientele. Such retailers need to be appealing to students, elderly and a variety of people in between. While this is not always possible, overly trendy or generational stores should be avoided. Further, until the revitalization of Downtown begins to become evident, highly upscale stores, such as Restoration Hardware, Pottery Barn, or Ann Taylor Loft, would likely meet with only limited success.

Other factors in determining the estimated supportable retail in Downtown Wilkes-Barre include:

- The downtown study area currently contains approximately 195 retail and support service businesses, which occupy approximately 950,000 square feet of building space.
- Office space in Downtown Wilkes-Barre has seen a significant increase in vacancy rates over the last 10 years, jumping from 9% in 1992 to an approximate figure of 25% in 2002.
- Access to Downtown is limited to surface roads from 2 to 4 lanes. The road network is not equipped to handle a significant level of large format retail. Big box retailers are also unlikely to choose a downtown location such as this over a highway location near the Arena Hub.
- Some of the Ames locations that were vacated when the chain went bankrupt may be replaced with Big Lots stores. While this offers some competition in the dollar/variety store category, it is not of the same price points and quality of operations that should go into Downtown. Downtown should seek to attract unique stores with moderate, but not low-end price structures.
- Boscov's currently does \$21 million annually in sales with only Monday-Friday, 9 AM – 5 PM business and weak merchandising.
- The City has a number of positive elements in its favor, including great physical features in the river and Public Square, available buildings for creative adaptive reuse, and citizens who are concerned with the state of their hometown.
- The biggest barrier to substantial rejuvenation of Downtown is the political atmosphere of the city. If leadership stays the same, it will be necessary for alternative and more creative means to achieve the goals set forth for the city. It will require a cohesive, grass-roots effort with strong leadership and a commitment to saving the City, regardless of who gets the credit in the end.

In addition to providing traffic and creating a great place to live, work, shop and dine, the growth of retail in Downtown Wilkes-Barre will also generate tax revenues of up to \$951,400 by 2008. Based on a mercantile tax rate of 1%, 2008 tax revenues in a scenario where no housing and no theater are added to Downtown will increase by an estimated \$549,100 with the addition of 187,200 square feet of retail. In the ultimate scenario,

which adds a multi-screen, stadium-seating movie theater, and 150 housing units per year, the additional tax revenue generated from the supportable 296,100 square feet of retail is projected to be almost \$1,000,000. The following table compares the estimated tax revenues generated in each scenario discussed in this report:

<i>Scenario</i>	<i>Total Supportable Sq. Ft.</i>	<i>2003 Estimated Tax Revenues</i>	<i>2008 Estimated Tax Revenues</i>
Current Conditions	187,200	\$208,955	\$549,120
Scenario A: Multi-Screen Theater	197,200	\$208,955	\$591,957
Scenario B: Theater and 50 housing units per year	211,250	\$217,185	\$639,187
Scenario C: Theater and 75 housing units per year	239,600	\$227,605	\$745,801
Scenario D: Theater and 150 housing units per year	296,100	\$246,630	\$951,355

Additional retail support information and data is included as Exhibit B.