E6: Keystone Employment & Economic Plan (KEEP)

Using the Specific Plan to Promote Redevelopment
I. Specific Plans
   A. What exactly is a Specific Plan?
   B. Development incentives *panel comments*

II. Background
   A. KEEP project site: assets and challenges
   B. Past planning efforts (area and region) *panel comments*
III. Keystone Employment & Economic Plan
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   B. Funding
   C. Parties involved
   D. Recommendations
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      2. Infrastructure improvements
      3. Concept plan
      4. Public and private return
      5. Principles for development
IV. Adoption
V. Follow-on
   A. Efforts to secure fill
   B. RFI
   C. Zoning
   D. RFQ
VI. Discussion and questions
Introductions: Peggy Lee-Clark, Executive Director, PAID
Introductions: Justin Keller, Pottstown Borough Manager
Introductions: John Cover, AICP, Assistant Director
Montgomery County Planning Commission
Introductions: Mike Narcowich, AICP, Assistant Section Chief: Community Planning
Montgomery County Planning Commission
I. Specific Plans
What exactly is a “Specific Plan”?

A. Municipalities Planning Code requires:
   1. Description of area, standards for land uses and facilities
   2. Location and design of transportation facilities, including roads
   3. Standards for density, intensity, land coverage and supporting services (including utilities)

Municipalities Planning Code (MPC, PA Act 247, Section 1106) states:

“Participating municipalities shall have authority to adopt a specific plan for the systematic implementation of a county or multimunicipal comprehensive plan for any nonresidential part of the area covered by the plan.”
What exactly is a “Specific Plan”? (continued)

A. Municipalities Planning Code requires (continued):

4. Standards for conservation of open space, agriculture and natural resources

5. Program of implementation. Regulations may be amended into county/municipal ordinances or adopted as separate ordinances.

Municipalities Planning Code (MPC, PA Act 247, Section 1106) states:

“No capital project by any municipal authority or municipality shall be approved or undertaken and no final plan, development plan or plat for any subdivision or development of land shall be approved unless such projects, plans or plats are consistent with the adopted specific plan.”
Specific Plan

B. Development Incentives

1. Applicants must only submit final plan
   a. Saves time and money

2. Certainty/less risk. Municipalities:
   a. Endorse specific plan
   b. Will only undertake capital projects in area consistent with specific plan

3. No county/municipal plan review fees

*** Panel comments

Municipalities Planning Code (MPC, PA Act 247, Section 1106) states:

“A county or counties and participating municipalities are prohibited from assessing subdivision and land development applicants for the cost of the specific plan.”
II. Background
Background

A. KEEP Project Site
Background: A. KEEP Project Site (continued)
Background: A. KEEP Project Site (continued)
Background: A. KEEP Project Site (continued)
Background

Both Pottstown and West Pottsgrove are part of the Pottstown Metropolitan Regional Planning Committee.
Background

A. KEEP Project Site (continued)

1. Pottstown Borough
   (population 22,715)

2. West Pottsgrove Township
   (population 3,887)

Source: American Community Survey, 2017
A. KEEP Project Site (continued)

1. Assets
   a. Transportation access
   b. Location (market)
   c. Proximity to downtown Pottstown and Philadelphia, Schuylkill River, community college
A. KEEP Project Site (continued)
  1. Assets
     d. Last large undeveloped/underdeveloped area in borough and township available for industrial uses
     e. Attractive price
     f. Much of planning and engineering already done
Pottstown is a quintessential, walkable small town, with some of the most well-preserved, architecturally interesting residential neighborhoods, tree-lined streets.
Background: Assets (continued, video)
Background

A. KEEP Project Site (continued)

2. Challenges
   a. Site cleanup
   b. Floodplain and floodway
   c. Building Keystone Boulevard extension
   d. Current market demand for site as-is

Keystone Boulevard currently terminates in a dead-end
Background: Challenges: Building Keystone Boulevard (video)
Background

A. KEEP Project Site (continued)

2. Challenges
d. Current market demand for site as-is. Past uses include

- Landfill
- Industrial wastewater treatment plant
- Iron and brass foundry (Stanley Flagg Co.)
- Steel foundry
- Farley Metals
- Above- and underground storage tanks
- Manufacturing
- Salvage yard
Background

A. KEEP Project Site (continued)

2. Challenges
d. Current market demand for site as-is. Current, recent, and considered uses include:

- Junkyard
- Scrap metal recycling
- Cooking oil recycling
- Hearse company
Background

Floodplain (gray shaded area)
Background (continued)

B. Past planning
   1. Industrial Zone Access Study (Rettew)
      a. Recommended road extension
      b. Recommended manufacturing, office, hotel, recreation
B. Past planning


Strengths of location:

a. Existing, underutilized infrastructure
b. Location at center of east coast population mass
c. Reasonably priced land
d. Industrial could include alternative energy or recreation-related

“The Pottstown Region offers an advantageous location for almost all consumer oriented product assemblage,” (based in part on its central east coast location and affordable land).
--- Regional Market Assessment
Background

B. Past planning

3. Urban Land Institute report
   a. Led to Pottstown, Pottstown School District and Montgomery County Redevelopment Authority reorganizing PAID
   b. PAID now serves to coordinate efforts and establish economic development priorities for Pottstown

*** Panel comments
III. Keystone Employment & Economic Plan
Specific Plan
A. Memorandum of Understanding
   1. Formed steering committee
   2. Stated goals (including priority land uses)
   3. Explained implementation method
      a. Communicate with property owners
      b. RFI and RFQ, select developer
      c. Work to build Keystone Boulevard
A. Purpose.

The purpose of this Memorandum of Understanding (MOU) is to enhance communication and cooperation between the governing bodies of Pottstown Borough and West Pottsgrove Township (collectively, “Participants”) in order to bring about economic development for that portion of Pottstown Borough and West Pottsgrove Township that is bounded on the west by South Grosstown Road, on the south by the Schuylkill River, on the east by College Drive at its intersection with Keystone Boulevard, and on the north by the Norfolk-Southern rail line (see attached map).

B. Goals.

To create a new and vibrant, mixed use employment/residential center located in the municipalities of Pottstown Borough and West Pottsgrove Township that maximizes the redevelopment area’s potential through public private partnerships. Redevelopment shall include any or all of the following or similar uses:

1. Office
2. Light Industrial
3. Research and Development (R&D)
4. Retail or Hotel
5. Apartment or Multifamily Condominiums, when part of a mixed use development
6. Supporting Recreation

It is understood that the success of this effort will be affected by the extension of Keystone Boulevard, and by the reconstruction of the Grosstown Road Interchange on U.S. 422.
C. Elements of Implementation.

In order to implement the goals of this MOU, the Participants shall form an Oversight Committee. The members of the Oversight Committee shall be comprised of one voting representative from the governing body of each municipality. Each municipality shall also appoint two additional non-voting members—one from its municipal planning commission and one at-large.

The duties of the Oversight Committee are as follows:
1. Maintain communication with the study area’s existing property owners in order to encourage their participation in the planning process.
2. Distribute a Request for Interest (RFI), and modify the Specific Plan according to the feedback provided through the RFI process.
3. Create and distribute a Request for Qualifications (RFQ) to select a developer who will assist in the finalization of the Specific Plan and redevelopment of the study area.
4. Review responses, select developer proposal that best achieves the objectives of the Specific Plan, and submit to the governing bodies for final acceptance.
5. Work to get the extension of Keystone Boulevard built.

D. Understandings and Agreements.

The Participants agree to work cooperatively to form an Oversight Committee. They further agree to work to implement the Specific Plan by its adoption and subsequent modification of municipal codes for consistency with the Plan. The Participants also agree to equally allocate the necessary staff time to sustain the project and actively pursue funding for the extension of Keystone Boulevard. Once decisions are made by the Committee, both municipalities shall strive to meet agreed-upon deadlines and actions in a timely fashion. Lastly, any subsequent revisions to the Specific Plan shall be generally consistent with the goals and objectives of the Pottstown Metropolitan Regional Comprehensive Plan and will be agreed upon by both Participants.
B. Funding

1. PAID awarded Local Share Account grant ($200,000)
2. Match: Montgomery County Redevelopment Authority ($67,000)
3. Administered by DCED
Keystone Employment & Economic Plan

C. Parties Involved

Local Share Account Funding
- Commonwealth Financing Authority (Source)
- DCED (Administrator)
- Montgomery County Redevelopment Authority (Match)

Clients
- Pottstown Borough
- West Pottsgrove Township
- PAID
- Property owners

Critical Stakeholders
- Client Representative
- Subcontractors
- Montgomery County Planning Commission
- Bursich Engineers
- A.D. Marble & Co., (Environmental)
1. Highest and best use
   a. Current
   b. Aspirational (change development dynamic)
      i. Limited industrial
      ii. Office
      iii. Research & development
      iv. Multifamily residential
      v. Supporting recreational/retail
2. Infrastructure recommendations
   a. Keystone Boulevard extension
Engineered plans prepared by Bursich show recommended alignment of Keystone Boulevard extension.
2. Infrastructure recommendations (continued)

b. Building sites to be raised out of floodplain

*Much of project site is located in floodplain (gray), with parts of road and undevelopable area in floodway*
2. Infrastructure recommendations (continued)

c. Freight rail sidings from Norfolk Southern encouraged; conceptual locations identified on plans
3. Concept Plans

Village at Valley Forge, King of Prussia

Apartments, Conshohocken
3. Concept Plans (continued)

Eastern portion of project site
3. Concept Plans (continued)

Looking west from PA 100
3. Concept Plans
(continued)

Purple = Light industrial, office, research & development

Yellow = Midrise residential
4. Return on investment (public)
   - School districts:
     - Pottstown: $4.6 million
     - Pottsgrove: $3.2 million
   - Municipal
     - Pottstown: $1.2 million, 3,100 jobs
     - West Pottsgrove: $200,000, 2,300 jobs
   - Montgomery County: $700,000
4. Return on investment (private)
   - Significant uncertainties
     • Cleanup costs
     • Wetland mitigation costs
     • Floodway fill costs
     • Potential archaeological resources
     • Changing technology in manufacturing sector
4. Return on investment (private)
   – “Cost premium”
     • Indicates additional cost to developer to locate on KEEP site rather than greenfield, not located in floodplain or floodway, with no significant fill costs and with all infrastructure in place

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**Keystone Employment & Economic Plan: Recommendations**

“The “cost premium” is the amount that would need to be eliminated, in total, or to a large extent, with public financing or innovative financing mechanisms.”
--KEEP Specific Plan

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<td>$ 6,408,396</td>
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<td>Cost Premium per Acre (based on 103.32 Developable Acres)</td>
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5. Principles for development
   a. Intentionally broad
   b. Serve as guidance for future zoning
   c. Response from developers likely to require further refinements or added details to Specific Plan/zoning
Adoption 2019 by public hearings in each municipality (January-February)
A. Efforts to secure construction fill
   1. Meetings held with construction contractor for nearby U.S. 422 reconstruction
      a. To obtain free fill (savings $9.8 million for 278,000 CY)

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A. Efforts to secure construction fill (continued)

1. Meetings held with construction contractor for nearby U.S. 422 reconstruction

b. HEC-RAS study required to model the impact of development on river flow

“HEC-RAS”: (U.S. Army Corps of Engineer’s Hydrologic Engineering Center’s River Analysis System)
B. Request for Information (RFI)
   1. Released 2019
   2. Has drawn developer interest
   3. Qualified Opportunity Zone (QOZ) has helped

C. Zoning

D. RFQ: to select developer who will assist in finalization of plan
Qualified Opportunity Zones: Investor may defer capital gains tax on sale of asset by investing in zone, per Tax Cut and Jobs Act of 2017.
Questions and Comments?