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# Sustainable Revitalization of the Fort Washington Office Park

## Upper Dublin Township, PA



Technical Memorandum #2UDT:  
Characteristics of Potential TDR Receiving Area –  
Upper Dublin

Urban Partners  
August 2010

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## Introduction

Over the last several years, Upper Dublin Township has been investing substantial resources in addressing the issues of growth, flooding, sustainability, and tax base maintenance in the Fort Washington Office Park (FWOP). Temple University's 2008 study and various engineering studies have all contributed to that investment. Currently the Township is engaging URS Corp. to update its Comprehensive Plan and conduct a separate engineering analysis evaluating roadway improvements and the construction of two new dams to mitigate flooding in the FWOP. In its desire to build upon these efforts and identify specific solutions for FWOP properties, the Township engaged a team led by Urban Partners to create a sustainable revitalization plan for the FWOP.

The Sustainable Revitalization of the Fort Washington Office Park study began in the spring of 2010. The study is intended to accomplish several objectives:

- Identify the most cost-effective ways to prohibit new development in and relocate existing development from the worst flood-prone areas of the FWOP
- Identify a variety of tangible property-specific tools for the Township to achieve this, particularly the transfer of development rights (TDR)
- Develop solutions within the context of best practices for sustainability, including improved environmental conditions, greater employment opportunities, and an increased tax base for Upper Dublin and Whitemarsh Townships

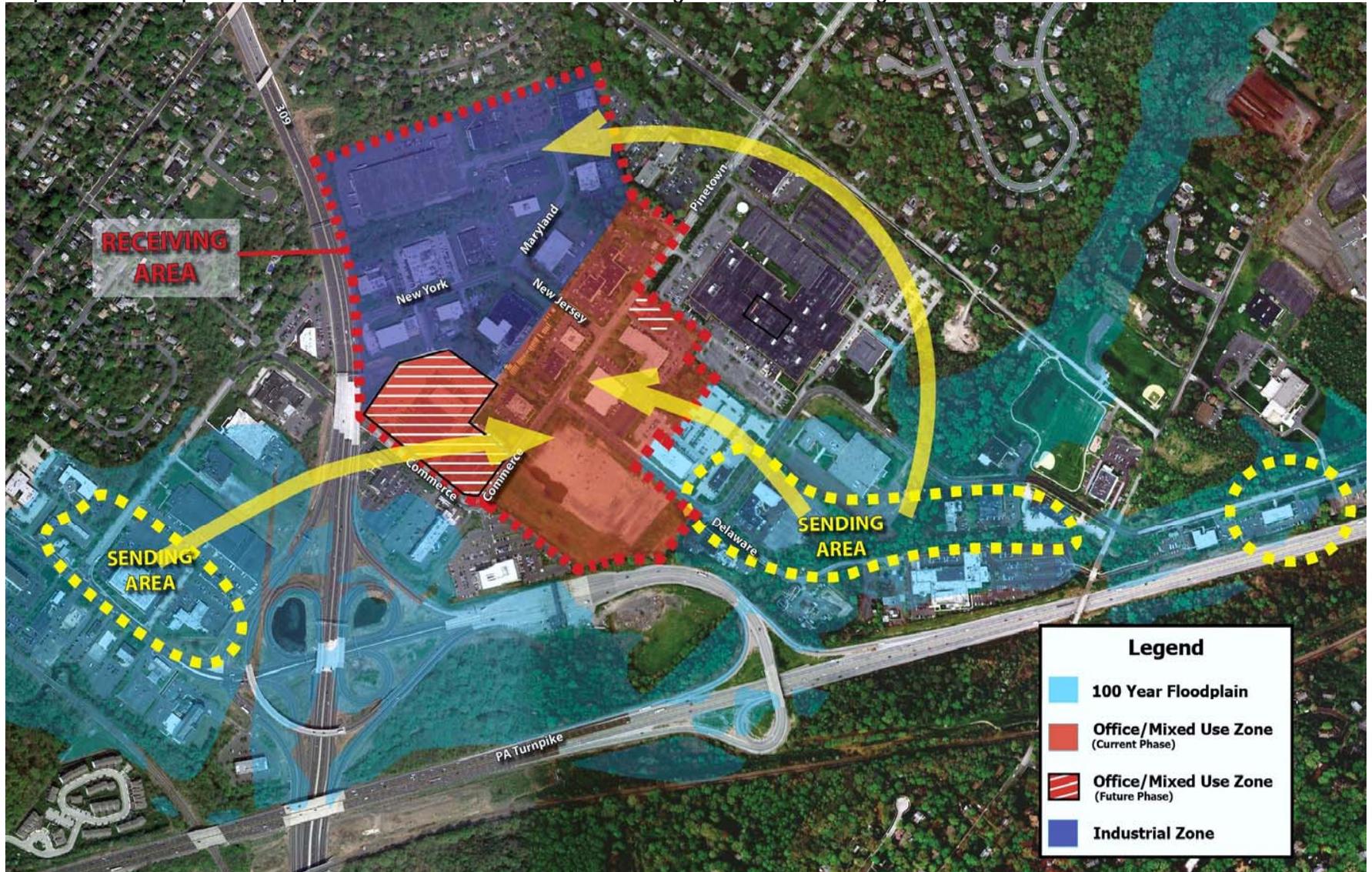
This technical memorandum serves as the second product of the study – an overview of the TDR concept in the FWOP, a recap of the sending area described in Memorandum #1 with an emphasis on the properties suggested for relocation, the identification and assessment of a potential TDR receiving area, and a discussion of the proposed development standards and development program for the receiving area. This exercise serves as a hypothetical but pragmatic demonstration of an extreme build-out TDR scenario and as a test to evaluate the necessary steps and potential results.

## Concept of TDR in the Upper Dublin Portion of the FWOP

As Memorandum #1 discussed, URS has recently analyzed the floodplains in the FWOP as part of an engineering project intended to mitigate the flooding with two new flood-retarding structures. URS calculated new flood levels that would occur throughout the FWOP once two new flood-retarding structures are constructed. While conditions appear to improve with the new structures in place, it is apparent that flooding will still impact many properties in the FWOP in a 50-year event. Therefore, the goal of TDR in the FWOP is to remove development from the floodplain – defined here as the sending area – and transfer it to an area that does not experience flooding – defined as the receiving area.

The bulk of the flooding in the FWOP occurs in two areas: in the vicinity of the intersection of Virginia Drive and Delaware Drive, and the intersection of Pennsylvania Avenue and Commerce Drive. As a result, these two locations are each considered sending areas (see Map 1 on the next page). On the other hand, one of the driest areas of the FWOP is in the vicinity of New York, Maryland, New Jersey, and Commerce Drives. Therefore, we are undertaking an analysis to consider this area as a possible Receiving Area. As the memo will explain, we are tentatively envisioning this Receiving Area to contain both an Industrial and Office/Mixed-Use Zone.

Map 1. TDR Concept in the Upper Dublin Portion of the FWOP: Sending Areas and Receiving Area.



The challenge will be to adequately accommodate the office and industrial square footage from the sending area as well as additional mixed-use development necessary to incentivize the transfer of development rights.

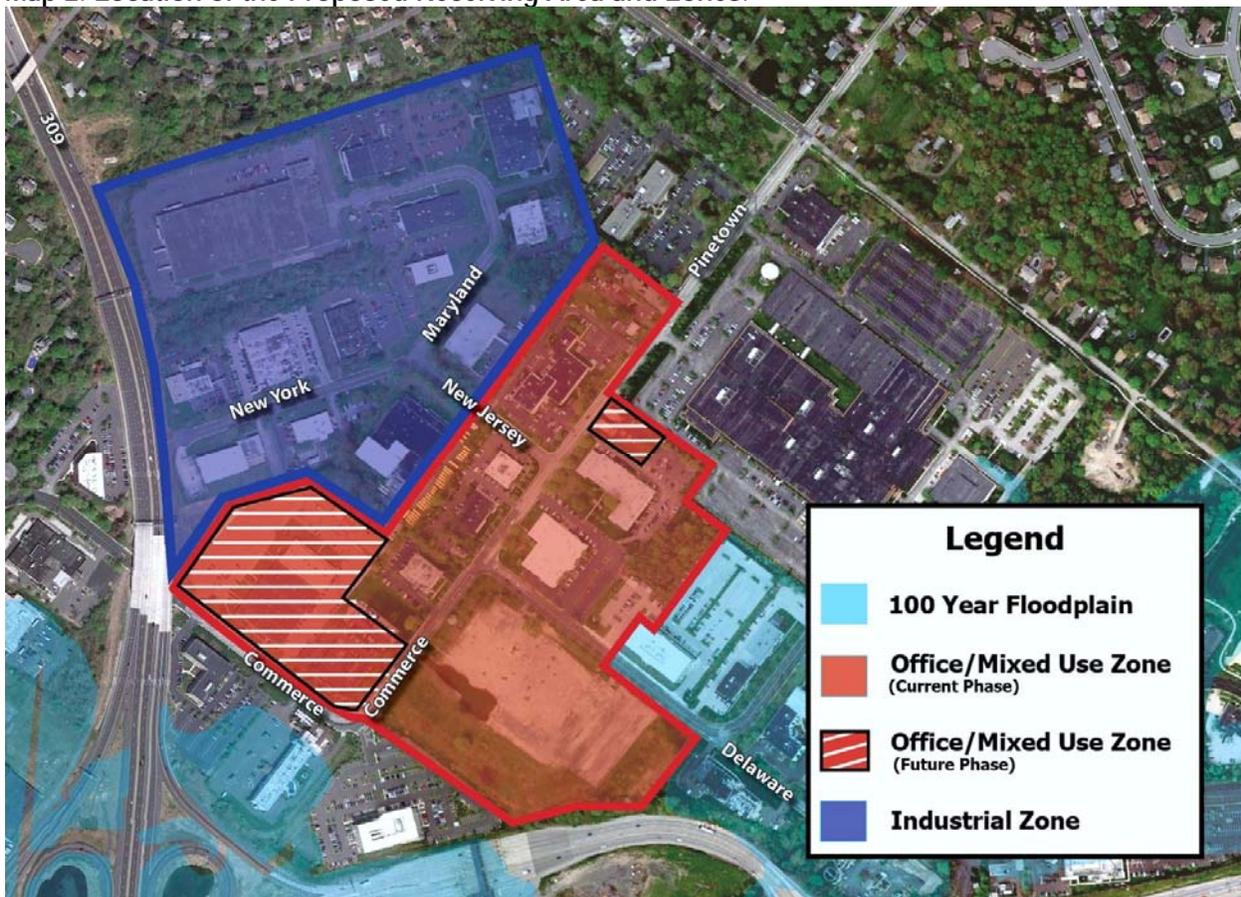
## Receiving Area

As previously identified, the Upper Dublin Receiving Area is proposed for the non-flooding area of the FWOP that includes New York Drive, Maryland Drive, New Jersey Drive, and part of Commerce Drive in the vicinity of the intersection with Delaware Drive (see Map 2).

To assess the maximum potential for creating value for potential transfer of development from the Upper Dublin Sending Area properties, we have considered the concept of increasing the density of development in the proposed Receiving Area when the use of this increased density is linked to the reduction of development (transfer of development) from Sending Area properties.

To appropriately accommodate these different land uses in the Sending Area, we are suggesting two zones within the Upper Dublin Receiving Area – an Office/Mixed-Use Zone and an Industrial Zone. Some level of redevelopment will be required in both zones to successfully implement this TDR arrangement although much more in the Office/Mixed-Use Zone to make the concept financially feasible.

Map 2. Location of the Proposed Receiving Area and Zones.



## Office/Mixed-Use Zone and Hypothetical Development Program

The hypothetical Office/Mixed-Use Zone involves dividing the area into four quadrants centered on the intersection of Commerce Drive and Delaware Drive (see Map 3). Within each of these quadrants – southeast, northeast, northwest, and southwest – are a variety of existing buildings as well as a large vacant parcel, which will be a key element of the TDR receiving area concept (see Table 1 on next page).

Map 3. Hypothetical Office/Mixed-Use Zone and Proposed Quadrants.

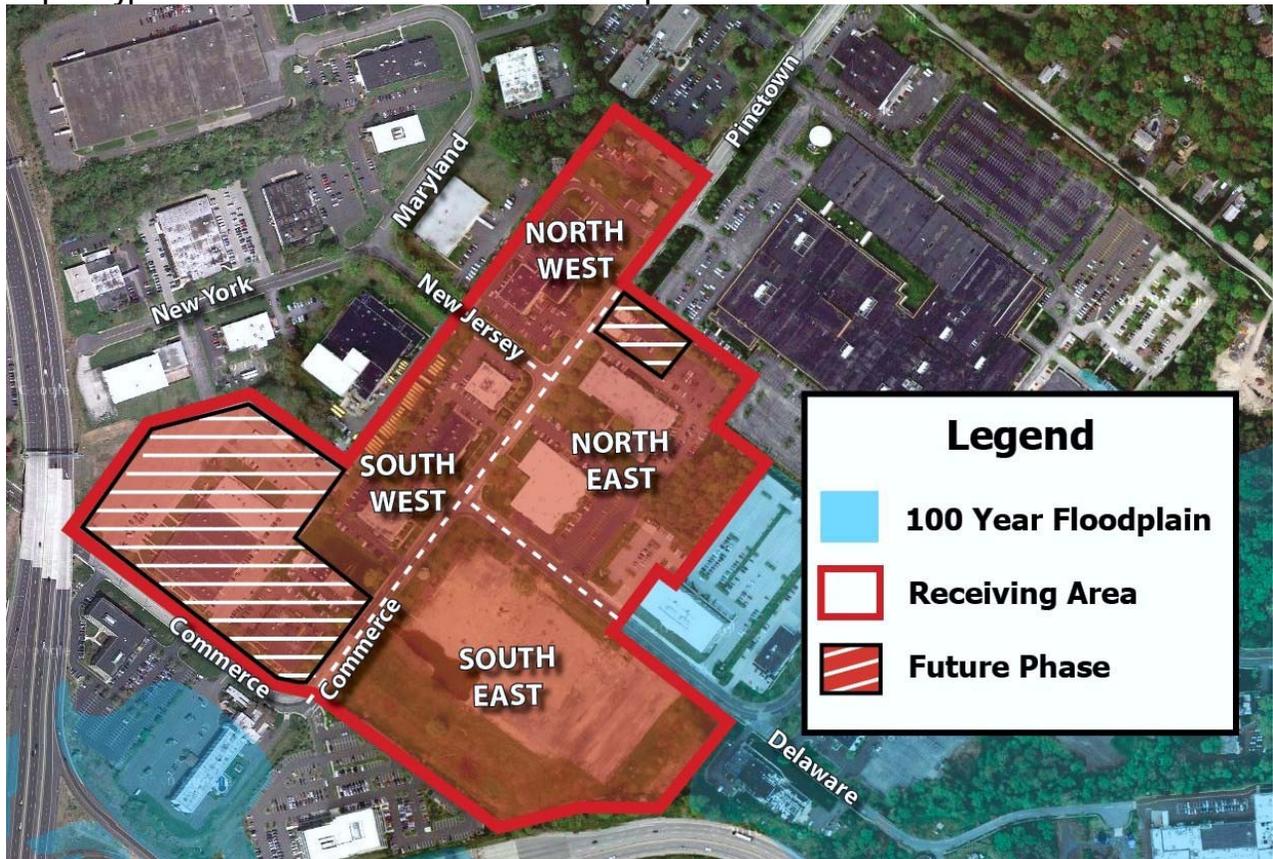


Table 1. Existing Receiving-Area Properties in the Hypothetical Office/Mixed-Use Zone.

Address	Street	Owner	Building Sq. Ft.	Land Sq. Ft.	Major Tenants	Type	Owner/Tenant	Proposed Action
<b>Southeast Quadrant</b>								
375	Commerce Drive	William Weinberg Trustee	N/A	603,306	Vacant Land	Office	Vacant Land	Redevelop
<b>Northeast Quadrant</b>								
401	Commerce Drive	Harleysville Real Estate Group	44,420	153,767	Temple University	Office	Landlord-Owned	Redevelop
425	Commerce Drive	425 Associates	34,000	174,240	McMahon Assoc.	Office	Owner-Occupant	Remain/Add Parking
<b>Northwest Quadrant</b>								
414	Commerce Drive	Liberty Property LP	40,922	177,725	Chapel Steel, Proxus, Pulte Homes	Office	Landlord-Owned	Remain/Add New Development
500	Pinetown Road	Michael J & Deborah Howley	2,154	30,000	N/A	Residential	Owner-Occupant	Redevelop
510	Pinetown Road	510 Pinetown Rd Associates	3,388	30,000	Ft. Washington Veterinary	Office	Landlord-Owned	Redevelop
520	Pinetown Road	Corstan International LTD	2,974	30,000	Robert Knobler, MD	Office	Landlord-Owned	Redevelop
<b>Southwest Quadrant</b>								
350	Commerce Drive	Union Electric Contracting Co.	6,425	55,173	Union Electric	Warehouse /flex	Owner-Occupant	Redevelop Portion
370	Commerce Drive	Endeavor Realty Mgt LLC	12,500	64,077	Archway Insurance, Westrum	Office	Owner-Occupant	Redevelop
390	Commerce Drive	Bongiovanni Properties LLC	1,232	10,152	Kramer Marks	Office	Landlord-Owned	Remain/Add Parking
410	Commerce Drive	Harc Group II	20,849	100,188	YMCA	Office	Landlord-Owned	Redevelop

As the table indicates, we are suggesting a variety of future actions for Receiving Area properties to accommodate the transfer of office space from the Sending Area and provide additional mixed-use space to increase land value in the Receiving Area. To encourage this more intensive development, we are proposing the following significant changes from current EC zoning for this area, but only when accompanied by Transfer of Development from the Sending Area:

- Allowable impervious surface increased to 85%
- A defined amount of residential use allowed in the district
- Height limit increased to six stories for residential and hotel
- Retail/office parking ratio reduced to 3.8 spaces per 1,000 SF

We have applied these proposed revised standards to the core of the hypothetical Office/Mixed-Use Zone to determine the likely redevelopment that would be incentivized by these new standards. See Table 2 for a detailed hypothetical development program

Table 2. Hypothetical Development Program for the Office/Mixed-Use Zone.

Address	Current Use	Land (SF)	Building (SF) Current	Buildout Potential (SF) Current Zoning	Proposed Development Under TDR	TDR-Based SF	Net TDR Increment
<b>Southeast Quadrant</b>							
375 Commerce	Vacant Land	603,306			200 Units Multi-family Residential/6 Floors	240,000	
					One 4-Story Office Building With Retail On Square	120,000	
					3-Story Office Buildings	105,000	
Quadrant Total		603,306		210,000		465,000	255,000
<b>Northeast Quadrant</b>							
401 Commerce	One-Story Office	153,767	45,000	54,000	Replace 401 Commerce With One 4-Story Office Building	120,000	
425 Commerce	One-Story Office	174,240	34,000	61,000	With Retail On Square; Some Parking On 425 Commerce		
					Retain 425 Commerce	34,000	
Quadrant Total		328,007	79,000	115,000		154,000	39,000
<b>Northwest Quadrant</b>							
414 Commerce	One- & Two-Story Office	177,725	40,922	62,000	Assemble Parcels; Demolish Three Smaller Structures		
500 Pinetown	Home	30,000	2,154	9,000	Retain 414 Commerce Office Building	40,922	
510 Pinetown	Veterinary	30,000	3,380	9,000	Add 3-Story Office Building	75,000	
520 Pinetown	Two-Story Office	30,000	2,975	9,000			
Quadrant Total		267,725	49,431	89,000		115,922	26,922
<b>Southwest Quadrant</b>							
350 Commerce (Partial)	Vacant Land	25,000		7,000	120-Room Hotel/6 Floors	60,000	
370 Commerce	One-Story Office	64,077	12,500	22,000	One 4-Story Office Building With Retail On Square	88,000	
390 Commerce	Two-Story Office	10,152	1,232	1,232	Retain 390 Office--Share Parking	1,232	
410 Commerce	One-Story Office	100,188	20,849	35,000	Office/Hotel Shared Parking Adjustment		
Quadrant Total		199,417	34,581	65,232		149,232	84,000
<b>Total Program— 11 Parcels</b>		<b>1,398,455</b>	<b>163,012</b>	<b>479,232</b>		<b>884,154</b>	<b>404,922</b>

Map 4. Conceptual Site Plan for the Hypothetical Office/Mixed-Use Zone Development Program.



### Southeast Quadrant

Starting with the Southeast Quadrant, the sole property is 375 Commerce Drive, a vacant 603,000 square-foot parcel. Being vacant and located at a key FWOP intersection, this parcel will be a critical component of the proposed TDR development concept and a suggested first phase. A small portion of this parcel is located within the 100-year floodplain; however, we assume that this area would be devoted to the 15% non-impervious surface requirement.

The hypothetical model of development for this site includes:

- 2 100-unit 6-story residential buildings
- 1 4-story office building of 120,000 SF with first floor retail facing the proposed central square
- 2 smaller office buildings totaling 105,000 SF

This site would be surface parked.

### Northeast Quadrant

The Northeast Quadrant, across Delaware Drive, consists of two large office-use parcels at 401 and 425 Commerce Drive. Because of the location on the proposed square and the low density nature of 401 Commerce, we are recommending this parcel be redeveloped into a larger and higher-density structure. At the same time we suggest that 425 Commerce remain as-is, but increase its parking supply to accommodate the increased parking demand from the redeveloped 401 Commerce. Under this proposed development scenario, the 45,000 SF one-story office building would be replaced by a 4-story office building of 120,000 SF with first floor retail facing the proposed central square.

### Northwest Quadrant

The Northwest Quadrant consists of several small residential-size parcels and a large office-use parcel (414 Commerce) at the corner of New Jersey Drive and Commerce Drive. Because of the size of the three smaller parcels, we are suggesting that they be redeveloped in association with some surplus land from 414 Commerce to accommodate a new 75,000 SF office building. At the same time, we are suggesting that 414 Commerce remain, but that some of its land be used for parking to accommodate the new structure.

### Southwest Quadrant

The Southwest Quadrant also contains four parcels of a variety of sizes and uses. The largest is 410 Commerce Drive. To further increase the density of the Receiving Area, we are suggesting in this scenario that this single-story property (two buildings) be redeveloped. The neighboring small structure at 390 Commerce Drive is suggested to remain in place and break up the mass of the proposed new buildings. There is room at the rear of the property for additional surface parking and a parking connector that would create a full shared parking resource within this quadrant. 370 Commerce is a mid-size one-story office building that we suggest be redeveloped at a higher density. Its neighbor – 350 Commerce – includes undeveloped acreage that could be added to this parcel.

The hypothetical new development in this quadrant would include:

- 1 120-room hotel
- 1 4-story office building of 88,000 SF with first floor retail facing the proposed central square

## Industrial Zone

Suggested TDR action for the hypothetical Industrial Zone is far less complex than the Office/Mixed-Use Zone. The Industrial Zone contains 14 properties on New York, Maryland, and New Jersey Drives (see Table 3).

Table 3. Existing Receiving-Area Properties in the Industrial Zone.

Address	Street	Owner	Building Sq. Ft.	Land Sq. Ft.	Major Tenants	Type	Owner/Tenant
400	Maryland Drive	Timoney Knox Hasson & Weand	22,086	87,120	Timoney Knox	Office	Owner-Occupant
425	Maryland Drive	Donald & June Feith	16,782	91,476	Feith Systems	Warehouse/flex	Owner-Occupant
455	Maryland Drive	455 Properties LP	51,158	240,451	Gate 1	Warehouse/flex	Landlord-Owned
465	Maryland Drive	CMT Properties LP	21,000	91,476	Javan Engineering	Warehouse/flex	Owner-Occupant
470	Maryland Drive	455 Properties LP	23,000	107,593	Eastern National (printing)	Warehouse/flex	Landlord-Owned
470	Maryland Drive	The McKeon Family LP	22,325	110,642	Vacant Land	Warehouse/flex	Vacant Land
500	Maryland Drive	WP Fort Washington LP	151,000	559,746	FedEx	Warehouse/flex	Landlord-Owned
270	New Jersey Drive	Amy Gitlin & Michelle Brody	25,000	146,797	Gerhard Appliances	Warehouse/flex	Landlord-Owned
275	New Jersey Drive	NJD Realty Partnership LP	56,888	191,228	UD School District	Warehouse/flex	Landlord-Owned
230	New York Drive	Myer Realty Associates LP	21,090	107,158	Beemer	Warehouse/flex	Landlord-Owned
235	New York Drive	235 New York Drive LP	21,390	101,059	Vacant Building	Warehouse/flex	Vacant
240	New York Drive	240 New York Drive Assoc LP	31,508	128,502	Altman Investment Partners, Lakeside Youth Service, Allied Construction Services	Office	Owner-Occupant
245	New York Drive	Birnhak Realty LP	11,646	91,476	Weight Watchers	Warehouse/flex	Owner-Occupant
260	New York Drive	260 NYD LLC	24,032	116,741	Bartolomeo Pio	Warehouse/flex	Landlord-Owned

Vacant buildings and/or vacant land in this area could be found to provide space for and accommodate the 28,000 square feet of industrial uses to be relocated from the Sending Area.

## Sending Area

### Sending Area Background Review

To review characteristics of the Sending Area, described in detail in Memorandum #1, there are a total of 18 developed properties in the Upper Dublin Township portion of the FWOP in the current 50-year floodplain, (see Table 4). The colors indicate the status of the properties once the flood-retarding structures are built: the properties in pink are those that will be in the 25-year floodplain post-structure construction; properties in orange will remain in the 50-year floodplain; properties in blue will be downgraded to the 100-year floodplain; and the property in green will be downgraded to outside the 100-year floodplain, posing the least flooding threat.

**Table 4. FWOP Upper Dublin Township Properties in the Existing 50-year Floodplain.**

Address	Street	Owner	Building Sq. Ft.	Major Tenants	Type
475	Pennsylvania Avenue	475 Pennsylvania Ave LLC	1,392	Vacant Service Station	Industrial
515	Pennsylvania Avenue	HUB Properties Trust	83,998	Amtech, Futura	Office
535	Pennsylvania Avenue	HUB Properties Trust	30,160	Chestnut Hill Hospital, Remax	Office
430/440	Virginia Drive	Agnew C N Jr Trustee	17,436	Abria Health Care (430), Tot Time, Fastenal (440)	Office/Ind.
1035	Virginia Drive	HUB Properties Trust	30,720	CHI Systems, Primerica Co., Jan-Pro Cleaning Systems, Color Chief Painters, REIT Management & Research	Office
135	Commerce Drive	135 Commerce Inc. PA Corp.	144,908	B&I Auto	Industrial
425	Delaware Drive	Savino Costanzo, Granite Galleria	21,058	Granite Galleria	Industrial
471	Pennsylvania Avenue	Elliott & Andrew Goldstein	4,720	Clean Machine Car Wash	Industrial
475	Virginia Drive	HUB Properties Trust	65,280	IRI Information Resources, Inc., First Managed Care Option/Active Care	Office
565	Virginia Drive	William Weinberg Trustee - Marc G. Weinberg	14,868	Marketing Systems Group	Office

Table 4, cont. FWOP Upper Dublin Township Properties in the Existing 50-year Floodplain.

Address	Street	Owner	Building Sq. Ft.	Major Tenants	Type
155	Commerce Drive	Heritage Design Center LP	25,088		Industrial
285	Commerce Drive	Vihor F W LP	71,503	Best Western Hotel, Subway	Hotel
420	Delaware Drive	Liberty Property LP	64,836	McNeil Pharmaceuticals	Office
467	Pennsylvania Avenue	467 Pennsylvania LLC	32,464	Dental/Medical Offices, Smiles Café	Office
525	Virginia Drive	SNH Medical Office Prop TR	129,704	VACANT	Vacant
555	Virginia Drive	Nesbitt Graphics Inc.	10,864	Nesbitt Graphics	Industrial
1240/1250	Virginia Drive	Liberty Property LP	45,252	Jaguar Printing (1240), Bassman Laserow & Co., Vantage Point Bank (1250)	Office/Ind.
550	Virginia Drive	550 Virginia Dr LLC	16,944	Rush Gears	Industrial

As Table 4 indicates, it is anticipated that there will be five properties in the 25-year floodplain and five properties in the 50-year floodplain within the Upper Dublin Township portion of the FWOP once the flood-retarding structures are complete. These are the Upper Dublin Sending Area properties with which we are most concerned, as they will continue to receive the most frequent flooding and property damage even with the flood prevention structures in place. Therefore, it is these 10 properties that ideally would be the priorities for relocation of development value out of the Sending Area to the Receiving Area. The current development pattern of these 10 properties includes approximately 244,000 square feet of office space and 172,000 square feet of industrial space.

#### Hypothetical Action for Sending Area Properties

To test a plan for these ten critical Upper Dublin Sending Area properties in terms of a suggested action, we must reassess each individual property regarding its owner's attitude about moving out of the Sending Area (see Table 5 on next page).

As the table shows, there are two basic responses among the ten Upper Dublin Sending Area property-owners that have influenced the proposed actions for these properties: a desire to stay in the same location, or a willingness to consider moving. This has resulted in a variety of proposed actions based on the type of property, whether office or industrial, including the property remaining in the Sending Area, the property relocating to an industrial portion of the proposed receiving area, the property relocating to an office/mixed-use portion of the proposed receiving area, and the property being purchased for open space. Finally, for some properties, a suggested action remains unknown at this time.

Table 5. Proposed Action for FWOP Upper Dublin Township Sending-Area Properties.

Address	Street	Owner	Building Sq. Ft.	Major Tenants	Type	Owner/Tenant	Owner Intends to Stay	Building is Vacant	Owner Would Move	Depth of Flooding During 50-year Event (ft.) Post-Dam	Proposed Action
535	Pennsylvania Avenue	HUB Properties Trust	30,160	Chestnut Hill Hospital, Remax	Office	Landlord-Owned	X			2.0	????
515	Pennsylvania Avenue	HUB Properties Trust	83,998	Amtech, Futura	Office	Landlord-Owned	X			1.5	????
430/440	Virginia Drive	Agnew C N Jr Trustee	17,436	Abria Health Care (430), Tot Time, Fastenal (440)	Office/Ind.	Landlord-Owned			X	2.1	Relocate to Receiving--Office/Mixed Use & Industrial Zones
1035	Virginia Drive	HUB Properties Trust	30,720	CHI Systems, Primerica Co., Jan-Pro Cleaning Systems, Color Chief Painters, REIT Management & Research	Office	Landlord-Owned			X	1.8	Relocate to Receiving--Office/Mixed Use Zone
475	Pennsylvania Avenue	475 Pennsylvania Ave LLC	1,392	Vacant Service Station	Industrial	Vacant		X		2.0	Purchase for Open Space
475	Virginia Drive	HUB Properties Trust	65,280	IRI Information Resources, Inc., First Managed Care Option/Active Care	Office	Landlord-Owned	X			0.1	Remain
135	Commerce Drive	135 Commerce Inc. PA Corp.	144,908	B&I Auto	Industrial	Owner-Occupant	X			1.0	Remain
425	Delaware Drive	Savino Costanzo, Granite Galleria	21,058	Granite Galleria	Industrial	Owner-Occupant			X	0.5	Relocate to Receiving--Industrial Zone
471	Pennsylvania Avenue	Elliott & Andrew Goldstein	4,720	Clean Machine Car Wash	Industrial	Owner-Occupant	X			0.7	Remain
565	Virginia Drive	William Weinberg Trustee - Marc G. Weinberg	14,868	Marketing Systems Group	Office	Landlord-Owned			X	0.4	Relocate to Receiving--Office/Mixed Use Zone

### Relocate to Receiving Area

Of the ten properties in the Upper Dublin portion of the Sending Area, four representing both office and industrial uses are suggested to relocate to the receiving area. While only one of the four is owner-occupied, all of the property owners expressed an interest in relocating their properties out of the Sending Area because of flooding. 440 Virginia Drive is a combination of office and industrial uses; therefore a portion of the development is recommended for the Industrial Zone and a portion for the Office/Mixed-Use Zone. 1035 Virginia Drive is entirely office, to be relocated to the Office/Mixed-Use Zone of the Receiving Area. This is also the case with 565 Virginia Drive. 425 Delaware Drive is an industrial building, so it would be relocated to the Industrial Zone of the Receiving Area.

Collectively, these 4 properties include about 56,000 SF of office space and 28,000 SF of industrial space.

### Purchase for Open Space

One building in the Sending Area – a former gas station at 475 Pennsylvania Avenue – is vacant and has been for some time. Although it is in an ideal commercial location, the property experiences severe flooding on a regular basis, most likely leading to its abandonment. While the site may require a certain amount of environmental cleanup, such as underground tank removal, the Township should consider purchasing the property for permanent open space.

### Properties Proposed to Remain in the Near Term

Three other properties are suggested to remain in their location, at least initially. 471 Pennsylvania Avenue is a car wash at the corner of Pennsylvania Avenue and Commerce Drive that incurs flooding regularly, but only in the vicinity of its self-serve washing area toward the back of the property. Like the other Pennsylvania Avenue properties above, the owner indicated no interest in moving his business due to its prime location.

135 Commerce Drive is a very large warehouse building housing B&I Auto, a wholesale internet auto parts dealer. This property at 145,000 square feet is by far the largest structure being considered for relocation out of the Sending Area. Because of its size, it poses the biggest challenge to find a suitable space for relocation. This owner also indicated an intention to stay in his current location. The post-structure analysis indicates that this property will flood at the 50-year event to the depth of one foot.

Finally, 475 Virginia Drive is a two-story office building with a ground-floor lobby and office space on the second floor above parking. HUB Properties Trust owns this building and as with many of its other buildings has voiced a lack of interest in moving. The post-structure analysis indicates that this property will flood at the 50-year event to the depth of only one inch.

Given the specific circumstances of each of these three properties, as well as the owners' lack of willingness to consider moving out of the floodplain, we suggest they remain in place for now. The potential for relocation should be revisited with the landowners in the future since they will continue to experience periodic flooding.

### Unknown Action

For two properties, 515 and 535 Pennsylvania Avenue, we anticipate difficulties in achieving agreement on appropriate action. These two neighboring office-use properties on the north side of Pennsylvania Avenue

are in one of the most severely flooded areas of the FWOP, even when the new flood retarding structures in place. As Table 2 suggests, these properties will incur 1.5 to 2 feet of flooding in a 50-year event with the structures built. However, the owner of both buildings, HUB Properties Trust, indicates no interest in moving, and claims that flooding currently is not severe at either property. These properties total 114,000 of office use.

We propose planning the Receiving Area to create incentives for the potential relocation of the uses in these two properties, but anticipate difficulties in implementation due to the perspective of the property owner.