
Sustainable Revitalization of the Fort Washington Office Park

Upper Dublin Township, PA



Technical Memorandum #1UDT: Characteristics of Flood-Prone
Parcels

Urban Partners
June 2010

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 first product of the study – an identification and assessment of the most flood-prone parcels in the FWOP as potential locations for TDR sending areas.

Floodplains

Existing Floodplains

There are a variety of sources of information that have determined existing floodplain boundaries in this area, including FEMA maps, the Temple University study, and prior engineering analyses. Using a combination of these sources, URS established an existing 100-year flood boundary as part of their earlier work (indicated in blue in Map 1 on next page). The 100-year floodplain is the minimum national standard for requiring property owners to purchase flood insurance. Flooding in the FWOP, however, occurs far more frequently than every 100 years. In fact, while events may be fairly minor, some type of flooding is experienced by several businesses in the FWOP every year. URS confirmed this through a prior analysis for FWOP road improvements (identified in red in Map 1).

As the map shows, the 100-year floodplain extends throughout most of the entire length of the FWOP, particularly along Virginia Drive. Several parcels along Pennsylvania Avenue in both Upper Dublin and Whitemarsh Townships, technically outside the FWOP, also lie within the 100-year floodplain. According to the map, parcels considered the most flood-prone are concentrated in the center of the office park around the intersection of Virginia and Delaware Drives as well as at the southern end at Pennsylvania Avenue. There are also a few more such parcels farther north on Virginia Drive.

Map 1. Existing 100-year Floodplain and Most Flood-Prone Areas in the FWOP from Prior Analyses.



Source: URS Corp.

Future Floodplains

As part of the analysis for the new dams, URS engineers modeled future flooding conditions in the FWOP for 1, 2, 5, 10, 25, 50, 100, and 500-year events with the dams constructed. For this study, we're most interested in the post-dam construction flood levels, assuming the dams will get built. This new analysis modifies the 100-year floodplain shown in Map 1, and identifies all properties that will still flood during each of the storm events (1 through 500 years). The greatest concern is for the storms that occur fairly quickly and often, and cause recurring flooding and damage to many properties in the FWOP. These storms tend to be the 10- to 50-year events. For the purpose of this study, we have chosen the 25-year flood level as

the minimum standard; each property in the FWOP with the propensity to flood in a 25-year or greater event is the focus of this analysis. The next section identifies all flood-prone properties in the FWOP in detail indicating both existing and future (post-dam) conditions.

Flood-Prone Property Inventory

Using an existing property inventory database provided by Upper Dublin Township, we have identified all FWOP parcels in the existing 100-year floodplain shown in Map 1, as well as future 100-, 50-, and 25-year floodplains reflecting post-dam construction conditions. Table 1 below provides a complete inventory of these parcels color coded according to its floodplain status.

Table 1. Inventory of Flood-Prone Parcels in the FWOP Post-Dam Construction.

Address	Street	Township	Owner	Sq. Ft.	Major Tenants
455	Delaware Drive	Upper Dublin	Bucks County Water & Sewer	1,985	Water Treatment Plant
535	Pennsylvania Avenue	Upper Dublin	HUB Properties Trust	30,160	Chestnut Hill Hospital, Remax
515	Pennsylvania Avenue	Upper Dublin	HUB Properties Trust	83,998	Amtech, Futura
430/440	Virginia Drive	Upper Dublin	Agnew C N Jr Trustee	17,436	Abria Health Care (430), Tot Time, Fastenal (440)
1035	Virginia Drive	Upper Dublin	HUB Properties Trust	30,720	CHI Systems, Primerica Co., Jan-Pro Cleaning Systems, Color Chief Painters, REIT Management & Research
475	Virginia Drive	Upper Dublin	HUB Properties Trust	65,280	IRI Information Resources, Inc., First Managed Care Option/Active Care
500/510	Pennsylvania Avenue	Whitemarsh	Cleo-Mar	16,166	West German BMW
512	Pennsylvania Avenue	Whitemarsh	Thomas McCarron	6,026	Bank of NY, Exit Supreme Realty, Mellon Financial Corp., Moreland Financial Corp.
514	Pennsylvania Avenue	Whitemarsh	RCA Group		Vacant Lot
520	Pennsylvania Avenue	Whitemarsh	Robert S & Ellen B Seltzer	16,794	Cohen Seltzer, Inc.
530	Pennsylvania Avenue	Whitemarsh	MG Washington LLC	113,531	Hilton Garden Inn
135	Commerce Drive	Upper Dublin	135 Commerce Inc. PA Corp.	144,908	B&I Auto
425	Delaware Drive	Upper Dublin	Savino Costanzo, Granite Galleria	21,058	Granite Galleria
475	Pennsylvania Avenue	Upper Dublin	475 Pennsylvania Ave LLC	1,392	Vacant Service Station

Address	Street	Township	Owner	Sq. Ft.	Major Tenants
471	Pennsylvania Avenue	Upper Dublin	Elliott & Andrew Goldstein	4,720	Clean Machine Car Wash
565	Virginia Drive	Upper Dublin	William Weinberg Trustee - Marc G. Weinberg	14,868	Marketing Systems Group
522	Pennsylvania Avenue	Whitemarsh	James & Mari Frances Greipp		Vacant Lot
524	Pennsylvania Avenue	Whitemarsh	Lukoil North America LLC	2,436	Lukoil Gas/Convenience
555	Virginia Drive	Upper Dublin	Nesbitt Graphics Inc.	10,864	Nesbitt Graphics
1240/1250	Virginia Drive	Upper Dublin	Liberty Property LP	45,252	Jaguar Printing (1240), Bassman Laserow & Co., Vantage Point Bank (1250)
525	Virginia Drive	Upper Dublin	SNH Medical Office Prop TR	129,704	VACANT
585	Camp Hill Road	Upper Dublin	WFP Pennland Co LP		Vacant Lot
155	Commerce Drive	Upper Dublin	Heritage Design Center LP	25,088	
285	Commerce Drive	Upper Dublin	Vihor F W LP	71,503	Best Western Hotel, Subway
375	Commerce Drive	Upper Dublin	William Weinberg Trustee		Vacant Lot (Pad Site)
465	Commerce Drive	Upper Dublin	S & R Jay Realty	2,540	
420	Delaware Drive	Upper Dublin	Liberty Property LP	64,836	McNeil Pharmaceuticals
165	Indiana Avenue	Upper Dublin	JMJ Properties	10,189	
467	Pennsylvania Avenue	Upper Dublin	467 Pennsylvania LLC	32,464	Dental/Medical Offices, Smiles Café
432	Pennsylvania Avenue	Upper Dublin	Monterey LLC	128,915	Holiday Inn
1145	Virginia Drive	Upper Dublin	BT Office Center Drive LP		Vacant Lot (Pad Site)
540	Pennsylvania Avenue	Whitemarsh	Harvey Goodstein Charitable Foundation	37,587	Access Security, IDS Financial, Softerware
401	Commerce Drive	Upper Dublin	Harleysville Real Estate Group	44,420	NCR
425	Commerce Drive	Upper Dublin	McMahon Associates	34,000	McMahon Assoc.
465	Delaware Drive	Upper Dublin	Upper Dublin Township		Upper Dublin Township
469	Pinetown Road	Upper Dublin	Hermes Tagalidis		
550	Virginia Drive	Upper Dublin	550 Virginia Dr LLC	16,944	Rush Gears
575	Virginia Drive	Upper Dublin	Agnew C N Jr Trustee	21,976	Smith & Nephew

Address	Street	Township	Owner	Sq. Ft.	Major Tenants
580	Virginia Drive	Upper Dublin	HUB Properties TR	48,253	Severn Trent, Pointroll, 24/7 Media
1005	Virginia Drive	Upper Dublin	First Evergreen Properties, LLC	87,000	Kulicke & Soffa
1015	Virginia Drive	Upper Dublin	First Evergreen Properties, LLC	19,920	VACANT
1050	Virginia Drive	Upper Dublin	Bell Telephone Co. of Pennsylvania	108,056	Verizon
1055	Virginia Drive	Upper Dublin	CEG Associates; Keystone Computer Association	15,852	Keystone Computer
1075	Virginia Drive	Upper Dublin	BT Virginia Drive L P	23,106	Xerox, Digital Video Arts
1100	Virginia Drive	Upper Dublin	Liberty Property LP	844,228	GMAC, Devry University
1125	Virginia Drive	Upper Dublin	ADP Inc.	58,341	ADP, Inc.
1175	Virginia Drive	Upper Dublin	Ft Washington Fitness LP		LA Fitness
1300	Virginia Drive	Upper Dublin	AVIR Realty		AVIR Realty
1375	Virginia Drive	Upper Dublin	Robert T Heenan & Thomas Danese	46,780	Local 542, Other Unions

Source: Urban Partners, Upper Dublin Township, URS Corp., Win2 Data

As shown in the table above, properties have been divided into five color-coded categories based on their status of current and future flooding:

- Pink (Highest flood-prone) – Properties will flood during a 25-year event with the dams in place
- Orange – Properties will flood during a 50-year event with the dams in place
- Light Blue – Properties were considered most flood-prone under current conditions (without dams), but flood-prone status is downgraded to 100-year with the dams in place
- Dark Blue – Properties are in the 100-year floodplain with the dams in place
- Green – Properties were in the 100-year floodplain under current conditions (without dams), but are not expected to flood at all with the dams in place

In total, we have identified 32 flood-prone properties totaling over 1.15 million square feet of office and flex space in the future post-dam 100-year floodplain. Of those properties, 11 are located in the 25-year floodplain and are considered to be the highest flood-prone. An additional seven are located in the 50-year floodplain. These properties are described in detail below.

Highest Flood-Prone Properties

To substantiate the floodplain engineering work and confirm the severity of flooding that has occurred, we attempted to meet or speak with all 18 property owners or managers of the most flood-prone properties in the FWOP, located in the 25- and 50-year floodplain. Our discussions helped identify a variety of issues, including the advantages and challenges of the FWOP, any plans for property/business expansion that could impact the building or floodplain, the timing of such future plans/changes, general lease terms and options for building tenants, and the owners' and managers' potential interest in relocating their businesses.

As a result of these discussions, we have created several categories of property types based on the degree of likelihood that each owner or manager would relocate out of the floodplain due to flooding as part of a TDR or other arrangement. All of the properties fit into one of the four following categories: the building owner would like to stay in the existing location; the building owner wants to stay in the same location and rebuild or redevelop the property; the building is currently vacant and for sale or rent; and the building owner would consider relocating his business to another location (see Table 2).

Table 2. Status of the Most Flood-Prone Properties in the FWOP Post-Dam Construction.

Property	Owner	Owner Intends to Stay in Same Location	Building is Vacant	Parcel is Vacant	Owner Would Consider Relocating
455 Delaware Dr.	Bucks Co. Water/Sewer	X			
500 Pennsylvania Ave.	Cleo-Mar (West German BMW)	X			
515 Pennsylvania Ave.	HUB Properties Trust	X			
535 Pennsylvania Ave.	HUB Properties Trust	X			
512 Pennsylvania Ave.	Thomas McCarron		X*		
514 Pennsylvania Ave.	RCA Group			X	
520 Pennsylvania Ave.	Robert Seltzer				X
530 Pennsylvania Ave.	MG Washington LLC (Hilton Garden Inn)	X			
430/440 Virginia Dr.	Agnew CN, Jr. Trust				X
475 Virginia Dr.	HUB Properties Trust	X			
1035 Virginia Dr.	HUB Properties Trust				X
135 Commerce Dr.	135 Commerce Inc.	X*			
425 Delaware Dr.	Granite Galleria				X
475 Pennsylvania Ave.	475 PA Ave. LLC		X		
471 Pennsylvania Ave.	Elliott/Andrew Goldstein	X			
522 Pennsylvania Ave.	James Greipp			X	
524 Pennsylvania Ave.	Lukoil North America	X			
565 Virginia Dr.	William Weinberg Trust				X

As the table shows, nine of the building owners desire to stay in their existing location despite being flooded regularly. Two buildings are currently vacant and two parcels are currently vacant. And five property owners would consider relocating for a variety of reasons under a variety of circumstances. Below we examine these properties in greater detail, highlighting those most likely to relocate out of the floodplain.

Owner Intends to Stay in Same Location

Several property owners report that, despite the flooding that occurs in the FWOP, they have no interest in moving and intend to stay in the same location. Some even report that they rarely have flooding issues, or they have not witnessed floodwaters in their buildings in several years, even though many newsworthy flooding events have brought recent attention to the FWOP.

455 Delaware Drive

Property Description:

- Ownership: Bucks County Water & Sewer Authority
- Contact:
- Parcel Size: 3.35 acres
- Building Size: 1,590 square feet
- Current Use: Wastewater Treatment Facility
- Current Tenants:
- Assessed Value: \$387,810

455 Delaware Drive, owned by the Bucks County Water & Sewer Authority, is located in the severely flood-prone central portion of the FWOP. Because the property is a wastewater treatment plant owned by a public entity, we are assuming that it will remain in the current location.

500-510 Pennsylvania Avenue

Property Description:

- Ownership: Cleo-Mar
- Contact:
- Parcel Size: 4.99 acres
- Building Size: 16,166 square feet
- Current Use: Car Dealership
- Current Tenants: West German BMW
- Assessed Value: \$2,273,000

500 Pennsylvania Avenue is the West German BMW car dealership, and 506 and 510 Pennsylvania Avenue are both vacant lots owned by the dealership. Although it's located in the existing 100-year floodplain, the property is expected to be in the 25-year floodplain and still considered highly flood-prone upon completion of the dams. The property received extensive damage from Hurricane Floyd, which literally washed cars off the lot, as well as more recent storms. Notwithstanding, the owner has made significant investments in the property after moving there in 1999 because of its key location at the entrance to the PA Turnpike. Numerous unsuccessful attempts were made to contact a representative at the dealership. However, because of the move and investment in the property, we are assuming the owner intends to remain at the current location.

515 Pennsylvania Avenue

Property Description:

- Ownership: HRPT/HUB Properties Trust
- Contact: Patrick Brady (broker)
- Parcel Size: 4.42 acres
- Building Size: 83,998 square feet
- Current Use: Office
- Current Tenants: Amtech, Futura, Chariot Solutions, Focus Forward
- Assessed Value: \$10,538,700

515 Pennsylvania Avenue is a large multi-tenant building located at the corner of Commerce Drive and Pennsylvania Avenue, at the gateway to the FWOP. Although it's located in the existing 100-year floodplain, the property will be in the 25-year floodplain after the dams are built. Despite this status, both the owner, HUB Properties Trust, and the broker, Binswanger, believe that the property is highly valuable and desirable because of its key location at the entrance to the PA Turnpike. The assessed value reflects this notion. The broker reports that the building has not flooded significantly since 2001. He said the first floor of the building has been raised several feet to prevent future flooding. The broker said that it is a commendable effort to move occupants that experience recurring flooding out of the floodplain, and that more detention basins should be constructed throughout the FWOP to handle the flood waters. But in the case of 515 Pennsylvania Avenue, he said the tenants are very happy with the building and location, and each has a long-term lease. As a result, neither the owner nor broker intends to move the tenants.

530 Pennsylvania Avenue

Property Description:

- Ownership: MG Washington LLC
- Contact:
- Parcel Size: 8.15 acres
- Building Size: 113,531 square feet
- Current Use: Hotel
- Current Tenants: Hilton Garden Inn
- Assessed Value: \$6,481,090

530 Pennsylvania Avenue is the multi-story Hilton Garden Inn hotel. Like its neighbors, the property will be in the 25-year floodplain and considered highly flood-prone after the dams are built. Still, the owner has made significant investments in the property after purchasing it in 1999 because of its key location at the entrance to the PA Turnpike. Since then, several major storms have caused significant flooding at the hotel, particularly the first floor, and guests have had to be evacuated. We were unable to contact a manager at the hotel. However, because of the investments in the property, we are assuming the owner intends to remain at the current location.

535 Pennsylvania Avenue

Property Description:

- Ownership: HRPT/HUB Properties Trust
- Contact: Patrick Brady (broker)
- Parcel Size: 1.73 acres
- Building Size: 30,160 square feet
- Current Use: Office
- Current Tenants: Chestnut Hill Hospital, Remax
- Assessed Value: \$3,496,000

Located next door to 515 Pennsylvania Avenue, 535 Pennsylvania Avenue will be in the 25-year floodplain and also considered highly flood-prone upon completion of the dams. Notwithstanding, both the owner, HUB Properties Trust, and the broker, Binswanger, believe that the property is highly desirable because of its key location at the entrance to the PA Turnpike and gateway to the FWOP. As with 515, the broker reports that the building has not flooded significantly since 2001. Similarly, the tenants are very happy with

the building and location, and each has long-term leases. As a result, neither the owner nor broker intends to move.

475 Virginia Drive

Property Description:

- Ownership: HRPT/HUB Properties Trust
- Contact: David Campoli (manager)
- Parcel Size: 5.97 acres
- Building Size: 76,008 square feet
- Current Use: Office
- Current Tenants: IRI Information Resources, First Managed Care Option/Active Care
- Assessed Value: \$8,775,000

475 Virginia Drive, owned by HUB Properties Trust, is located at the corner of Delaware Drive and Virginia Drive in the severely flood-prone central portion of the FWOP and will be in the 25-year floodplain once the dams are complete. The manager agrees that flooding is a nuisance in the FWOP in general, but that no water has reached the building at 475 Virginia during any recent events. He reports that nothing major has happened to his buildings since 2001. Because of the excellent location, no major incidents, and no complaints from tenants, HUB Properties Trust wishes to keep its building at 475 Virginia Drive.

135 Commerce Drive

Property Description:

- Ownership: 135 Commerce Inc.
- Contact: Mike Bixler, Manager
- Parcel Size: 7.10 acres
- Building Size: 144,908 square feet
- Current Use: Auto Parts Distribution Center/Warehouse
- Current Tenants: B&I Auto Supply
- Assessed Value: \$2,952,750

135 Commerce Drive is a large single-story warehouse building located behind 515 Pennsylvania Avenue. While the property is just outside the existing 100-year floodplain, the property will be in the 50-year floodplain after the dams are built. We attempted to contact the manager of B&I Auto to discuss future plans, but were unable to make contact. As a result, we will assume that the owner intends to remain at the current location until we can further inquire.

471 Pennsylvania Avenue

Property Description:

- Ownership: Elliott and Andrew Goldstein
- Contact: Same
- Parcel Size: 0.92 acres
- Building Size: 4,720 square feet
- Current Use: Car Wash
- Current Tenants: Clean Machine Car Wash
- Assessed Value: \$450,740

471 Pennsylvania Avenue is the Clean Machine Car Wash, located near the intersection of Pennsylvania Avenue and Commerce Drive. It is located in the existing 100-year floodplain, however, the property will be in the 50-year floodplain after the dams are built. The owner has owned and operated the business for 30 years and has endured several storm events. Just in the past year he reports that the property received minor flooding on three separate occasions. As of late, the flooding has only been a few inches of water toward the back of the property near the self-serve wash bays, leaving only mud on the pavement. The office is on the second floor over the wash tunnel, which hasn't received water in ten years. He did mention that the nearby intersection gets flooded to the degree of the road being closed, but this level of flooding never reaches his property. Several upgrades have been made to the business over the years. Because of these improvements and the favorable location of the business, the owner intends to remain at the current location.

524 Pennsylvania Avenue

Property Description:

- Ownership: Lukoil of North America LLC
- Contact:
- Parcel Size: 0.68 acres
- Building Size: 2,436 square feet
- Current Use: Service Station/Convenience Store
- Current Tenants: Lukoil
- Assessed Value: \$513,230

524 Pennsylvania Avenue is the Lukoil service station and convenience store, located right at the entrance to the PA Turnpike. Like its neighbors, the property will be in the 50-year floodplain and considered highly flood-prone after the dams are built. The current owner purchased the property in 2009. We were unable to contact a manager at the station. However, because of the recent purchase and investments in the property, we are assuming the company intends to keep the station at the current location.

Building is Vacant

A second category of property types in the FWOP is a vacant building. Two such properties exist in one of the most flood-prone areas of the Office Park.

475 Pennsylvania Avenue

Property Description:

- Ownership: 475 Pennsylvania Avenue LLC
- Contact:
- Parcel Size: 0.65 acres
- Building Size: 1,392 square feet
- Current Use: Vacant
- Current Tenants: N/A
- Assessed Value: \$332,940

475 Pennsylvania Avenue is a vacant service station located at the corner of Commerce Drive and Pennsylvania Avenue. The property will be in the 50-year floodplain upon completion of the dams. The

fact that the building is currently vacant presents a unique acquisition opportunity that doesn't exist with many of the other especially flood-prone properties in the FWOP. However, because it is a former service station, there may be environmental remediation necessary to fully decommission the property.

512 Pennsylvania Avenue

Property Description:

- Ownership: Thomas McCarron
- Contact: Same
- Parcel Size: 1.16 acres
- Building Size: 6,026 square feet
- Current Use: Vacant
- Current Tenants: N/A
- Assessed Value: \$625,000

512 Pennsylvania Avenue is a small two-story office building near the corner of Commerce Drive and Pennsylvania Avenue that once housed a Commerce Bank office. The property will be in the 25-year floodplain upon completion of the dams. The phone number for the owner is disconnected, as is the case for the bank. Therefore, we are assuming that the building is vacant.

Parcel is Vacant

A third category of property types in the FWOP is a vacant parcel or lot. There are two such highly flood-prone parcels in the Office Park. One is in the 25-year floodplain and the other in the 50-year floodplain.

514 Pennsylvania Avenue

Property Description:

- Ownership: RCA Group
- Contact:
- Parcel Size: 0.65 acres
- Building Size: N/A
- Current Use: Vacant
- Current Tenants: N/A
- Assessed Value: \$219,450

514 Virginia Drive is a small vacant parcel located in the existing 100-year floodplain, but in the 25-year floodplain after the dams are built. A building once existed on the property but was recently demolished.

522 Pennsylvania Avenue

Property Description:

- Ownership: James Greipp
- Contact: Same
- Parcel Size: 0.49 acres
- Building Size: N/A
- Current Use: Vacant
- Current Tenants: N/A
- Assessed Value: \$20,000

522 Virginia Drive is a very small vacant parcel located next to the Lukoil station in the existing 100-year floodplain, and in the 25-year floodplain after the dams are built. Like 514 Pennsylvania Avenue, since the lot is currently vacant, it presents a potential acquisition opportunity.

Owner Would Consider Relocating

The final category of flood-prone properties is that whose owners would consider relocating for a variety of reasons under a variety of circumstances. Next to being vacant, this group of properties is perhaps the most important because it contains the owners and managers most willing to consider vacating the floodplain.

425 Delaware Drive

Property Description:

- Ownership: Granite Galleria
- Contact: Savino Costanzo (owner)
- Parcel Size: 2.27 acres
- Building Size: 21,048 square feet
- Current Use: Light Industrial
- Current Tenants: Granite Galleria, School of Rock, Competitive Edge, Forever Green
- Assessed Value: \$688,010

425 Delaware Drive is located at the corner of Virginia Drive and Delaware Drive and in the 50-year floodplain upon completion of the dams. Granite Galleria has been in the FWOP for 5 years, purchasing the building outright. They have three small subtenants that share the building. The owner says that the location is ideal for his employees and customers. He says that he would consider changing his tenants to all office, to command higher rents, but there is not enough parking on his site to meet the office parking requirement. Two of his tenants just renewed their leases (5-year) and the third has two years remaining. He reports that flooding did occur as recently as 2009, which required a complete renovation. He's willing to consider moving because of the threat of future flooding, but he's hesitant because of the disruption and investment he's made in the building. He feels that if major tenants like Liberty Property Trust are investing in their properties, the long-term outlook for the FWOP must be OK. The owner would like to see the Township pursue flood-control measures before taking on a more drastic approach of moving businesses. He thinks if the Township makes a greater investment, larger companies will become more interested in the FWOP. He thinks dredging is one potential solution for the flooding and that perhaps businesses in the Office Park may be willing to help pay for it. He also wonders if any mitigation efforts (such as damming) could be used to harness energy. In any event, the owner says that moving his business is not completely out of the question.

430/440 Virginia Drive

Property Description:

- Ownership: Agnew C N Jr. Trustee
- Contact: Jim Gorecki, Fidelity Commercial (broker/manager)
- Parcel Size: 2.93 acres
- Building Size: 17,436 square feet
- Current Use: Light Industrial

- Current Tenants: Abria Health Care, Tot Time, Fastenal
- Assessed Value: \$1,079,620

430/440 Virginia Drive is located at the corner of Virginia Drive and Delaware Drive. The building is managed by Fidelity Commercial and will be in the 25-year floodplain and also considered highly flood-prone upon completion of the dams. The manager contacted the building owner (who also owns 575 Virginia Drive), who says the biggest advantage of the FWOP is location. He says the biggest challenge, however, is flooding and the loss of tenants because of it. Prospective tenants are questioning the reputation of the FWOP due to flooding. He thinks the yellow flood signs exacerbate the problem by scaring away potential tenants. The owner reports that there are no options to renew for any of his tenants, so they are looking to leave his building. While he believes actions must be taken by the Township to mitigate the flooding problem in general, he is interested in relocating his property out of the floodplain.

1035 Virginia Drive

Property Description:

- Ownership: HRPT/HUB Properties Trust
- Contact: David Campoli (manager)
- Parcel Size: 2.34 acres
- Building Size: 30,720 square feet
- Current Use: Office
- Current Tenants: CHI Systems, Primerica Co., Jan-Pro Cleaning Systems, Color Chief Painters, REIT Management & Research
- Assessed Value: \$3,820,000

1035 Virginia Drive is a mid-size multi-tenant building located along the PA Turnpike. The property will be in the 25-year floodplain and considered highly flood-prone after the dams are built. The building is owned and managed by HUB Properties Trust. Unlike the building at 475 Virginia Drive, the manager says flooding has been a problem at the 1035 Virginia Drive location in the past. Therefore, he believes that this property could be a potential candidate for relocation and is willing to consider the possibilities.

565 Virginia Drive

Property Description:

- Ownership: William Weinberg Trustee/Marc Weinberg
- Contact: Maureen O'Neill, Marketing Systems Group (tenant)
- Parcel Size: 2.1 acres
- Building Size: 14,868 square feet
- Current Use: Office
- Current Tenants: Marketing Systems Group
- Assessed Value: \$1,101,950

565 Virginia Drive is located in the severely flood-prone central portion of the FWOP, and in the 50-year floodplain upon completion of the dams. While we were unable to contact the building owner, we did meet with the Vice President of Marketing Systems Group, the building's tenant for the last 15 years. MSG has been a long-term tenant mainly because of the location, which is central for its employees. The tenant reports that flooding occurred in 2001, requiring a complete gut of the building. She says two serious

flooding incidents occurred prior to that event while MSG was a tenant of the building and the most recent event was in August 2009, though less severe than the others. The lease is up in 2013, and the tenant plans to move because of the flooding. The company would like to remain in the FWOP because of the location. The same owner (Weinberg) owns 375 Commerce Drive, a now-vacant lot that is being marketed for development. An application has been submitted to the Township as well. The parcel is mostly out of the 100-year floodplain, and would most likely be elevated entirely out of the floodplain as part of the construction of a new building. This could potentially create an opportunity for a TDR arrangement with the single landowner in which development rights from 565 Virginia Drive are transferred to 375 Commerce Drive and a new mixed-use building is constructed at a higher density than the rest of the FWOP. The lot's location on a prominent corner could contribute to its value.

520 Pennsylvania Avenue

Property Description:

- Ownership: Robert and Ellen Seltzer
- Contact: Michael Schwartz, Director of Finance
- Parcel Size: 2.33 acres
- Building Size: 16,794 square feet
- Current Use: Office
- Current Tenants: Cohen Seltzer
- Assessed Value: \$1,085,000

520 Pennsylvania Avenue is a two-story office building on the south side of the street, technically located outside the FWOP. It is located in the existing 100-year floodplain, but the property will be in the 25-year floodplain after the dams are built. The property owner and President of Cohen Seltzer is Robert Seltzer, who purchased the property in 1970 and had the building built. The Director of Finance reports that the most recent flooding events occurred in 2001 and around 2006, when the nearby rail bridge was blocked up because of debris, which cause severe flooding along Pennsylvania Avenue. Since then, he reports that no major flooding to the property has occurred. Cohen Seltzer's office is on the second floor of the building and the first floor is currently vacant and for lease. The first floor was occupied by the contractor for the Route 309 interchange construction project, but upon completing of the work, the contractor vacated the premises. The Finance Director said that finding a tenant has been difficult and rents they can command have been decreasing from a high of \$18 to \$20 per square foot. He mentioned that the building owner has attempted to sell it on several occasions, and continues to be interested in selling, but has not received a high enough offer. While he realizes that flooding, both real and perceived, will always bring the price down, he needs to at least recover a set number he has in mind to reconsider selling the building.

Other Interviewed Property Owners/Managers

Using the current floodplain delineation prior to the release of the post-dam construction engineering analysis, we interviewed several other property owners/managers that were thought to be located in severely flood-prone areas. With the new analysis, however, they have been downgraded to the 100-year floodplain or having no threat of flooding. Following are those properties and their associated interview summaries.

525 Virginia Drive

Property Description:

- Ownership: HRPT/HUB Properties Trust
- Contact: David Campoli (manager)
- Parcel Size: 10.33 acres
- Building Size: 129,704 square feet
- Current Use: Vacant
- Current Tenants: N/A
- Assessed Value: \$6,647,000

525 Virginia Drive, owned by HUB Properties Trust, is a large vacant building of over 100,000 square feet. The property was thought to be severely flood-prone, but will be in the 100-year floodplain upon completion of the dams and less of a major flood threat. The broker/manager is HUB Properties Trust. Because of a current lawsuit, HUB indicated they are not permitted to speak specifically about any of their properties in the Office Park. It has been reported, however, that the former tenant has a lease through 2015, but has vacated the building because of recurring flooding. The former tenant tried to break the lease and cease rent payments, was sued by HUB Properties Trust, and lost the case. While the situation is in litigation, the former tenant must continue to pay rent to HUB. The fact that the building is currently vacant presents a redevelopment opportunity that doesn't exist with any of the other especially flood-prone properties in the FWOP.

550 Virginia Drive

Property Description:

- Ownership: Rush Gears, Inc.
- Contact: Robert McGann, Sr. (owner)
- Parcel Size: 2.27 acres
- Building Size: 16,944 square feet
- Current Use: Light Industrial, Office
- Current Tenants: Rush Gears, with small subtenant
- Assessed Value: \$645,170

550 Virginia Drive was also thought to be located in the severely flood-prone central portion of the FWOP, but engineering analysis shows that it will have very little threat of flooding upon construction of the dams. Rush Gears has been in the FWOP for 36 years and moved to 550 Virginia Drive in 1994. They first leased the building then purchased it. They have since taken on a small subtenant. The owner says that the location is perfect for both company employees and the couriers who deliver their products. He reports that flooding did occur in 2001, when a state of emergency was declared in the FWOP. But since then, he says no flooding has occurred in his building. The playing field on the adjacent parcel floods first and quite often, but not his property. The owner believes that development upstream in the 1980s and '90s without proper flood control has caused the flooding in the FWOP. He thinks the Township should pursue incremental solutions, such as dredging and detention basins, before they take on such extreme pursuits as relocation and transfer of development rights. Because of this belief, the good location, and a concern that any cost and/or disruption caused by moving could outweigh any risk, Rush Gears wishes to keep the building and its subtenant at 550 Virginia Drive.

555 Virginia Drive

Property Description:

- Ownership: Nesbitt Graphics
- Contact: Harry Nesbitt III (owner)
- Parcel Size: 2.14 acres
- Building Size: 21,048 square feet
- Current Use: Light Industrial
- Current Tenants: Nesbitt Graphics
- Assessed Value: \$900,000

555 Virginia Drive was thought to be severely flood-prone, but will be in the 100-year floodplain upon completion of the dams and less of a flood threat than many other nearby properties. Nesbitt Graphics purchased the building 11 years ago. Although they once had subtenants, currently just Nesbitt occupies the building. The owner says that the location is ideal for his employees, but he was concerned about retaining a tenant because of the threat of flooding. He reports that flooding certainly does occur and can be a problem for his business. He says he equipped the building with a system of boarding up the windows in the event of a flood and uses sand bags at the doors to mitigate seepage. He recalls that the worst events were in 1999 (shortly after he moved in) and 2006. He believes the problem is a lack of detention basins in the FWOP and that new development doesn't require them. The owner says that vacant parcels should be used to create detention basins, including the vacant lot at 375 Commerce Drive. He's willing to consider moving because of the threat of future flooding, but he's concerned about the potential restrictions that TDR would place on his business. He needs a single-story building with a loading dock, features that would be unlikely in a new multi-tenant or mixed-use building. He would prefer to be bought out by the Township through eminent domain so he could more freely find another building that suits the specific needs of his business. He also suggests that major landowners in the FWOP like Liberty Property Trust buy out the smaller businesses to increase their holdings in the FWOP. Then they could negotiate TDR with the Township as a single entity to streamline the redevelopment process. In any event, the owner says that moving his business is a consideration if the deal is fair. In fact, he says he's received offers in the past to sell or swap his property with another owner in the FWOP.

1005 Virginia Drive

Property Description:

- Ownership: First Evergreen Properties LLC
- Contact: Richard Smith, AVIR Realty (manager/broker)
- Parcel Size: 8.8 acres
- Building Size: 87,000 square feet
- Current Use: Office
- Current Tenants: Kulicke & Soffa
- Assessed Value: \$6,083,640

1005 Virginia Drive is a large single-tenant building located along the PA Turnpike. The property was thought to be located in the severely flood-prone central portion of the FWOP, but engineering analysis shows that it will have very little threat of flooding upon construction of the dams. The building is managed by AVIR Realty, which manages and owns other properties in the FWOP. The manager reports that the biggest advantages of the FWOP are location, existing infrastructure, and access to two exits of the

Turnpike, as well as competitive rents. He would consider acquiring more properties if there's an opportunity. Aside from the flooding incidents, the manager said the FWOP needs better leadership to successfully carry it from industrial park to corporate center. There also needs to be more amenities for employees. He has little concern over flooding, as his tenant has not expressed particular concern. He said 1005 Virginia Drive has always been leased despite the flooding since he acquired the property as manager/broker. He thinks there should be an effort to remove all of the signs falsely advertising space availability. Often the space is not available, according to the manager, and it just adds to the perception that the FWOP is mostly vacant and undesirable. Since the tenant at 1005 Virginia Drive appears content, he has no interest in relocating.

1240/1250 Virginia Drive

Property Description:

- Ownership: Liberty Property Trust
- Contact: Tony Nichols (manager)
- Parcel Size: 4.2 acres
- Building Size: 45,252 square feet
- Current Use: Office, light industrial
- Current Tenants: Jaguar Printing, Bassman Laserow & Co., Vantage Point Bank
- Assessed Value: \$2,616,600

1240/1250 Virginia Drive is a multi-tenant building located at the intersection of Virginia Drive and Office Center Drive, opposite the PA Turnpike slip ramp. The property was thought to be severely flood-prone, but will be in the 100-year floodplain upon completion of the dams and less of a major flood threat. The building is owned and managed by Liberty Property Trust. Liberty Property Trust owns several other properties in the FWOP, which they have completely rebuilt or are in the process of rebuilding (usually involving raising the level of the property with fill out of the floodplain). Therefore, they have a keen interest in (and confidence in) the success of the FWOP. The manager said location is the biggest advantage of the FWOP. Like some of the other major landowners in the Office Park, he feels that the flooding issue is a little overblown and feels the Temple study is somewhat subjective. He says some of his tenants want specific floors out of the way of any potential flooding, but mostly because of the press and perception. None of his tenants has not renewed their leases because of flooding. The property manager says that Liberty Property Trust is interested in the concept of higher density mixed-use development in the FWOP and they believe there needs to be a balance between development and amenities. He says the Township is making a good effort to improve the Office Park, but perception still hurts the FWOP as a premier office location. Because of Liberty's commitment to the FWOP and the favorable location of 1240/1250 Virginia Drive, they plan to tear down the building and completely redevelop it at its existing location. The building is being vacated slowly as leases expire; they are not renewing any long-term leases for the property. Liberty incorporates green building practices into their development projects, and says this property will be LEED-Certified once the redevelopment is complete because discriminating tenants are increasingly demanding green office space.

Conclusion

While there are four potential scenarios regarding the 18 highly flood-prone properties in the FWOP, the Township should focus its resources first on the properties that are most likely to lead to results, starting with the two vacant parcels – 514 Pennsylvania Avenue and 522 Pennsylvania Avenue – and/or the two

vacant buildings – 512 Pennsylvania Avenue and 475 Pennsylvania Avenue. Since the properties have no buildings or tenants, it would be much easier to acquire them for decommissioning than if they were occupied.

The Township should then focus on the five properties with potential for continued severe flooding whose owners have expressed interest in relocating or selling. These properties include 520 Pennsylvania Avenue, 425 Delaware Drive, 430/440 Virginia Drive, 565 Virginia Drive, and 1035 Virginia Drive. The property at 425 Delaware Drive is occupied by the building's owner, potentially facilitating a TDR or other purchase agreement.

Considering TDR as a redevelopment tool not only requires an analysis of potential sending areas, but receiving areas as well. Memorandum #2 will inventory and analyze the properties in the FWOP (and other) that could be considered for redevelopment and the relocation of the above businesses as part of a TDR arrangement.