

TOWNSHIP OF LOWER MAKEFIELD
PLANNING COMMISSION
MINUTES – NOVEMBER 9, 2015

The regular meeting of the Planning Commission of the Township of Lower Makefield was held in the Municipal Building on November 9, 2015. Chairman Dickson called the meeting to order at 7:40 p.m.

Those present:

Planning Commission: Dean Dickson, Chairman
John Tracey, Vice Chairman
Dawn DiDonato-Burke, Member

Others: Steve Ware, Keystone Municipal Services
John Koopman, Township Solicitor
Maryellen Saylor, Township Engineer
Dobby Dobson, Supervisor Liaison

Absent: William Clark, Planning Commission Secretary
Charles Halboth, Planning Commission Member

DISCUSSION OF PROPOSED ZONING ORDINANCE AMENDMENT OR-OFFICE
RESEARCH ZONING DISTRICT

Mr. Edward Murphy, attorney, was present with Mr. Bob Dwyer, who on behalf of Equus through Mr. Murphy's office submitted in August a proposal on a text amendment to modify the existing Office Research Zoning regulations to provide for a multi-family use that would contemplate the re-development of a property on Stony Hill Road that was approved years ago for 185,000 square feet of office space. Mr. Murphy stated accompanying the petition for the text amendment was a Draft Ordinance as well as some additional documentation which included a Fiscal Impact Analysis, a traffic report, and a suggested plan as to how the property might be re-developed.

Mr. Murphy stated those on the Planning Commission who were on the Commission when they were working on the Comprehensive Plan Update recognize Mr. Dwyer who was a regular audience member. He stated Mr. Dwyer has been interested in this particular issue for years and monitored the Planning Commission meetings during the Comprehensive Plan review and has appeared before the Township's Economic Development Council to continue to make everyone aware of the situation that exists in the Office Research corridor on Stony Hill Road that is a problem which continues to worsen. Mr. Murphy stated the office buildings located between I-95 and Stony Hill Road and Township Line Road were developed twenty-five years

ago, and at one time were fully occupied. He stated over time those buildings have become dark, and at present most if not all of them are at least 50% to 60% dark. He stated the effort to re-tenant them has been a difficult one. He stated within the last year the former owner deeded it, in lieu of foreclosure, to AIG which is the new property owner which had held the mortgage on those parcels. Mr. Murphy stated AIG is having a similarly difficult time in re-letting those buildings. He stated another unfortunate cycle that is playing out now is that the tenants they do identify are not the same class of tenants that originally occupied those buildings. Mr. Murphy stated tax appeals have also been filed and have been successful, and the revenue stream to the Township has already decreased; and that pattern unfortunately is going to continue.

Mr. Murphy stated Mr. Dwyer's clients and other Realtors have stated that part of the problem with attracting new tenants to those buildings is the lack of a workforce because young people do not want to relocate or live where public transit is not immediately available, they prefer to live in the city, and they do not feel the need to drive. Mr. Murphy stated part of the motivation for submitting the text amendment is to try to identify solutions that will bring in a younger segment of the population to the area that might provide some immediate benefits to those employers who are looking for a workforce.

Mr. Murphy stated they felt the time was right to submit a more formal request to encourage the discussion about what collectively can be done to try to invigorate that corridor since the existing land uses which twenty years ago were felt would be a very favorable tax ratable and a need in the Township seems to be flagging, and they are trying to determine the best way to attract new uses and to be complimentary with Edgewood Village which is in the process of re-developing on both sides of the street. Mr. Murphy stated one of Mr. Dwyer's proposals includes creation of a walking path from this site across the bridge to Edgewood Village to compliment the effort being made in the Village on both a Residential and Commercial effort.

Mr. Dwyer stated the other component that most employers want for an office park are local amenities that their workers can enjoy either at lunch or after work, and Edgewood Village has all the components to provide that; however it is missing the demographics and a pedestrian connection. He stated they learned in working with the Planning Commission and the Bucks County Planning Commission over the last several years that there is a missing link from the corporate center to Edgewood Village on both fronts. He stated this is a very costly undertaking; but they believe that if they can provide a pedestrian link, it would be helpful to the corporate center as well as to the tax base as can be seen from the Fiscal Impact Report. Mr. Dwyer stated the value of the office has decreased over the years, and they feel it would be helpful to invigorate more tenant activity if there were housing.

Mr. Dwyer showed an aerial photo showing Capstone, the corporate center, and Edgewood Village. He stated their proposal would feed the corporate center and Edgewood Village. He stated the Edgewood Village March Associates Study suggested creating more pedestrian activity in the Village and doing things like what he is proposing. Mr. Dwyer stated the Residential proposal would be far more attractive and generate far less traffic. He showed drawings of the proposed residential development. He stated it will also fit into the scale of the corporate park as they are proposing two and three story buildings.

Mr. Dwyer stated they were approved for 185,000 square feet of Office which has been for sale for seven years, and no one was interested. He stated anyone looking for a corporate location is getting tax incentives from New Jersey and Philadelphia. He stated this piece of property has been vacant despite their best efforts to market it. Mr. Dwyer stated the 185,000 square feet of Office which has been approved would have had far greater traffic than this proposal. He stated they are proposing a series of two to three story buildings with some garage parking. He stated it would use the same entrance which was approved for the Office use. He stated a clubhouse is proposed. He stated they have built this project before, and there is one in New Britain township. He stated they are proposing 192 units. He stated they have developed an Ordinance which would allow for this use and would suggest that a Conditional Use be applied for in order to secure this approval. He stated they have proposed a means of pedestrian access to the Village. Mr. Dwyer stated they have received a number of reviews which they can address. He stated he feels that what they are proposing is exactly what the March Associates Edgewood Village Study and the updated Comprehensive Plan recommended.

Mr. Tracey asked the current occupancy rate at the corporate center, and Mr. Dwyer stated the vacancy rates were over 50%. Mr. Tracey asked if the corporate center is four stories, and Mr. Dwyer stated it is three stories. Mr. Tracey asked if the owners of the corporate center had some kind of scenarios whereby they would think about turning the first floor into retail space, and Mr. Dwyer stated they have not. Mr. Dwyer stated the way they are laid out it would not promote that type of activity. He stated you need more of a pedestrian, traditional-type design to make that work. He stated most of the Office components in Central New Jersey are being torn down, and they are trying to replace them with apartments or a traditional town center type of design. He stated they feel provided that there is no more Office built, the corporate center will be fine. He feels what they are proposing is an opportunity to turn the tide. Mr. Dwyer stated their parcel is in close proximity to the Village.

Mr. Murphy stated he had one inquiry from an individual who was interested in taking over most of the first floor of one of the largely vacant buildings to operate a fitness center; but after further study, they did not feel that the population of the existing corporate center would be sufficient to sustain it, and that operator inquired whether or not there could be some residential component introduced to try to create enough traffic to justify opening up a fitness center.

Mr. Tracey stated potentially a project like this could be a genesis not only for Edgewood Village but also the corporate center; and Mr. Dwyer stated that is correct, and it is situated perfectly to help both Edgewood Village and the corporate center. Mr. Tracey noted the Bucks County Planning Commission review letter; and while he feels they made some good points, he also feels they need to realize that they need to start somewhere. Mr. Dwyer stated he has gone to meetings with the Bucks County Planning Commission over the last few years, and they have been supportive of the idea. He stated they did raise some technical issues which can be addressed.

Mr. Dwyer stated he feels the businesses in Edgewood Village would look forward to this development and the trail connection which would allow people to walk to Edgewood Village within ten minutes.

Mr. Murphy stated he knows from his involvement with the Lockheed Martin sale that it is very difficult to attract other office uses because they had a hard time identifying where the pool of workers would come from.

Mr. Dickson asked about the vacancy rate at the Newtown Corporate Center, but Mr. Dwyer stated he did not know. Ms. Burke stated that is where she works, and part of the third floor is Caldwell Banker, and another part is Waste Management. She stated part of the second floor and part of the first floor are also occupied. Mr. Murphy noted the building next to it, Cricklewood Green, has an even higher vacancy rate.

Mr. Dwyer stated he has a number of articles he has collected over the years which he can make available about what is happening with suburban office buildings being taken down and being re-developed.

Mr. Murphy stated there was another section approved for office at Cricklewood Green which is not going to get built, and they are entertaining some alternate uses for the balance of that site because there has not been a demonstrated demand for office.

Mr. Tracey asked if they are proposing all rental units, and Mr. Dwyer stated they are. He stated they are proposing one and two bedroom units and they would be convenient for those working in the corporate center with the ability to walk or bike to Edgewood Village which will bring synergy to the Village.

Mr. Koopman noted the letter from Mr. Murphy dated August 11 in which he referred to a number of tax parcels. Mr. Dwyer stated years ago they acquired parcels across the street, and they will consolidate them. All the parcels would be subject to the Amendment. Mr. Dwyer showed where the parcels are located. He stated they not actually across the street, because the road was relocated.

Ms. Saylor asked why 2,500 feet was used, and Mr. Dwyer stated that distance would be a half mile/ten minute walk which would be a comfortable walk. Ms. Saylor asked if this is limiting it just to one parcel. Mr. Dwyer stated they wanted to keep it as small as possible. He stated they felt a half mile was a comfortable walking distance since a mile would be twenty minutes and most people would not walk a mile at lunch time. Mr. Koopman stated it would be limiting it to this parcel, and Mr. Murphy agreed. Mr. Murphy stated it is not changing the Zoning, but is adding an additional use so it would not necessarily be considered Spot Zoning if this is Ms. Saylor's concern. Mr. Murphy stated it is adding an additional use to the OR District, but it only applies to one parcel. Mr. Murphy stated there would be criteria for the Conditional Use. Ms. Burke stated if they permit this, the property across the street could come in and ask for the same thing. Mr. Murphy stated there are different characteristics on those other parcels that might not be as relevant to the Conditional Use criteria as this one would be. Mr. Dickson stated the argument would be that O/R is not viable as it stands, and the Flemings may come and ask for the same consideration for marketability since Toll could then come in and put up a whole series of apartments since that tract is much bigger.

Mr. Dwyer stated the parcel before the Planning Commission is very close to two vital spots that need help, and he would not be able to make this "pitch" if they were too far away.

Mr. Dickson stated he has a marketing concern since there was a townhouse rental complex built in Buckingham; and when they approved it they indicated it was a way for the young people who grew up in Buckingham to be able to remain in the Township. However, the first-time owners were almost universally from Philadelphia. Mr. Dickson asked Mr. Dwyer where they feel the people will come from who will rent these units. Mr. Dwyer stated he would like to think that it

would be the people who will work or are currently working at the corporate center, and they would be interested in these since they would no longer have to drive from other areas and would come here in order to be able to walk and ride bikes to work. He stated the corporate center would also become attractive if there were young people they could draw on who are living in these units. He added he cannot guarantee that those would be the only people living in these units.

Mr. Dickson stated the other issue to be considered is the overall viability of the O/R District since obviously there is a significant problem. He stated they need to determine the long-term goal for the corporate center, Floral Vale I and II, and the other building, 777. Mr. Dwyer stated when BPG owned it the long-term goal was to try to attract businesses and keep it occupied. He stated many people now work at home or take trains to work as young people do not drive. He stated young people want to live close to work and places where they can go out and get lunch, and currently the corporate park is far from their homes. He stated they had looked at having shuttle buses going to the train stations. He stated what they may do is start going from Class A tenants to Class C tenants, and the value and ratables will go down.

Mr. Dickson stated he feels there needs to be a joint meeting between Lower Makefield, Middletown, and Newtown to look at the office vacancy rates, and see if there is a regional problem. Mr. Murphy stated those Townships are looking to get clients as much as Lower Makefield is. Mr. Dwyer stated he has numerous articles about what is happening with suburban office which he can provide to the Commission.

Mr. Murphy stated he is familiar with the Pennsylvania Biotechnology Center in Buckingham and start-up businesses are being attracted out of that building and going to New Jersey. He stated he has been involved in trying to identify Bucks County businesses to re-populate the Biotechnology Center to keep them from leaving, and the County Commissioners are actively involved in that effort to try to keep businesses in Bucks which is a daily struggle. He stated better tenants that are looking to get larger spaces in Bucks County are constantly being lured to New Jersey, and he is not sure if Pennsylvania is doing as aggressive a job as New Jersey is, but he does not believe so since many businesses are going into New Jersey.

Mr. Tracey asked if the expansion of the Scudders Falls Bridge will make a bad situation worse, and Mr. Murphy stated he feels it will make it even easier for people to get to New Jersey.

Mr. Murphy stated at the Biotechnology Center, they were going to build a 42,000 square foot addition to try to make it more attractive to new businesses and to keep the ones that are there now from leaving; and there are two businesses now that have offers from New Jersey so that unless they make a quick decision, they will go there. Mr. Murphy stated what Lower Makefield is seeing is not a unique situation. Mr. Murphy stated there is a project he was involved with in Warminster next to the Warminster Train Station that was a vacant sixteen acre industrial building which was turned into 230 apartments; and everyone assumed that the population mix would be empty-nesters/retired people, but it is almost 35% to 40% young people who do not drive and are occupying those apartments and can walk to the train station to get to Center City. He stated there was a waiting list to get in, and they just received approval recently to build 150 more apartments across the street at another vacant industrial building. He stated they are also expanding the SEPTA parking lot in order to accommodate that. Mr. Murphy stated if they could find a place where young people could go to work and not have to drive, it would be ideal. They feel that what they are proposing is one solution that might help be part of a larger solution; and if they do nothing, it will spiral downward.

Mr. Dwyer stated BPG has been looking into this for years. Mr. Dwyer stated he feels apartments would be preferable as they would solve two problems.

Ms. Saylor stated they were concerned with the proposed density of fifteen as was the Bucks County Planning Commission which was looking more toward twelve. Mr. Dwyer stated currently it is an approved Office Park, and the traffic would be ten times what it would be with the new apartment proposal. He stated they would not be able to build this with 127 units to make it a viable apartment project recognizing that they would have to pay for the trail across the bridge. He stated they feel fifteen units per acre was the minimum that they could do, and what they have proposed is 192 units.

Mr. Benedetto noted Page 10 of the Fiscal Impact Analysis which he does not believe includes the Local Services Tax. Mr. Dobson noted Page 6 of the Fiscal Impact Analysis which shows that if they were to build the multi-family residential, it would have an assessed value of \$35,808,000; and if they were to build the approved office scenario that they have currently it would be \$18 million, and Mr. Dwyer agreed.

Mr. Dobson stated Mr. Dwyer has indicated the office building will not be built, and Mr. Dwyer agreed. Ms. Nancy Templeton from Glackin Thomas Panzak stated the \$35 million is the market value and the assessed value which is what property taxes would be based on would be \$33.8.

Mr. Dwyer asked how the Planning Commission would like to proceed. Mr. Murphy stated at some point they would like a recommendation from the Planning Commission to the Board of Supervisors. Mr. Dwyer stated when they were working on the Comprehensive Plan, the Planning Commission seemed concerned about the O/R; and he feels what they are proposing was what they were addressing. He stated he feels this is the best use for everyone. Mr. Koopman stated he feels they want the Planning Commission to give feedback on the overall concept, and then they will want to get feedback from the Board of Supervisors on the concept as well.

Mr. Dobson stated he would like them to try to get a second entrance. Mr. Dwyer indicated that this was a comment made in the review letter, and they feel that they can address all of the issues raised.

Mr. Benedetto asked if the number of units proposed is non-negotiable; and Mr. Dwyer stated the proposal would not work if it were 129 units. He stated the Plan he presented shows approximately 192 units. He stated the bike path will cost \$700,000 because they have to re-profile the road.

Mr. Tracy stated he feels it is important that everyone realizes that the economic analysis dictates that it be more than twelve per acre. Mr. Dwyer stated what they are proposing is 192 units which will be in the middle of a park that was going to have thousands of cars for the other use.

Mr. Dobson stated based on the front and rear elevations of the units they have shown, it seems like they would go with the Edgewood Village. Mr. Dwyer stated they wanted to be complimentary to the community with natural materials, etc.

Mr. Murphy stated it seems that the Planning Commission would like to see more data about the vacancy rates in Newtown and Middletown for office, and that there be further discussion about the density. He stated they could also show a comparison of the traffic impact with more specific information. Mr. Dwyer stated he feels what they are proposing will be 800 trips less than what was approved for the office use. Mr. Murphy stated Mr. Koopman can also consider the questions Ms. Burke raised about spot zoning.

Mr. Benedetto stated this would not take into consideration the Traffic Impact Fees, and Mr. Murphy stated they can go back and check on this information. Mr. Dwyer stated as they go forward they can meet with Mr. Fedorchak about Township fees, etc. and they wanted to get feedback from the Planning Commission before they went much further. Mr. Dwyer stated they were not looking for a Waiver of fees. Mr. Murphy stated they can also compare the fees that would have been associated with the office approval. Mr. Dwyer stated they could have the traffic engineer come to a future meeting to answer questions.

Ms. Burke asked why they are proposing one to two bedrooms as opposed to three-bedroom units, and Mr. Dwyer stated they feel that three bedrooms would attract larger families. Ms. Burke stated that could then have an impact on the schools. Ms. Burke asked if they would not rather have families there. Mr. Dwyer stated they want to attract young workers which is what they need at the corporate center. Mr. Dwyer stated there is currently a lot of product available in the Township with three to four bedrooms, and Ms. Burke agreed. Mr. Ware stated the rent on a three-bedroom apartment would be astronomical. Mr. Murphy stated at the Warminster complex he discussed earlier, they are actually going to have more one-bedroom apartments than two-bedroom apartments. He stated in the original section it was one-bedroom and two-bedroom apartments, but they are now seeing that more people want a one-bedroom apartment. Mr. Tracey stated it seems that the demographics are driving the real estate market especially on the rental side. Mr. Murphy stated they are attracting young people who apparently do not want to drive. Mr. Koopman stated young people need places to live, and it is difficult for them to buy a house.

Mr. Murphy stated they have had discussions with SEPTA about creating new train stops and looking into extending services.

Mr. Dwyer agreed to send Mr. Ware some of the articles he discussed so that he can provide them to the Planning Commission.

There being no further business, Ms. Burke moved, Mr. Tracey seconded and it was unanimously carried to adjourn the meeting at 8:45 p.m.

Respectfully Submitted,

Dean Dickson, Chairman