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STATUS REPORT

Chelten Plaza Project



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Status Report No. 2 on Chelten Plaza

from GCC to the Germantown Community

We are writing to report on the status of GCC's efforts with regard to the "Chelten Plaza" development. Over the course of the last several months, as the developer's plans were announced, there have been many views in Germantown about how best to express opposition to the original proposal. For some, the goal of that opposition should be to stop the development altogether. GCC has moved in a different direction, seeking to persuade Patrick Burns, the owner-developer, to modify his plans and enter into a respectful, long-term relationship with the Germantown community. By a unanimous vote at a regular GCC members' meeting on June 9, 2011, GCC adopted a Resolution that authorized a negotiating team to invite Burns into discussions that would include:

- Modifications to the design of the project, including signage, green space and landscaping, traffic flow, and preserving future development possibilities;
- The leasing of store tenants, including the possible alternatives to the proposed Dollar Tree and a fresh food tenant such as Weavers Way;
- Community input into the product lines sold at the new Sav-A-Lot and
- A "community benefits agreement," that might cover such issues as employment, maintenance of the property and financial support for community projects.

The Resolution also provided that any agreement reached between GCC and the developer be subject to ratification by a membership vote of GCC, occurring after the proposed agreement is fully vetted at a public community meeting.

GCC is now proceeding in accordance with the adopted Resolution. So far, the negotiating team has had one face-to-face meeting with Burns and his representatives, and our Design Group—several volunteer architects, landscape designers and planners from our neighborhood—have had an initial session with the developer's architect and project manager and have been provided the detailed construction documents. They have reviewed those documents and have prepared a set of proposed design changes. Meetings with the Burns team are anticipated to occur in mid-July. Here is the status of the various issues in play.

// WEAVERS WAY

You may have heard various rumors about a Weavers Way store being a Chelten Plaza tenant. While that would obviously be a breakthrough for Germantown, we entered the discussions of this issue with significant doubt that this could really happen, both from an understanding of Weaver Way's financial limitations and doubts about Burns' willingness to help the co-op bridge some of those barriers. As it turns out, it was Weavers Way, not Burns, who decided not to proceed further with this idea although recognizing this as an opportunity.

In June, Mr. Burns made a very substantial offer to fully finance the build-out costs of a 5000-square foot co-op store, on the Chelten Avenue side of the existing building, including new equipment, all to Weavers Way specifications. The value of that have to raise financial assistance was estimated by both sides as being around \$500,000, yet the co-op tenant would still money for inventory (around \$300,000). Burns added further value to the offer by stating that this financial assistance, while being a loan, would be without recourse against Weavers Way, meaning that he could not proceed legally against the co-op in the event the venture was not successful. Various ideas were explored, including a separate co-op entity being formed, with that entity hiring Weavers Way to manage the store, as a way to further insulate Weavers Way from the financial risk. In the end, however, the challenges presented by last year's costly expansion in Chestnut Hill, and the anticipated cost of the planned renovations of the Mt. Airy store, have convinced Weavers Way management not to pursue further expansion into Germantown at this time. It is mainly a problem with timing. They have an interest in eventually coming to Germantown, but estimate that such a move is at least two years away.

Working with others to create an economic development environment in Germantown that will create opportunities for businesses like Weaver s Way to invest in our business district is a long-term goal of GCC. In the short term, however, the Chelten Plaza development's fast track requires us to refocus our energy towards other achievable goals. We will continue to explore with Burns other possible healthy foods tenants.

// DESIGN ISSUES

The Design Group reports that their initial meeting with the developer's architect and project head was cordial and substantive and a follow-up meeting has been scheduled. The Design Group was encouraged by the give-and-take that occurred and the construction detail that they have been given access to. They are formulating some proposed improvements to the design that, they believe, can be achieved within the practical financial means of the developer. Among the design features they are focusing on are:

- Possible modifications to the "rain garden" between Rittenhouse Street and the new Sav A Lot building which is intended to absorb rain water but which will not be accessible to public use and is lacking in a landscaper's touch;
- The possibility of sustainable, trenched street trees along Pulaski and Chelten Avenues;
- Redesign or removal of the sign tower;
- Improving façade design and detailing;
- Reorienting stores to face Chelten Avenue rather than the parking lot;
- Creating a pedestrian access to the Sav A Lot from Pulaski Avenue and
- Moving the driveway from Chelten to Pulaski to enable something useful and attractive to be happening at the corner.

With the collapse of the Weavers Way plan, these design issues have now emerged as key to any agreement.

// THE DOLLAR TREE LEASE

There has been no progress on this issue. Burns insists that this lease is essential to his financial plan and GCC continues to believe that it is not a legal use under the special Germantown zoning controls that prohibit any more "variety stores." The most recent use permit obtained by the developer in June characterizes the Dollar Tree as a "grocery store," apparently using the store's intended sale of some food items as a basis for a different use classification. That interpretation will ultimately be reviewed by the Department of Licenses and Inspections, at the time the store is nearing an opening (for which Dollar Tree would need a registration use permit) or at such earlier time that the actual intended tenant has, within L&I's processes, been identified. (So far, our efforts to have the Department assume, as true, the developer's public statements about the identity of the tenant have not been successful.) If L&I ultimately states or agrees that a Dollar Tree is prohibited, Dollar Tree and/or the owner-developer will have to seek a variance from the Zoning Board of Adjustment (ZBA). Should that occur, the community would have the opportunity to express its views to the ZBA.

// OTHER COMMUNITY BENEFITS

Mr. Burns has indicated his interest in entering into a community benefits agreement with GCC. From GCC's standpoint, the elements of such an agreement should include the following:

- Employment commitments targeting Germantown residents in the remaining construction and for the eventual retail jobs, with compliance measures for monitoring and enforcing those commitments;
- Putting into writing the previously made commitments of the Sav-A-Lot operator to stock items requested by the community, exploring ways to insert a similar commitment into the other retail leases on the site, and developing mechanisms for enforcing these commitments;
- Addressing various site maintenance issues, such as trash removal and green-space maintenance, again, with an eye towards structuring compliance mechanisms and
- Financial assistance commitments by the owner and the tenants for community betterment projects. Any such assistance would not be to GCC itself.

// NEXT STEPS

We are acutely aware that time is against us in these negotiations, as the project continues on its own pace. Particularly with regards to the design issues, we realize that any compromises must occur in the weeks ahead. We also realize that our communications efforts have been insufficient. We consider this Status Report the first of several and will post them on our website (improvements in which we are working on) and with the local press. We also encourage you to spread them via the various neighborhood email networks. We also encourage you to send us your ideas for the negotiations, on any of the mentioned issues.

Finally, we are also aware that are many voices engaged in the struggle to see something positive happen at Chelten and Pulaski. Some have complained about things GCC is or is not doing. As a civic association seeking to speak for the community as a whole, we understand that not every one of our neighbors will agree with everything we do. Please appreciate, however, that we are a young organization, co-founded by Rev. Nancy Muth and Betty Turner, doing the best we can, in accordance with the procedures that, as a 501(c)(3) organization, we have adopted. We have every intention of looking out for the interests of Germantown, as defined broadly to include all the various components of our diverse community. We also make this promise: that we will work hard to make this the last time that politicians and developers make major development decisions in Germantown without community involvement in the planning process. The stakes here are not just about Chelten Plaza. They are about how we as a community intend to conduct our community business going forward, with each other, our elected officials and potential investors. Please consider joining us; we need your help, support and advice. We meet on the second and fourth Thursdays, at 7 pm, at the First Presbyterian Church in Germantown, 35 W. Chelten Avenue.

Humbly Submitted,

Board of Directors
Germantown Community Connection



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