

August 26, 2011

Thomas Corcoran  
President  
Delaware River Waterfront Corporation  
121 N. Columbus Blvd.  
Philadelphia, PA 19106

Re: Concerns with the Master Plan for the Central Delaware as related to  
Anderson properties at:  
1501 Berks Street  
2001 Richmond Street  
2005 Richmond Street  
2001 Beach Street (formerly 2015 Richmond Street)

Dear Mr. Corcoran:

The purpose of this letter is to update my letter of August 11, 2011. As you may know and as acknowledged in the recently released Master Plan for the Central Delaware, my client James J. Anderson controls four inter-related waterfront properties. These properties total approximately 57 acres and comprise 2,650 linear feet (one half mile) of waterfront. While portions of these sites are vacant, substantial portions are used today for material storage related to Mr. Anderson's primary business of heavy highway and runway construction. Other portions are used for construction staging for rebuilding I-95 and certain environmental remediation. Mr. Anderson may hold the largest assemblage of privately owned acreage directly subject to the Plan.

We applaud the Delaware River Waterfront Corporation for taking on the task of revisiting planning for the central Delaware River waterfront. By its Plan, the DRWC has formulated broad outlines for exciting projects and interesting projections for the growth of this area, including the notion that targeted public investments in public lands and City infrastructure will multiply private investment on the waterfront.

Even if we could share the certainty of the assumptions upon which the Plan is premised, we have genuine concerns about the implementation of the Plan on the Anderson properties, DRWC's planning solution for the Anderson properties and the method by which DRWC reached conclusions that it expects to govern the future development of the Anderson properties. Our concerns are as follows:

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**The Process:** While we are specifically mentioned in the report and while renderings have been made of our properties, we were not included in any meaningful way in the dialogue or process for developing the Master Plan. Except for a meeting on June 2, 2011, when you and Deputy Mayor Greenberger visited with us, we have not been privy to any information other than three site plan sketches of the Anderson properties. Given our stakeholder position, our involvement lacked both quality and quantity.

**The Master Plan:** While beautifully presented, the plan is more “aspirational” than practical, especially in regard to the Anderson properties. From its inside cover footnote regarding existing permitted plans for specific sites,

*“It is recognized that there are several sites that have approved zoning, plans of development, and/or other entitlements with the city which are not shown on this plan. This plan is not intended as a legal document: it is a master plan with the intention of making recommendations for development in keeping with the overall vision for the waterfront”*

to the footnote on page 69 of the Final Draft June 2011,

*“The total estimate of \$770 million excludes the cost to build the waterfront light rail system, estimated at over \$ 450 million, and also excludes PennDOT’s scheduled modernization of I-95, estimated at over \$1 billion”*

the Plan demonstrates a strong preference for incorporating without further question the privately developed “vision plan” rather than creating a practical plan whose implementation will lead to measured growth in what will undoubtedly be a complex economic and political environment for development and funding over the next twenty-five years.

The Master Plan, as currently drafted, puts the four Anderson properties in a “development limbo.” As used here, “development limbo” is a state of affairs where plans previously developed for the Anderson properties and permitted for zoning by the City are not recognized by either the DRWC or its consultants as having any validity or standing. Moreover, it ignores the third principle for the development of the Plan —

*“Accommodate diverse land uses along the waterfront – protect and enhance the industrial uses at the south and north ends.”*

These plans, developed as a matter-of-right under “G-2” zoning, include a comprehensive expansion/relocation of Anderson’s core business. In our view, the Plan lacks the vision to allow market forces to adapt to inventive development of these parcels.

**Zoning:** The Master Plan ignores the permits obtained for the Anderson properties for industrial uses. Instead, it suggests that development of the Anderson properties must

wait twenty or thirty years while elements on the ground catch up and become reality or that the Anderson properties should be excessively regulated through a zoning mechanism such as a “plan of development.”

We are unable to reconcile: the Plan’s treatment of the Anderson properties; planning that underscores the existing zoning code; proposed zoning recommendations; and the planning that preceded recent zoning changes to the Anderson and nearby properties. DRWC appears to favor the following outcomes: (1) development of the Anderson properties that must wait twenty or thirty years while elements on the ground catch up, (2) the derogation of the Anderson properties to a lesser status in a grand scheme targeting other properties, or (3) development that is excessively and subjectively regulated in a “plan of development” zoning scheme.

**Land acquisition:** The proposed uses of the Anderson properties (parks, open space trails, riverfront streets) all require land acquisition by some public authority. At the same time, the Plan gives funding priority to three other geographic locations where the public actually controls the land (Washington Avenue, Penn’s Landing, and Spring Garden/Festival Pier). Since the release of the Plan, an additional priority area has been added on your web site, Penn Treaty Park and certain areas to the north.

DRWC must have considered the broader implications of the Plan. If the Planning Commission adopts the Plan, it must, as a matter of policy, include the Plan’s capital spending within the City’s total capital funding needs. The Plan has an initial price tag of \$770 million and projects an annual drain of \$8.25 million along with a \$65 million jump start for infrastructure improvements. While we hope that DRWC considered the impact of such a commitment to this section of the City on the remaining infrastructure needs, if City Council is unable to find the funds, the development of our properties within the Plan is pushed further into the future. We see no contingency plan if City Council is unable to provide the necessary funding because public demands in existing neighborhoods will not allow investment to create a new and advantaged neighborhood.

**Excessive public realm:** The Plan recommendations suggest excessive additions to the public realm with major implications specific to each of the privately held Anderson properties. We question the need for both Berks Park and Cumberland Park and the proximity of Berks Park to Penn Treaty Park. Other examples are the setbacks for commercially zoned properties, the private obligation to create public trails and access roads and the idea – unsupported by engineering studies on cost/benefit analysis of removing the existing piers. DRWC does not offer its opinion on how these areas will be acquired, maintained, secured and insured.

**Absence of Engineering and Environmental Studies:** The Plan calls for residential and retail uses as well as a transformation of lands for public recreation. The Plan does not inventory the environmental studies which are needed to determine whether the properties identified for these transformational uses are suited for those purposes.

Studies will be required to address the impacts on the continued working port and, most importantly, the phased reconstruction of I-95, among other concerns.

It is our view that the Board's decision, allowing barely one month this summer for review of the Final Draft July 2011, is not reasonable in the context of the Anderson properties. We are still reviewing issues associated with utilities, environmental considerations, impacts to our current business activities and our immediate industrial neighbors (including Conrail, PECO and Glasgow).

The Plan recommends that \$65 million in public money be spent in the next six years to focus on three high priority sites (Penn's Landing, Spring Garden, Washington Avenue; and recently added on your website, a fourth, Penn Treaty Park. Are the cost estimates for those projects reasonable? The specific projects have not been identified nor have cost estimates been provided to confirm their feasibility. We question the ability of DRWC and the City of Philadelphia, no matter how well managed, to complete the priority tasks and take on additional acquisition as well.

We formally request that your cost estimates be made available for our review.

We strongly advise that a dialogue be established with your Board members, planning committee, staff, and consultants so that we may discuss the points raised in this letter in greater detail. Attached to this document are additional concerns enumerated for discussion. As well, it would be most helpful to know your thoughts regarding a schedule for dealing with the myriad of zoning actions taking place that will be influenced by the proposed Master Plan.

We strongly recommend that the DWRC Board delay final approval of the Master Plan and defer submitting it to the City Planning Commission so that appropriate consideration can be given to the application of the Master Plan to the Anderson properties. We seek to have our existing development rights protected and to afford major opportunities for investment in the City, while at the same time reinforcing the open space objectives of the Plan.

Sincerely,

  
G. Craig Schelter

cc.

Craig Hoogstraten  
Neil Sklaroff  
Herb Bass  
Alan Greenberger  
Sarah Thorp

**ATTACHMENT: Specific Concerns**

1. Having the Anderson properties put in a "development limbo" with the Berks Street site included in the Penn Treaty district and the former Cramp shipyard properties included in the far North District, the latter with a time horizon beyond the 25-year time frame of the recommended Plan and outside the \$770 million price tag of the project and the former having a time horizon tied to the as yet uncertain closing of a PECO facility five to eight years in the future.
2. Land use recommendations for a 50 foot wide pedestrian-friendly environment with mixed-use development between existing industrial parcels (PECO on the south, Glasgow Corp. in between Berks and Dyott, and Conrail on the north). Here questions of both urban design and pedestrian safety come into question.
3. Site plans which call for excessive additions to the public realm without any discussion of a land acquisition strategy, market demand or public funding availability.
4. Site plans which fail to deal in any clear way with the coming reconstruction of I-95 and the additional ramps to be bid shortly for the Girard Ramps.
5. Recreational uses including canoeing and kayaking adjacent to a navigation channel for large ships. Informal discussion with a seasoned riverboat pilot suggests that amateur boaters in tiny vessels adjacent to the shipping channel are a dangerous idea especially just north and south of the Anderson properties.
6. Excessive emphasis on a regulatory approach to zoning that appears inconsistent with recent actions by the City Planning Commission, City Council, and the Mayor.
7. "Photo shop planning" of park and undefined public venues without any feasibility analysis.