

Shop on Top of an Old Industrial Site Metroplex Shopping Center Turns Dust to Dollars



The Metroplex Shopping Center is a new, \$85 million development built on an 80-acre former brownfield site in Plymouth Meeting, Montgomery County.

The property was previously home to a variety of industrial activities, including brick manufacturing, quarrying, asbestos-coated pipe manufacturing, and most recently, aerospace research and development. For more than 20 years, the site sat unused. Today, the site is home to one of the largest “power” shopping centers in the Tri-State region, housing more than a dozen anchor tenants — including Lowe’s, Target, The Gap, Barnes & Noble and Office Depot — in 780,000 square feet of retail space.

Because of its location near the intersection of **three major highways** in the heart of a rapidly expanding commercial and retail corridor in the metro Philadelphia area, the former industrial site was an attractive piece of real estate, despite its contaminated landscape. It was only a matter of time before the opportunity would attract the right investors.

The Goldenberg Group, a privately owned **real estate development** company in Blue Bell, Pa., recognized the site’s potential. “The site offered a **terrific location** and **favorable demographics**,” Robert W. Freedman, vice president and general counsel with The Goldenberg Group, said. “We knew that **national tenants** would love to be there.”

Initially, the site was a mess. “The site resembled a moonscape,” Pam Trowbridge, a geologic specialist at DEP, said. “This was a very ugly piece of property. It had no vegetation and had

served as a convenient illegal dumping ground for years.” With its barrenness and environmental contamination, the site offered no benefits, such as open space. As such, the old industrial site represented a prime candidate for in-fill, providing an environmentally preferable **alternative to developing on farmlands or forests**.

Keys to Success

The Land Recycling Program’s (Act 2) **clear standards and control** were paramount to the success of this project. “The best thing we have going for us in Pennsylvania is the Act 2 provision that allows the developer to attain identifiable remediation standards in exchange for a release of liability for future cleanups at uncertain costs,” James Beste, vice president and director of development for The Goldenberg Group, said. “This is a critical component in putting together a deal because it provides a mechanism to manage the environmental liability risk in a project.”

The **flexibility** of the Land Recycling Program helped The Goldenberg Group clear a number of hurdles. Not only was the site riddled with different environmental problems that needed to be addressed, but the site also was composed of several smaller parcels of land that were owned by different entities. Pulling all of the properties together under one owner was a major undertaking. Knowing that there was a mechanism to manage the remediation costs was essential.

“**Lenders**, sellers and potential tenants need to know that environmental issues can be handled both financially and legally,” Beste said, “and that the Act 2 Buyer/Seller Agreement is a way to meet the time constraints of the deal and **limit exposure and risk** on a difficult brownfield site.”

An employee of Giant Supermarket re-stocks the shelves in the café — a popular lunchtime spot for the nearly 1,000 employees that work at the Metroplex shopping center.



When buried municipal waste was first discovered in an old landfill shortly after the site excavation began, DEP worked with The Goldenberg Group and its environmental consultants, Pennoni

A **Buyer/Seller Agreement** gives legal protection to a prospective buyer interested in purchasing a brownfield site. In these cases, sellers agree to clean up sites in order to sell the land. Once sites are assessed and the contaminants are identified and remediated according to Land Recycling Program standards, sellers receive relief from cleanup liability. This relief is transferred to buyers, thereby freeing the new landowners of cleanup obligations. Lenders also receive assurances from Buyer/Seller Agreements. The assessment and remediation plans provide certainty to the terms of the transaction. Lenders understand that early protection is provided to the buyer and are assured the cleanup will occur according to a certain time schedule.

Goldenberg Group representatives Kevin Trapper, Peter Farnum and Jay Beste select potted plants to give to community stakeholders who helped make the Metroplex project a success.



Associates, to address the issue. DEP worked out an arrangement with the developer to manage the material that had been excavated and then cap the landfill. Pennoni coordinated the recycling of excavated concrete and wood from the landfill and reused those materials to fill in other areas on the site, thereby reducing the volume of material to be disposed off-site.

Even as the project became more complicated, progress continued, and it all came together without any insurmountable delays. "The Land

Recycling Program provides **liability protection** on-site containment or reuse alternatives that meet specific standards," Tony Bartolomeo, president of Pennoni Associates, said. "DEP has come a long way over the last few years, maintaining firm standards to accomplish

human health and environmental goals without stifling development."

Manko, Gold & Katcher, LLP, an environmental law firm based in suburban Philadelphia, served as environmental counsel to The Goldenberg Group. Founding partner Joseph M. Manko describes the Land Recycling Program process as a fundamental change in brownfields policy. "I've worked on brownfield redevelopment projects in several states, and DEP's Act 2 is by far the easiest to work with and the most predictable."

Plymouth Township Reaps the Benefits

Aside from reclaiming an eyesore and mitigating a health and environmental hazard, the Metroplex Shopping Center has brought a variety of other benefits to the area. The development created hundreds of construction jobs over a two-year period. The shopping center itself created nearly **1,500 permanent jobs** and will pay millions of dollars in annual taxes. Also, as part of the construction process, The Goldenberg Group invested more than \$6 million in off-site highway improvements and contributed more than \$1 million to Plymouth Township's new community center.

"DEP personnel were extremely professional and efficient, which is so important when working with the private sector," Beste said. "The department really can make a difference in providing an economic benefit to Pennsylvania by encouraging the use of in-fill sites, as opposed to encouraging developers to develop, and thereby eliminate, other open space areas like forests or farmlands."



Mark Schweiker,
Governor

David E. Hess,
Secretary

Department of
Environmental
Protection

www.dep.state.pa.us
(directLINK "Land Recycling")

2550-FS-DEP-2707 08/01



A web space dedicated to helping you learn how to protect and improve the environment. The site features the largest collection of environmental videos available on the Internet and is produced by the nonprofit Environmental Fund for Pennsylvania, with financial support from the Pennsylvania Department of Environmental Protection, 877-PA-GREEN.



For more information about the **Metroplex Shopping Center** contact DEP's Southeast Regional Office at (610) 832-5950.