

December 1, 2017

Report of the Upper Dublin Township Municipal Authority to the Board of Commissioners of Upper Dublin Township

Mission

The purpose of the Authority (UDTMA) is to obtain and finance working capital, acquire, hold, construct, improve, maintain and operate, own or lease, either in the capacity of lessor or lessee, projects within the service area of the Authority, of the following kind and character:

- (a) Transportation for all defined modes, marketing, transit service and safety improvement utilizing all resources necessary to construct and maintain roadway improvements, bridges, traffic regulation devices, bicycle/pedestrian trails and amenities including but not limited to landscaping/trees, special signage, and street/area lighting.
- (b) Storm water and flood control planning, management and implementation.
- (c) General economic development and marketing for the Fort Washington Office Center Park.

Attendance

There were 12 Authority meetings held in 2017 on the first Friday of every month except September, which was held on the second Friday due to the Labor Day holiday. The first meeting in January was primarily an organizational meeting with the appointment of Officers, Directors, Engineer, Solicitor and Open Records Officer. Attendance at meetings by the members was nearly 100% for the year with Mr. Pesavento missing one meeting, Mr. Diehl missing one meeting, and Mr. Markman missing two meetings. Attendance by the Executive Director, Finance Director, Solicitor's office and Engineer was nearly 100% with Mr. Bleemer, Finance Director missing two meetings due to vacation.

Financial Statements

The Authority during its first year of operation has been funded by Upper Dublin Township in the amount of \$46,762.00. These expenditures will be subject to a separate independent CPA audit with a report to be filed with the Township and the State and available to both the Commissioners and the public.

An important component of financial statements is the lengthy discussion and analysis conducted by the Authority members, directors and staff to determine the best means for an assessment in support of the Authority's mission. The Office Park projects as determined by the UDTMA are detailed in "Exhibit A". After reviewing multiple methods of assessments and discussing the potential impact on both the mission and the property owners it was determined that an assessment based upon assessed value of property would be most prudent at this time.

Transparency

All meetings of the Municipal Authority were open to the public and live broadcast as well as repeat broadcast on the Township's governmental cable channel. There were no Right to Know Requests related to the Municipal Authority during 2017, but the Authority is committed to not only complying with the Right to Know Law and the Sunshine Law, but communicating with property owners and business and employees within the office park through multiple means through 2018.

Finally, the Municipal Authority has received a full presentation on the Transportation Demand Management Report and will be reviewing its priorities and activities in association with that. Also, in the attached "Exhibit B" please find a copy of a recent article published in the Philadelphia Business Journal related to the Authority's mission.

Exhibit A
Office Park Projects

TOWNSHIP FUNDED CAPITAL IMPROVEMENTS WITHIN THE MUNICIPAL AUTHORITY BOUNDARY									
CONSTRUCTED AND/OR COMMITTED TOWNSHIP PROJECTS	Description	OPINION OF PROBABLE COST (Millions)	Grant Funding Awarded (Millions)	Additional PennDOT (Millions)	Developer Contribution (Millions)		Township Obligation (Millions)	Construction Start Date	Status / Comments
	PINE RUN & RAPP RUN FLOOD RETARDING STRUCTURES	\$14.819	11.569				3.250	2013	CONSTRUCTION COMPLETE
	VIRGINIA DRIVE PINE RUN BRIDGES RECONSTRUCTION	\$6.103	3.212	0.500			2.391	06/2016	MUNICIPAL RETRO-REIMBURSEMENT PROGRAM
	VIRGINIA DRIVE RAPP RUN CULVERT RECONSTRUCTION	\$1.446	0.400				1.046	03/2017	PA DCED GRANTS
	VIRGINIA DRIVE ROAD DIET & TRAIL	\$1.491	1.000				0.491	09/2017	PENNDOT TAP PROGRAM - MPMS 104282
	DRESHER TRIANGLE CONCEPT DESIGN	\$0.062				0.062	0.000	N/A	
		\$23.921	\$16.181	\$0.500	\$0.062		\$7.178		

CAPITAL IMPROVEMENTS WITHIN THE MUNICIPAL AUTHORITY BOUNDARY									
HIGHLIGHTED FIELDS INDICATE GRANT APPLICATION POTENTIAL		OPINION OF PROBABLE COST (Millions)	2015 Grant Awarded (Millions)	2016 Grant Awarded (Millions)	2017-2019 Grant Award (Millions)	Developer Contribution (Millions)	Municipal Auth Obligation (Millions)	Committed Project (X = Yes)	Status / Comments
PRIORITY 1 PROJECTS (0 TO 3 YEARS)	FORT WASHINGTON CROSS COUNTY TRAIL & ROAD DIET	\$6.250	3.541			0.3	2.410	X	PENNDOT MTF, PA DCED, PA DCNR, MONTCO
	PA TURNPIKE ZIP RAMP FROM PA 309 INTERCHANGE	\$2.600	2.038			0.4	0.162	X	GRANT AWARDED
	COMPLETE BODENSTEIN CHANNEL REVITALIZATION	\$0.750					0.750		
	CROSS COUNTY TRAIL - FINAL SEGMENT	\$1.015	0.750				0.265	X	PENNDOT TAP PROGRAM - MPMS 107179
	COMPLETE DELAWARE & VIRGINIA DRIVE ROAD DIET & TRAIL MIDDLE SECTION	\$4.600		0.400	0.800		3.400	X	GRANTS AWARDED - COORD. ONGOING
	COMPLETION OF VIRGINIA DRIVE INTERCHANGE PRELIM ENG. - PH I	\$0.300					0.300		
	COMPLETION OF VIRGINIA DRIVE INTERCHANGE LAND ACQUISITION	\$1.500					1.500		
	DRESHER TRIANGLE EARLY ACTION IMPROVEMENTS	\$0.500					0.500		
	GATEWAY ENTRANCE ENHANCEMENTS INCLUDING LANDSCAPING & SIGNAGE	\$0.250					0.250		
	EVALUATE VIRGINIA DRIVE & CAMPHILL ROAD INTERSECTION	\$0.075					0.075		
CONSTRUCT ADDITIONAL LOCAL TRAIL CONNECTIONS TO CROSS COUNTY TRAIL	\$0.250					0.250			
PRIORITY 1 PROJECTS OPINION OF PROBABLE COST TOTALS		\$18.090	\$6.329	\$0.400	\$0.800	\$0.700	\$9.862		

PRIORITY 2 PROJECTS (3 TO 6 YEARS)	COMPLETION OF VIRGINIA DRIVE INTERCHANGE PRELIM. ENG. - PH II	\$1.300					1.300		OPINION OF PROBABLE COSTS REQUIRE FURTHER ANALYSIS AND ARE ONLY FOR DISCUSSION PURPOSES AND NOT FOR ASSESSMENT PURPOSES. GRANT POTENTIAL HAS NOT BEEN ANALYZED.
	DRESHER TRIANGLE ROADWAY IMPROVEMENTS - STAGE II	\$4.000	TO BE SUBMITTED FOR DVRPC TRANS. IMPROVEMENT PROGRAM (TIP)				4.000		
	CONSTRUCT ADDITIONAL LOCAL TRAIL CONNECTIONS TO CROSS COUNTY TRAIL	\$0.250					0.250		
	CONSTRUCT A LINEAR PARK ALONG CROSS COUNTY TRAIL	\$4.300					4.300		
	CONSTRUCT PINETOWN ROAD BOULEVARD WITH LANDSCAPED MEDIAN	\$1.800					1.800		
	PERFORM WARRANT ANALYSIS FOR PINETOWN & HIGHLAND	\$0.025					0.025		
	COMPLETE RAPP RUN CREEK REVITALIZATION	\$0.750					0.750		
	COMPLETE PINE RUN CREEK REVITALIZATION - STAGE I	\$0.500					0.500		
	COMMERCE DRIVE REMAINING ROADWAY RECONSTRUCTION	\$1.250					1.250		
	VIRGINIA DRIVE REMAINING ROADWAY RECONSTRUCTION	\$3.650					3.650		
DELAWARE DRIVE ROADWAY RECONSTRUCTION & BRIDGE RECONSTRUCTION*	\$3.250					3.250			
NEW JERSEY, NEW YORK & MARYLAND ROADWAY RECONSTRUCTIONS	\$2.750					2.750			
PRIORITY 2 PROJECTS OPINION OF PROBABLE COST TOTALS		\$23.825	\$0.000	\$0.000	\$0.000	\$0.000	\$23.825		

PRIORITY 3 PROJECTS (OVER 6 YEARS)	DRESHER TRIANGLE ROADWAY IMPROVEMENTS - STAGE III	\$4.000	TO BE SUBMITTED FOR DVRPC TRANS. IMPROVEMENT PROGRAM (TIP)				4.000		OPINION OF PROBABLE COSTS REQUIRE FURTHER ANALYSIS AND ARE ONLY FOR DISCUSSION PURPOSES AND NOT FOR ASSESSMENT PURPOSES. GRANT POTENTIAL HAS NOT BEEN ANALYZED.
	CONSTRUCT LANDSCAPED MEDIANS ON COMMERCE, DELAWARE & VIRGINIA	\$0.150					0.150		
	INSTALL PEDESTRIAN LIGHTING ALONG CROSS COUNTY TRAIL & PINETOWN	\$1.000					1.000		
	RE-GRADE HIGHLAND AVENUE APPROACH TO CAMPHILL ROAD	\$0.350					0.350		
	CONSTRUCT ADDITIONAL LOCAL TRAIL CONNECTIONS TO CROSS COUNTY TRAIL	\$0.250					0.250		
	COMPLETE PINE RUN CREEK REVITALIZATION - STAGE II	\$0.750					0.750		
	CAMPHILL ROADWAY RECONSTRUCTION & BRIDGE RECONSTRUCTION*	\$3.250					3.250		
INSTALL LANDSCAPING ENHANCEMENTS TO OPEN VISTAS	\$0.750					0.750			
PRIORITY 3 PROJECTS OPINION OF PROBABLE COST TOTALS		\$10.500	\$0.000	\$0.000	\$0.000	\$0.000	\$10.500		

* NOTE - TOTAL COST SHOWN, HOWEVER, DELAWARE DR & CAMPHILL RD RECONSTRUCTION TO WIDEN AND/OR PROVIDE PEDESTRIAN/TRAIL AMENITIES WOULD BE ELIGIBLE FOR ASSESSMENT. REPLACEMENT OF THE STRUCTURES IN-KIND IS THE RESPONSIBILITY OF TOWNSHIP

NON-CAPITAL IMPROVEMENT PROJECTS			
OPERATIONS AND SERVICES	DESCRIPTION	ANNUAL COST	COMMENTS
		EXECUTIVE DIRECTOR & FINANCE DIRECTOR	0.019
	MUNICIPAL AUTHORITY SOLICITOR SERVICES	0.020	
	MUNICIPAL AUTHORITY ENGINEER SERVICES	0.030	
	MUNICIPAL AUTHORITY ACCOUNTANT SERVICES - AUDIT	0.005	
	PLANNING & ECONOMIC DEVELOPMENT / APPRAISALS	0.030	
	ASSUME MAINTENANCE RESPONSIBILITY OF PINE RUN AND RAPP RUN FLOOD RETARDING STRUCTURES	0.040	
	MISCELLANEOUS ADMIN (SUPPLIES, FEES, RECORDING OF MINUTES, ETC.)	0.028	
	ANNUAL COST TOTAL	0.1718	
	ENHANCED LEVEL OF SERVICES (ROADS, LIGHTING, TRAILS & TRASH, ETC.)		
	OPERATE SHUTTLE SERVICE TO/FROM SEPTA REGIONAL RAIL STATION		
	DEVELOP LOGO AND POTENTIAL RE-BRANDING CAMPAIGN		
	ESTABLISH FLOWERS, TREES, SHRUBS SPECIES LIST		
	ESTABLISH DESIGN STANDARDS FOR PRIVATE PROPERTY SIGNAGE		
	MARKETING INITIATIVES (SPACE AVAILABILITY, ECONOMIC DEV, ETC.)		
	INSTALL WAYFARER AND/OR TRANSIT SIGNAGE AT SEPTA/SHUTTLE STOPS		
	PERFORM SNOW AND ICE REMOVAL SERVICES ON SIDEWALKS AND TRAILS		



Fort Washington Office Park Project Priority List
Upper Dublin Municipal Authority

TOWNSHIP FUNDED CAPITAL IMPROVEMENTS WITHIN THE MUNICIPAL AUTHORITY BOUNDARY

CONSTRUCTED AND/OR COMMITTED TOWNSHIP PROJECTS	Description	OPINION OF PROBABLE COST (Millions)	Other Funding Awarded (Millions)	Township Obligation (Millions)	In Construction		In Design			Est. Design		Est. Construction									
					2017		2018			2019				2020							
					1/17	3/17	6/17	9/17	12/17	3/18	6/18	9/18	12/18	3/19	6/19	9/19	12/19	3/20	6/20	9/20	12/20
					CONSTRUCTED					CONSTRUCTED											
	PINE RUN & RAPP RUN FLOOD RETARDING STRUCTURES	\$14.819	11.569	3.250	CONSTRUCTED																
	VIRGINIA DRIVE PINE RUN BRIDGES RECONSTRUCTION	\$6.103	3.712	2.391	CONSTRUCTED																
	VIRGINIA DRIVE RAPP RUN CULVERT RECONSTRUCTION	\$1.446	0.400	1.046	CONSTRUCTED																
	VIRGINIA DRIVE ROAD DIET & TRAIL	\$1.491	1.000	0.491	In Design			In Construction													
	DRESHER TRIANGLE CONCEPT DESIGN	\$0.062	0.062	0.000	In Design			In Construction													
		\$23.921	\$16.743	\$7.178																	

CAPITAL IMPROVEMENTS WITHIN THE MUNICIPAL AUTHORITY BOUNDARY

PRIORITY 1 PROJECTS (0 TO 3 YEARS)	Description	OPINION OF PROBABLE COST (Millions)	Other Funding Awarded (Millions)	Authority Obligation (Millions)	In Construction		In Design			Est. Design		Est. Construction									
					2017		2018			2019				2020							
					1/17	3/17	6/17	9/17	12/17	3/18	6/18	9/18	12/18	3/19	6/19	9/19	12/19	3/20	6/20	9/20	12/20
	FORT WASHINGTON CROSS COUNTY TRAIL & ROAD DIET - PHASE 1	\$3.250	2.953	0.297	In Design			In Design		Est. Design		Est. Construction									
	PA TURNPIKE ZIP RAMP FROM PA 309 INTERCHANGE - PHASE 2	\$2.600	2.438	0.162	In Design			In Design		Est. Design		Est. Construction									
	FORT WASHINGTON CROSS COUNTY TRAIL & ROAD DIET - PHASE 3A	\$3.000	0.888	2.113	In Design			In Design		Est. Design		Est. Construction									
	COMPLETE BODENSTEIN CHANNEL REVITALIZATION - PHASE 3B	\$0.750		0.750	In Design			Est. Design		Est. Construction											
	CROSS COUNTY TRAIL - FINAL SEGMENT	\$1.015	0.750	0.265	In Design			In Design		Est. Design		Est. Construction									
	COMPLETE DELAWARE & VIRGINIA DRIVE ROAD DIET & TRAIL MIDDLE SECTION WITH CONSIDERATION OF A	\$4.600	1.200	3.400	In Design			Est. Design		Est. Construction											
	COMPLETION OF VIRGINIA DRIVE INTERCHANGE PRELIM ENG. - PH I	\$0.300		0.300	In Design			Est. Design		Est. Construction											
	COMPLETION OF VIRGINIA DRIVE INTERCHANGE LAND ACQUISITION	\$1.500		1.500	In Design			Est. Design		Est. Construction											
	DRESHER TRIANGLE EARLY ACTION IMPROVEMENTS	\$0.500		0.500	In Design			Est. Design		Est. Construction											
	GATEWAY ENTRANCE ENHANCEMENTS INCLUDING LANDSCAPING & SIGNAGE	\$0.250		0.250	In Design			Est. Design		Est. Construction											
	EVALUATE VIRGINIA DRIVE & CAMPHILL ROAD INTERSECTION	\$0.075		0.075	In Design			Est. Design		Est. Construction											
	CONSTRUCT ADDITIONAL LOCAL TRAIL CONNECTIONS TO CROSS COUNTY TRAIL	\$0.250		0.250	In Design			Est. Design		Est. Construction											
		\$18.090	\$8.229	\$9.862																	

OPERATIONS AND SERVICES	0.578	0.053	0.175 Annual	\$0.175 Annual	\$0.175 Annual
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Exhibit B

Recent article published in the Philadelphia Business Journal related to the Authority's mission

From the Philadelphia Business Journal:

<https://www.bizjournals.com/philadelphia/news/2017/11/13/behind-the-scenes-how-the-fort-washington-office.html>

Behind the scenes: How the Fort Washington Office Park was transformed

By Graham Copeland – Guest Columnist

Nov 13, 2017, 2:32pm EST **Updated** 6 hours ago



Aerial photo of Fort Washington Office Park.

When the Fort Washington Office Park opened in 1955, it was the first suburban business park on the East Coast. Located in eastern Montgomery County at a Pennsylvania Turnpike interchange, this innovative new land use offered an alternative to the older multistory industrial buildings in urban areas - providing modern one-story facilities and ample parking, in a landscaped campus setting.

More than 60 years later, this 566-acre suburban office park and its 'mid-century modern' peers are showing their age, and causing regional planners to consider their life cycles, functionality and relevance in a changing economy. Once again, Fort Washington is serving as a hub of innovation, attracting significant reinvestment and embracing the latest in mixed use and Smart Growth planning.

Today's Park is home to 230 businesses, employing more than 12,000 workers across a variety of industries. Over time the mix of uses has shifted from light industrial to office-based businesses. For the past 10 years, host municipality Upper Dublin Township, with its public and private partners, has been moving forward with aggressive plans to reshape this regional economic engine. To remain competitive, the township has developed a multifaceted modernization plan including major infrastructure improvements, transportation planning and a new mixed-use zoning ordinance.

Following numerous planning studies, the first big step was the construction of two massive dry dams (an \$11.8 million project, funded 78 percent by state grants) directly upstream from the office park, to address the historic flooding. Additional stormwater mitigation projects downstream followed, including the recent replacement of two obsolete bridges and a culvert. Groundbreaking just occurred for the construction of a "road diet" and a section of the Cross County Trail, which will connect the office park to the SEPTA train station.

Next up is a new "zip ramp," providing enhanced access from the PA Turnpike toll plaza through to a new signalized intersection. Projects to date for this ambitious infrastructure/transportation program are budgeted at \$24,629,000, of which 68 percent has been provided by state grants, of various types. These public improvements are occurring through a solid partnership of elected officials and government agencies at the state, county and municipal levels.

Analogous to urban business improvement districts, in September 2016, the Township formed a new Municipal Authority, to oversee the management of the ongoing improvement program. This agency filled a void created over time by a fragmented ownership base and a lack of centralized property management. The Authority now oversees the planning, design and financing of the Park's public improvement projects going forward.

The business community's response to this modernization program has been overwhelmingly positive. Developers and investors have expressed considerable interest and confidence, supported by a surge of new tenants. According to a JLL Research midyear report, the 2017 YTD leasing volume in Fort Washington Office Park exceeded all other submarkets in the Philadelphia region.

These new businesses include corporate headquarters, research labs and call centers. Several recent transactions are noteworthy: at the Fort Washington Technology Center, 1100 Virginia Drive, Aon Affinity Insurance is moving into 77,000 s.f. of renovated offices, on the heels of UK-based Ashfield Healthcare, which recently leased 85,000 s.f. for its new North American headquarters. Up the street at the Apex Fort Washington, new office tenants include Kellogg Company and Citizens Bank, joining NutriSystem and Connexin Software at their headquarters locations.



Lifetime Fitness under construction at Fort Washington Office Park.

In addition, the arrival of Minnesota-based Life Time Athletic is significant. The new construction of this 112,000 s.f. two-story upscale fitness center illustrates the continuing shift in land uses, towards businesses that serve the general public. Life Time's new membership levels well exceeded their expectations, a testament to the strengths of their brand quality, the central geographic location and the local demographic.

Recognizing the present and future opportunities presented by 'the new Park', Upper Dublin Township just added its name to the mixed-use roster. To address its own growth needs, the Township is acquiring 520 Virginia Drive, a 56,454 s.f. two-story office building, to serve as a new municipal facility. This former pharma research building features a 300-seat auditorium, presenting exciting opportunities to serve the community. The Township is now planning for various uses for this building and is engaging the public in the planning process.

To further stimulate the intended changes, a new mixed-use zoning ordinance is now being drafted, according to the latest Smart Growth planning principles. The new zoning will allow multifamily residential and retail development, embracing the "Live - Work - Play" approach to the changing mix in today's suburban office parks.

Rounding out the municipal planning process, to proactively address the issues of traffic congestion, environmental impact and air quality at our local level, Upper Dublin commissioned a Transportation Demand Management study, the first of its kind in the region. This TDM plan analyzed office park employees' commute patterns and modes, and will recommend new policies and practices designed to stimulate changes in commuters' behavior.

A forward-thinking, problem solving, innovative approach to planning and implementation underlies the Fort Washington Office Park modernization program, and more positive changes are coming down the road.

Graham Copeland is the Economic Development Specialist at Upper Dublin Township and also advises municipalities and downtown districts on economic development and downtown revitalization.