

NORTH EAST PLANNING COMMISSION

North East Town Hall Meeting Room
106 South Main Street, North East, Maryland 21901
Tuesday, March 1, 2015
7:00 PM

Chairman Mark Dobbins called the meeting to order at 7:02 P.M. Present included Commissioner Eric Braley, Valerie Combs, Michael Nair and Judy Duffy. Also present were Melissa Cook-Mackenzie, Town Administrator, Betsy Vennell, Director of Planning and Lisa Rhoades, Planning and Zoning Assistant. Also present included Mayor Robert McKnight as a guest.

-MINUTES-

February 2, 2016 Meeting Minutes.

The Planning Commission accepted the minutes as presented.

-COMMENTS FROM THE PUBLIC-

None.

-NEW BUSINESS-

1. North East Commons: Discussion of permitted uses. Subject property can be found on Tax Map 25, Parcels 453, 591 and 272. Zoning District: "HC" Highway Commercial District.

History of Proposed Development of North East Commons:

Mrs. Cook-Mackenzie reported the subject property involves three parcels 453, 591 and 272 and stated that the property was annexed with rezoning into the Town of North East in 2009 as Highway Commercial "HC". This property was, and is currently, an abandoned church camp. Originally, the owners were interested in implementing plans to construct a big-box shopping center and the Planning Commission had granted tentative approval of the site plan. Mrs. Cook-Mackenzie reported that soon after the approval, the market failed and the developers opted not to continue with the project.

Mrs. Cook-Mackenzie reported that in 2014 and 2015 there was discussion of installing a cross dock facility in this location. At that time, the Planning Commission discussed the possibility of a cross dock facility at this location. The Planning Commission was not in favor including a cross dock facility in the Highway Commercial Zoning District.

Pursuant to a recent meeting with the Planning office, Mayor McKnight and the owner/developer for this property, the owner/developer was invited to come to the Planning Commission to present their vision for a cross dock facility at this location, and to discuss the current real estate market and necessity for a change to the Highway Commercial District Regulations to include a cross dock facility.

Mr. Brandon Freel, Caves Valley Partners came to present his current proposal for a cross dock facility answer any questions the Planning Commission may have.

Ownership of Property

Mr. Freel discussed the past and present ownership of the subject property. Mr. Freel stated Caves Valley Partners is the majority owner and property manager of the subject property. Mr. Freel stated Caves Valley Partners provided equity funds to Mr. Clark Turner. In 2008, Mr. Turner purchased and reorganized Ryan Properties, LLC into what is now known as North East Commons, LLC. The partnership, at that time, was 50% interest owned by CBT Nazarene, LLC and 50% interest owned by CT Nazarene, LLC. However, Mr. Freel reported that Caves Valley Partners was providing all funding for the project. Chairman Dobbins inquired who the current owner was of the subject property at this time. Mr. Freel stated Caves Valley Partners owns 75% interest and Mr. Turner owns 25% interest in the subject property. The Planning Commission inquired how Mr. Turner's current bankruptcy situation effect the ownership, development and future of this project. Mr. Freel stated that if Mr. Turner's bankruptcy situation were to effect the project in any way, Caves Valley Partners would buy Mr. Turner's 25% interest in the property. Therefore, Mr. Turner's interest in the property will not affect the project. Mr. Freel stated Mr. Turner has signed a document stating he is no longer the manager of the property. Mr. Freel stated Caves Valley Partners contract with Mr. Turner states that if the property produces a certain financial return, then Mr. Turner becomes a 50% owner at that point. Mrs. Cook-Mackenzie inquired if Mr. Turner is in bankruptcy and shows this property as an asset, it is Mrs. Cook-Mackenzie's understanding, Mr. Turner cannot do anything with this property unless he has the courts authorization. Mr. Freel explained that Mr. Clark's ownership is under North East Commons, LLC entity, if the 25% interest entered into a receivership, a value would be placed on the property and Caves Valley Partners would purchase the 25% interest.

Proposed Cross Dock Site

Mr. Freel displayed an image of the current proposal of a cross dock facility at the property. The proposal included three pad sites for retail or restaurants bordering Route 272 and the entrance to the cross dock facility site. Mr. Freel stated the property would be heavily landscaped. Mr. Freel added that Caves Valley Partners have not yet spoken to the Department of Stormwater Management about their requirements. Mr. Freel stated Caves Valley Partners intends to construct the site and structure to make it esthetically pleasing to the drivers entering the Town of North East from Interstate 95 via Route 272. In addition, Caves Valley Partners are open to any design requirements from the Town of North East. Chairman Dobbins stated the Town has a Comprehensive Plan and the Planning Commission will be comparing the proposed plans for the cross dock facility with the Town of North East Comprehensive Plan. Mrs. Vennell stated that there was considerable discussion, previously, about a roadway linkage from the North East Plaza Shopping Center to subject property, however, the linkage never materialized as there was tension between the two property owners. Mr. Freel reported that he would not be opposed to speaking with the owner of the North East Plaza regarding roadway linkage, and stated it could be a viable option.

Mr. Freel stated the industrial and distribution center markets has been expanding for the last several years, and for this reason Caves Valley Partners would like to revisit the idea of a cross dock facility on this property. Mr. Freel stated 200,000-400,000 square foot facilities a very readily available but larger facilities 600,000 and up are more difficult to find because of the land area needed to build a facility of that size. Mr. Freel stated that while performing research for this project Caves Valley Partners were approached by several businesses that were interested in this site. The Red Gate Group was interested in partnering with Caves Valley Partners at this site, and would provide equity as well as resource support to enter into a larger industrial market. Katie Herns of the Red Gate Group was present at this evening's meeting to lend support in regards to the development of this site.

Mr. Nair inquired about the process for leasing out a cross dock facility. Mr. Freel stated the intent is to build a 36,000,000.00 cross dock warehouse as a spec building, reporting that their research shows that the market is very promising for industrial sites of this size, further stating that their company's research shows that with other spec building sites, the building is leased before it has completed construction. Mr. Freel reported that the leases are typically for 20 years or more.

Chairman Dobbins inquired if there were any other retail type options that were considered for this site. Mr. Freel stated that Caves Valley did consider "Great Wolf Lodge" entertainment destination venue and other similar destination venues. However, Caves Valley Partners did not feel this was the right location, in addition the industrial use will be the more profitable option. Chairman Dobbins inquired about the number of jobs this cross dock facility may create. Mr. Freel stated the use will determine the number of jobs created. For instance, a manufacturer will create more jobs as opposed to a warehouse. Chairman Dobbins inquired what amount of square footage a large scale retail store would require in comparison to the cross dock facility. Mr. Freel stated the larger retail stores are approximately 500,000 square feet. Mr. Nair inquired how much Highway Commercial District land areas are remain undeveloped, and remain a potential site for retail stores if the market were to recover. Mrs. Cook-Mackenzie stated there are other Highway Commercial areas, however, they are small in comparison. Mrs. Vennell asked if Mr. Freel could explain why the available parcels in North East Commerce Center would not work for the proposed cross dock facility. Mr. Freel reported that from a development standpoint, the parcels available in the North East Commerce Center are either not large enough or are not the correct configuration for the proposed cross dock facility. Mayor McKnight inquired if the former C & S site has been reviewed as an option. Freel replied the C & S site is not large enough and a large portion of the facility is refrigerated.

Mrs. Cook-Mackenzie stated that in the 2009 annexation plan it is stated that ½ acre of land must be donated to the Town of North East for public use. Mr. Freel stated they are aware of the requirement and have provided for this requirement on the proposed site plan. Mr. Freel also stated the Maryland Historic Trust required the owners of the property to relocate the Nazarene Camp Pavilion. If the Town is in agreement, Caves Valley Partners would like to donate the structure to the Town of North East and would finance the relocating of the structure.

Mr. Nair inquired if it would be feasible to have the subject property rezoned so that the cross dock facility would fall under the permitted uses. Mrs. Cook-Mackenzie stated that a rezoning application would not be feasible because there has not been substantial change in the area, which is one of the criteria for rezoning a property. If the Planning Commission determines that a cross dock facility should be a permitted use in the Highway Commercial District, the North East Zoning Ordinance and Regulations would need to be amended to permit the use under the Highway Commercial Zoning District.

Enterprise Zone

Mrs. Cook-Mackenzie inquired if Caves Valley Partners would be petitioning the Town of North East to put this site into an Enterprise Zone. Mr. Freel stated that Caves Valley Partners were considering an Enterprise Zone, where the Town taxes would not be abated only the State taxes would be abated. Mr. Freel reported that nothing definite has been decided. Mrs. Cook-Mackenzie stated that the Enterprise Zone's the Town has been involved with in the past have been on a sliding scale and the State can be petitioned for a refund for up to 50% of the funds.

Traffic

Chairman Dobbins inquired if there has been a recent traffic impact study as Caves Valley Partners are projecting 250-350 tractor trailers entering and exiting the cross dock facility per day via Route 272. The addition of this is number of tractor trailers to the current traffic on Route 272 and Route 40 is a big concern. Mr. Freel stated Caves Valley Partners have inquired of their traffic engineer to look at peak times for cross dock facilities. A factor will be what type of business leases the site. Mr. Freel stated State Highway Administration (SHA) had originally reviewed the design of the entrance and traffic light intersection and they had comments that the lanes may need to be widened. Ms. Duffy inquired if the facility was intended to be operational 24 hours a day. Mrs. Cook-Mackenzie inquired if Mr. Freel recalled what improvements the state had required previously. Mr. Freel stated improvements were intended along Route 272 and the adjacent property on either side of the subject property and widening of the lanes on Route 272.

Mr. Nair confirmed with Mr. Freel that the entrance to the cross dock facility and the pad sites would be off of Route 272 to Nazarene Camp Road. Commissioner Braley inquired what the time frame would be if all approvals were granted. Mr. Freel stated he believed it would take nine months to one year to receive all approvals, then approximately nine months to one year to construct. Ms. Duffy inquired about the access for the residents of Nazarene Camp Road during construction of the cross dock facility. Mr. Freel stated the existing Nazarene Camp Road would be left open until the new road was completed. Mr. Freel added that if the Planning Commission is amiable to the change in the Zoning Regulations, Caves Valley Partners are very willing to work with the Planning Commission and the Town to create an esthetically appealing site.

Chairman Dobbins stated he is not in agreement with the volume of tractor trailers this cross dock facility would bring to Route 272. Commissioner Braley stated that the Planning Commission was apprehensive when Lowes came to the Town of North East but there have been no problems with the delivery trucks and concluded that they are rarely

seen. Ms. Combs is also concerned with the potential volume of tractor trailers as this section of Route 272 is known for many accidents. Chairman Dobbins stated there are certainly benefits to the development of the site and it would be an improvement over what is there, an abandoned church camp. In addition, the outside of the building can be designed a certain way to added a pleasing view for those entering the town from Route 272.

Mrs. Cook-Mackenzie handed the Planning Commission a copy of a letter dated June 28, 2010 (copy attached) from the State Highway Administration regarding the prior development at this site.

Commissioner Braley was concerned that the property could sit for an undetermined amount of time because retail will probably not recover anytime soon; are we willing to wait and would the development of this property help our Town. Mr. Nair stated he felt it would be a trade-off, there would be increased traffic but the cross dock facility would bring job opportunities an abandoned property would be developed. Chairman Dobbins agreed but stated a traffic impact study will determine the impact of 250-350 trucks in a 24 hour period in the area. Mr. Nair stated he would like to see information on cross dock facilities and what busy times of day are. Mr. Nair inquired if there are 10 tractor trailers leaving at same time, what is going to happen on Route 272 or Route 40 and what if they are leaving during morning or evening rush hour. Mrs. Vennell pulled 3 traffic impact studies done in relation to the previously proposed shopping center and suggested if the Planning Commission has concerns they can require new traffic study before making a determination of adding a cross dock facility to the Highway Commercial uses. Chairman Dobbins added we also must consider what the Town of North East may look like in ten years. Mrs. Cook-Mackenzie added from a police stand point it would be more desirable to have a cross dock facility than a shopping center because a shopping center would require the addition of another police officer. It was noted that the entrance/exit on Mr. Freel's site plan is in the same location as the prior tentative site plan submittal.

The Planning Commission concluded that prior to consideration of adding a cross dock facility to the permitted uses in the Highway Commercial District, a Traffic Impact Study would be required. The study would be based on the information presented to the Planning Commission in this evening's package from Mr. Freel, and based on 350 tractor trailers per day.

-OLD BUSINESS-

None.

-REPORTS-

None.

-MISCELLANEOUS-

None.

Transportation Plan

1. Sidewalk from Church Street to Irishtown Road

Mrs. Vennell reported that the State Highway Administration sent notice to the Town that they will be proceeding with installation of a sidewalk from Church Street to Irishtown Road. The installation of the sidewalk will connect Duck Harbour, Beacon Apartments and Elk River Manor Apartments into the Town. Mrs. Vennell stated the contractor is currently looking for staging areas for equipment and supplies. Mr. Nair inquired the timeframe for completion of the project. Mrs. Vennell reported that the State has issued a notice to proceed, however, a preconstruction meeting has not been scheduled.

2. Sidewalk linkage North East Station to Walmart.

Mrs. Vennell reported the State Highway Administration has been working on a plan to redesigning the entrance into the North East Plaza shopping center intersection with Route 272. The Town of North East had previously requested sidewalk linkage from the North East Station to the North East Plaza, based on the North East Comprehensive Plan, Transportation Maps. The State Highway Administration incorporated the Town's request into a redesign of the North East Plaza entrance, and has notified the Town that the proposed sidewalk, crosswalks across Route 272 and Route 40 and re-configuration of the North East Plaza entrance is planned for fall 2016.

3. Transportation request letter to the Maryland Department of Transportation

Mrs. Vennell submitted a draft letter to the Planning Commission containing the Town's list of Transportation Requests. Mrs. Vennell reported the Mayor and Commissioners are also reviewing the draft letter. Mrs. Vennell requested comments, additions, edits from the Planning Commission by March 22, 2016, as the letter will be sent before the end of March.

Next Meeting

The next Planning Commission meeting is scheduled for April 5, 2016.

-ADJOURNMENT-

With no further business, Ms. Combs made a motion to adjourn at 8:35 p.m. Ms. Duffy seconded the motion and the motion was approved by all.