

DERRY TOWNSHIP DOWNTOWN CORE DESIGN BOARD
MEETING MINUTES
April 29, 2019

The April 29, 2019 meeting of the Derry Township Downtown Core Design Board was called to order at 5:02 p.m. by Chairman Justin Engle in the Meeting Room of the Derry Township Municipal Complex, 600 Clearwater Road, Hershey, PA.

ROLL CALL

Members Present: Justin Engle, Chairman; Rick Zmuda, Vice Chairman; Pam Moore; Jim George; George Achorn; Matt Luttrell

Member Absent: Andy Bowman, Secretary

Also Present: Chuck Emerick, Director of Community Development; Lauren Zumbrun, Economic Development Manager; Jenelle Stumpf, Planning/Zoning Coordinator

Public registering attendance: Teresa Peschel, Peschel Press, 48 Half Street, Hershey; Dave Getz, Wix, Wenger & Weidner; Jim Snyder, Brandon Harner – Snyder, Secary & Associates; Chris Painter, Brayson Services, 546 West Chocolate Avenue, Hershey; Jonathan M. Crist, AIS attorney; Kathy and Steven Seidl, 450 West Granada Avenue, Hershey; Greta Ingraham, 441 West Granada Avenue, Hershey; Bill Hoy, Shaner Hotels; John Foley, NAI/CIR; Charles Duncan, 348 Cedar Avenue, Hershey; Dave Weaver, 214 Java Avenue

APPROVAL OF MINUTES

On a motion made by Member George, seconded by Member Moore, and a unanimous vote, the minutes from the March 25, 2019 meeting were approved as presented.

OLD BUSINESS

None.

NEW BUSINESS

A. Consideration of demolition of 6 existing dwellings and construction of a hotel at 554-574 West Chocolate Avenue (Bears Creek Hershey Hotel II, LLC; DCDB #432)

Chuck Emerick explained that a previous version of this project came before the Downtown Core Design Board in November 2018. He presented a side-by-side comparison of the November 2018 renderings and the March and April 2019 renderings so the Board could easily see the changes that have been made. Mr. Emerick stated that latest version of the renderings (April 2019) corrected an error on the March 2019 renderings regarding the location of the curbing along West Chocolate Avenue. The April 2019 renderings also added some windows to the blank wall areas.

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Dave Getz, attorney with Wix, Wenger & Weidner, noted for the record that the applicant believes the Downtown Core Design Board is not properly constituted because it is not permitted by the Pennsylvania Municipalities Planning Code in the way it is established by Chapter 89 (Downtown Core Design Standards) of the Code of Derry Township. The applicant has filed a local agency appeal in court; however, they are happy to discuss the proposal with the Downtown Core Design Board while the appeal is being handled by the court.

Mr. Getz stated that during the review of a substantially identical plan on November 26, 2018, the Downtown Core Design Board took three actions: 1) The Board voted unanimously to recommend approval of the demolition of the six existing building; 2) The Board recommended by a vote of 4-1 that the plan met the Downtown Core Design Standards and requested that the applicant provide the Board of Supervisors with additional renderings of the west side and rear elevations of the hotel; 3) The Board voted unanimously to recommend approval of the site elements. The applicant has incorporated the items that the Downtown Core Design Board requested.

Jim Snyder of Snyder, Secary and Associates, the engineer for the project, stated that this plan is essentially identical to what was presented to the Board in November 2018. There have been a couple of changes, but the footprint is the same. The number of rooms has been reduced from 84 to 76 due to the loss of parking spaces that resulted from the proposed widening of South 1st Street. Additional right-of-way is also proposed on Hillcrest Road. Mr. Snyder commented that another change is the additional windows and grills on the portion of the building that has underground parking. The site elements have remained the same as what was previously proposed. The plan is compliant with the Zoning Ordinance, so variances regarding setbacks or height are not necessary.

Regarding the proposed demolition, Chairman Engle referenced Section 89-12.A.(1) of the Design Standards regarding the requirement to provide a structural engineer's report to demonstrate structural disrepair. Mr. Getz responded that the applicant is not proceeding under that section of the Design Standards and they are not saying the buildings are impossible to use; however, the buildings cannot be redesigned into viable properties that meet the Zoning Ordinance. The buildings are small, they cannot be made ADA compliant (there is no way to build an elevator, for example), and all access to the properties is from the alley. Chairman Engle noted that he thinks all of the regulations under Section 89-12.A are to be met. Mr. Getz replied that they are proceeding under Sections 89-12.A.(2) and (3) because the project will remove all access from South 1st Street to Hillcrest Road, and the general aesthetics of the site will be improved.

Chairman Engle asked if any of the buildings are currently being leased. Mr. Getz stated that as of November 2018, most of buildings were occupied; however, he cannot

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verify the current status because he does not represent the owners of 558, 562, 566, 570, and 574 West Chocolate Avenue.

Chairman Engle commented that the proposed hotel continues to not meet the spirit of the Downtown Core Design Standards because it is not a mixed-use building, and the spirit of the Design Standards is to have mixed uses that engage the street. Mr. Getz noted that a mixed use is not a required use in the Zoning Ordinance. Chairman Engle responded that mixed uses are encouraged under the Design Standards. Chocolate Avenue is not a long corridor and if there are hotels such as this that repeat over and over, there will not be any more room to engage the street. We need to be replacing demolished houses with active uses that make the downtown more vibrant. Regarding blank façade walls, Chairman Engle stated that whether the windows are there or not, the bottom floor of the hotel still represents a way of hiding the parking area. The fact remains that the parking is still on Chocolate Avenue, which does not engage the street and is not interesting to pedestrians. He is aware that the applicant has gone to great lengths to meet the Zoning Ordinance, but his biggest issue is that he does not think the project is consistent with the Design Standards in terms of what we are trying to accomplish in downtown Hershey.

Mr. Getz explained that the lobby will not be exclusive to the hotel guests, so that would engage the public. Additionally, the hotel guests will make use of the amenities in downtown Hershey. If there is something the Downtown Core Design Board wants to see in the hotel lobby, the applicant would be happy to discuss that. Chairman Engle commented that making the design of the lobby appealing to the public is an interesting idea in terms of this project engaging the street more.

Member Luttrell commented that based on his initial assessment of the project, it seems as though the applicant has met a lot of the minimum criteria of the Design Standards, but he is not sure the project complies with a couple of the provisions relative to the character and intent of buildings within a neighborhood. In his opinion, the hotel would clearly change the aesthetic and scale of the neighborhood and set a very hard edge when coming into town that did not previously exist. Mr. Getz replied that he understands Member Luttrell's concern, but that would mean no building could be the first building to be redeveloped. Member Luttrell disagreed. He is not challenging the size, mass, height, location, or use of the building; he is challenging the institutional appearance of the building.

Bill Hoy of Shaner Hotels explained that the massing of the building is a matter of economic performance. In order to make the project work there needs to be enough rooms and revenue on an annual basis. By taking what is in the Ordinance, the applicant tried to maximize as much as they possibly could in order to get the necessary number of rooms. Since this project is on West Chocolate Avenue, Shaner Hotels wanted to take the same approach that they did with the construction of the

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Courtyard Marriott on East Chocolate Avenue and use rich materials on the building. The design proposed for Towneplace Suites is way over and above the standard prototype for Marriott. Mr. Hoy noted that they took some vignettes of downtown Hershey to come up with this proposed design. They tried to break up the massing by having a three-part type of design where there are base, middle, and top sections. The base section will be precast stone, the middle section will be brick, and the top section will be synthetic EIFS. The idea was to not have a straight line but to have the different undulations to the façade. They are very conscious and understanding that this is a large building in an area that is hopefully going to be the beginning entrance to Hershey.

Member Luttrell reiterated that he is not challenging of the massing of the building, and as an architect he recognizes the economic performance factor. However, when he looks at the renderings, he thinks the hotel would fit in appropriately in an industrial park, not at the end of Chocolate Avenue. Chairman Engle asked Member Luttrell what modifications he would recommend. Member Luttrell responded that he greatly appreciates the effort the applicant made to design the building to more substantial materials. He suggested that instead of brick for the entire length of building (which can be imposing) fiber cement could be used, which would change the scale of the building and result in a more linear, horizontal feel.

Chairman Engle commented that he would like to see a nice set of steps going up to an attractive glass entrance so that people driving into Hershey would see someplace they can enter. The proposed design is pretty, but it does not engage the street.

Vice Chairman Zmuda stated that he is not very excited by this proposal. The building is nice, but he does not care for the placement. People will come into town and the first thing they will see is this monolith. Mr. Getz noted that people are going to see the Tru hotel first, which the Downtown Core Design Board approved. Vice Chairman Zmuda responded that he does not disagree with that, but they will see this hotel too, and it will be overpowering to visitors to Hershey, as well as residents. This hotel would be nice in a number of other areas in the Township, but the massing is too much in this area. He inquired about the plans for attracting people to the hotel lobby.

Mr. Hoy stated that since this will only be a small “transfer” lobby, there might be an opportunity to do a revolving art program or something to that effect that would engage the public. Vice Chairman Zmuda commented that it would have to be very special exhibit to draw in people who are not hotel guests.

Member Moore asked if the hotel will contain a coffee shop or any type of dining that will draw local residents. Mr. Hoy replied that the amenities for this hotel brand are for guests only.

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Member Achorn commented that in his experience, typically the hotels that are in the downtown area of a town are more engaging to the common person walking by. Since the proposed hotel will not be accessible from West Chocolate Avenue, there is no approach into the building for someone walking in off the street and even then, the amenities are geared toward the hotel guests. He asked if Shaner Hotels has any similar hotels that are on the main street in a downtown corridor. Mr. Hoy stated that they do not have any hotels with a transfer lobby that are located in a downtown corridor.

Mr. Getz commented that he recently stayed at a Home2 Suites hotel in Philadelphia, across from the Reading Terminal. There was breakfast inside for the hotel guests but not coffee. The people who stayed there engaged in the Reading Terminal across the street and the convention center around the corner. To a great extent, the proposed hotel will bring people into the downtown to engage in the other amenities in the area.

Member Achorn commented he is not arguing that the hotel will bring more business to the downtown. It is a very nice hotel, but it does not fit in this particular location. It looks like it belongs on the outskirts of a town or near an airport.

PUBLIC COMMENT:

Teresa Peschel, 48 Half Street, commented that she will be seeing this hotel from her living room window. This building looks too big for the site since it will be surrounded by much smaller buildings. It looks like something that was brought in from downtown Philadelphia.

Steve Seidl stated that there are issues with the fact that this proposal is, as stated by the applicant, essentially identical to the last proposal. In addition to not being compliant with the spirit of the Design Standards, Mr. Seidl believes that the project is also not compliant with a number of details in the Design Standards. The size of the site is just too small for a major hotel. The Tru hotel and Fairfield Inn are on sites that are about three times the size of the subject site. Mr. Seidl thinks the Downtown Core Design Board erred on the last proposal when they recommended approval of the demolition of the existing structures. Mr. Seidl has not seen any proof that the criteria in Sections 89-12.A.(1), (2), (3) have been met to show that this particular design is more appropriate than what could be done by reusing the existing structures. On many fronts, the applicant has not met the criteria for demolishing the existing structures or the intent of the design fitting in with the community.

Greta Ingraham, 400 block of West Granada Avenue, commented that her issue is with the Township's lack of transparency. This proposal was submitted to the Township on March 12, 2019, yet when Jonathan Crist and Steve Seidl made requests to review the

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submission prior to tonight's meeting, they were denied. Ms. Ingraham does not think the Downtown Core Design Board is in a position to make a decision about anything until the community is able to see the plans.

Kathy Seidl, 450 West Granada Avenue, stated that this is not a quaint hotel, and it will ruin the character of Hershey. The hotel looks like it belongs in a town near an airport. In addition to how it impacts the overall flavor of the town, as a nearby resident Ms. Seidl does not like having to look at these large hotels. The economic viability of the hotel is not the residents' concern. If it is not economically viable to construct a hotel that fits in a quaint town, this hotel could be relocated to the other end of Chocolate Avenue, where there are existing hotels of this size, or Hersheypark Drive, or somewhere else.

Jonathan Crist, an attorney with offices at 226 West Chocolate Avenue, stated that he represents AIS, the owner of the property at 546 West Chocolate Avenue, which is directly east of the project site. The applicant has represented that the existing structures on the subject properties are not functional and need to be demolished, but Mr. Crist discovered this is not the truth. His client, Chris Painter, tried to buy the property at 554 West Chocolate Avenue and was outbid by Bears Creek Hershey Hotel II, LLC. Mr. Crist distributed copies of information from the Realtor.com listing of 554 West Chocolate Avenue. Mr. Crist noted that there is nothing about the building that screams it must be torn down. The building is in excellent shape and has been modernized on the inside.

Member Luttrell asked for confirmation that the applicant is not arguing about the structural integrity of the buildings as the reason for demolition. Mr. Getz agreed and further stated that he understands there was no structural engineer's report issued for the demolition of the structure that was located on the Tru hotel site.

Steve Seidl stated that if the Township made mistakes with the approval of the Tru hotel, it does not mean the mistakes should be made again. In Mr. Seidl's opinion, the Downtown Core Design Board made a mistake on the last proposal when they recommended approval of the demolition of the existing structures, but they should not make that mistake again. Mr. Seidl does not think the applicant has made viable arguments for any of the three points in Sections 89-12.A.(1), (2), and (3) of the Design Standards regarding the need for the demolition of the existing structures.

John Foley commented that he has been involved with this from many years ago. When he was on the Board of Supervisors, the police chief invited him to look at one of the houses that was in foreclosure. The house had become uninhabitable and unsecured, and it turned into a drug house. Mr. Foley approached the investor and asked if they would buy the property since it was in foreclosure. The buildings that are proposed for demolition are not in an economically viable condition to rent or improve.

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Comments have been made that no one wants to see this proposed hotel when driving into Hershey. Mr. Foley argued that these are probably some of the least attractive houses that one sees as they enter the community. Comments have been made that this is not the right location for the proposed hotel. Mr. Foley responded that there are residential structures along Chocolate Avenue that are in less than desirable condition, and yet we say how much we want our community to be welcoming and inviting. This is economic development and it is what the Township was looking for in this area when the Zoning Ordinance was being written. No one wants to live in these dwellings because of the amount of traffic on Chocolate Avenue. The Zoning Ordinance does not require the use of the property to be a mixed use and if the Township enforces that on this project, they will need to enforce it for every new project.

Member George stated that he is not the biggest fan of the proposed project, but he also feels that the applicant has met the aesthetic requirements in the Design Standards. He agrees with Mr. Foley that the existing structures are not the most appealing for the entrance to the town, but he is undecided about the proposed use being any better.

Motion on demolition of existing structures

Chairman Engle made a motion that the Downtown Core Design Board issue a recommendation to the Board of Supervisors to deny the demolition of the existing structures. Vice Chairman Zmuda seconded the motion. Chairman Engle, Vice Chairman Zmuda, and Member Luttrell voted in favor of the motion; Member Moore, Member George, and Member Achorn voted against the motion.

Note: Due to the tie vote (3 in favor of the motion, 3 against the motion), the Downtown Core Design Board did not make a recommendation to the Board of Supervisors regarding the approval or denial of the demolition of the existing structures.

Motion on construction of hotel

Chairman Engle made a motion that the Downtown Core Design Board issue a recommendation to the Board of Supervisors to deny the construction of the hotel. The motion died for lack of a second.

Member Moore made a motion that the Downtown Core Design Board issue a recommendation to the Board of Supervisors to approve the construction of the hotel. Member George seconded the motion. Member Moore and Member George voted in favor of the motion; Chairman Engle, Vice Chairman Zmuda, Member Achorn, and Member Luttrell voted against the motion.

Note: Due to the 2-4 vote (2 in favor of the motion, 4 against the motion), the Downtown Core Design Board did not make a recommendation to the Board of Supervisors regarding the approval of the construction of the hotel.

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Motion on site elements

Member Moore made a motion that the Downtown Core Design Board approve the site elements as presented. Member George seconded the motion, which was passed by a unanimous vote.

OTHER BUSINESS

None.

ADJOURNMENT

On a motion by Member Moore, seconded by Vice Chairman Zmuda, and a unanimous vote, the meeting adjourned at 6:16 p.m.

Secretary