

TIER II ANTIDEGRADATION REVIEW SOCIO-ECONOMIC JUSTIFICATION

ABINGDON BUSINESS PARK HARFORD COUNTY, MARYLAND

In accordance with Code of Maryland (COMAR) 26.08.02.04-1, CREG/Westport I, LLC (Applicant) has performed a Tier II antidegradation review for the proposed Abingdon Business Park project. The overall subject site encompasses approximately 326 acres and drains primarily to the Haha Branch, which is classified as a Tier I tributary to the Bush River. Approximately 7.9 acres of the overall subject site, located on the western edge of the site near Van Bibber Road, is located within the Otter Point Creek 1 catchment, which is a Tier II tributary of the Bush River. Impacts on the 7.9 acres of the site within the Tier II watershed are associated with constructing the primary access road through the subject site (proposed Edgewood Road), three stormwater management facilities on Lot 4, a proposed gas station, and two proposed restaurants. Approximately 5.58 acres of tree clearing will occur within the Tier II watershed.

1. General Project Purpose

CREG/Westport I, LLC (Applicant) is comprised of established commercial real estate investment and development companies that focus on real estate and facilities solutions in the supply movement of goods in the E-commerce industry. According to the U.S. Department of Commerce, between 1998 and 2017, E-commerce sales have grown nine (9) times faster than traditional in-store sales¹. To support the growing E-commerce industry, the Applicant proposes to construct a mixed-use retail and commercial development that will satisfy the needs of E-commerce and warehouse tenants. The Applicant has invested time and resources into reviewing and analyzing several sites within Baltimore, Cecil, and Harford Counties to identify a suitable site for proposed warehouse development.

In order to attract future retail and E-commerce warehouse tenants, the Applicant needs an industrial-zoned property that can accommodate multiple sized distribution centers to serve local and regional areas. The Applicant requires a property that can support a flagship tenant with a warehouse building capacity of approximately 1,000,000 square feet, and additional largescale warehouse facilities for a total of 2,000,000 square feet. The Applicant also requires a property that is currently zoned for commercial/industrial use. The Applicant needs a site that is located within close proximity to distribution avenues including major seaports and arterial roadways. The Applicant's ideal site for this project is located in the vicinity of residential areas which will serve to provide a labor force for the development's future employee base. The costs and feasibility associated with developing building sites or expanding existing warehouses on a given property were influenced by several factors, including environmental and land use constraints that would prohibit a viable project.

¹ https://www.commerce.gov/news/fact-sheets/2017/07/new-insights-retail-e-commerce.

2. <u>Alternative Sites Analysis</u>

a. Existing Warehouses

Initially, the Applicant evaluated several vacant warehouse sites in Harford County utilizing information obtained from the commercial real estate website LoopNet (www.loopnet.com), real estate brochures provided by commercial brokers, a vacancy analysis performed by the Applicant, and information obtained through market research. the Applicant identified 18 existing warehouse sites (Table 1). As detailed in the Alternative Sites Analysis prepared by GTA and dated December 10, 2019, none of the available existing warehouse sites met the minimum size requirements to support a 1,000,000 square foot warehouse and, therefore, are not viable alternatives. The Applicant also considered expanding these existing warehouse facilities to meet the minimum warehouse size requirements for a viable project. Seven of the alternative sites are located entirely within the Otter Point Creek 1 catchment, and construction activities associated with expanding the existing warehouses would result in discharge within a Tier II watershed. Each of the remaining vacant warehouses were bound by existing roadways, railroads, commercial properties, and/or stream channels which would prohibit expanding the existing warehouses to meet the Applicant's requirements for a viable project. Due to the unavailability of existing warehouses to meet the Applicant's needs, the Applicant expanded their selection process to include undeveloped parcels of land to construct a viable project.

Site	Business Park	Year	Warehouse	Available
		Constructed	Size	Lease
4605 Richlynn Dr.	N/A	1982	65,646	43,000
1506 Quarry Dr. – Lot 8	Lakeside Bus. Park	2001	94,832	46,920
Lakeside Blvd., Lot A	Lakeside Bus. Park	N/A	187,500	187,500
1802 Fashion Ct.	Fashion Bus. Park	2000	76,850	0
1500 Woodley Rd.	Eastgate Bus. Park	anticipate 2020	1,040,000	~500,000
2204 Lakeside Blvd., Lot 2	Lakeside Bus. Park	2007	74,056	21,123
2203 Lakeside Blvd.	Lakeside Bus. Park	2001	99,100 (expand	0
			up to 200,000)	
1804 Fashion Ct.	Fashion Bus. Park	1991	158,200	29,760
1501 Perryman Rd.	Enterprise Bus. Park	2005	580,168	0
1013 Old Philadelphia Rd. – Bldg 5	Cranberry Run Bus. Ctr.	1986	44,480	44,480
1007-1011 Old Philadelphia Rd. – Bldg 2	Cranberry Run Bus. Ctr.	1986	126,725	90,263
731 S. Philadelphia Blvd.	N/A	2000	640	640
819 S. Philadelphia Blvd.	N/A	1969	9,070	1,400
1009 Old Philadelphia Rd. – Bldg 4	Cranberry Run Bus. Ctr.	1986	9,000	9,000
1361 Brass Mill Rd.	Riverside Bus. Park	2002	54,000	16,700
1226 Baltimore Pike	N/A	1976	8,943	3,000
2201 Lakeside Blvd. – Lot 5	Lakeside Bus. Park	2008	148,425	17,460
608 Pulaski Hwy.	N/A	1988	6,400	1,600

Table 1:	Summary	y of Existing	Warehouse	Alternatives
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b. Alternative Sites for Land Development

The applicant considered four sites located in Baltimore, Cecil, and Harford Counties, including the preferred Abingdon Business Park site (Table 2). Additional details for these sites are provided in the *Alternative Sites Analysis*. Only one of the alternative sites was large enough

to support the 1,000,000 square foot flagship warehouse (Stoney Forest site); however, this site is zoned for General Business (B3) for local and county-wide retail and service use, therefore, Ecommerce or large-scale distribution warehouses are not an allowable use. Additionally, the Stoney Forest site is accessed from Carsins Run Road which is a two-lane county road which likely require significant improvements to accommodate truck traffic. The 765 Mechanics Valley Road site is zoned appropriately, but is not large enough to support a 1,000,000 square foot warehouse. The 8275 Trappe Road site is encumbered by existing easements and natural resources on the site, and is only large enough to accommodate a 100,000 square foot warehouse, which is significantly smaller than the Applicant's requirements.

	Abingdon Business Park	Alternative 1: 8275 Trappe Rd	Alternative 2: Stoney Forest	Alternative 3: 765 Mechanics Valley Rd
Availability	For sale	For sale	For sale	For sale
Sizing Appropriate	Yes (1 mil SF warehouse and 3 smaller warehouses totaling 2 mil SF)	No (can only fit 100,000 SF warehouse)	Yes	No (can only fit 900,000 SF warehouse)
Site Access	Yes	Yes	No (Carsins Run Rd not suitable)	No (Mechanics Valley Rd not suitable)
Development Resources	Site is undeveloped	Site is undeveloped	Site is undeveloped	Site is undeveloped
Zoning Appropriate	Yes, zoned CI	No, portion of site zoned RC 2	No, zoned B3	Yes, zoned BG
Resource Impacts	Streams, Forest, Wetlands/Buffers, Floodplain	Streams, Forest, Wetlands/Buffers	Streams, Forest, Wetlands/Buffers, Floodplain	Streams, Forest, Wetlands/Buffers, Floodplain
Cost to Acquire is Reasonable	Yes	Yes	Yes	Yes

 Table 2: Alternative Site Reasonability Analysis Table

3. <u>Socio-Economic Justification for the Preferred Alternative: Abingdon Business</u> <u>Park Subject Site</u>

The preferred Abingdon Business Park subject site ("subject site") is located south of Interstate 95, west of Abingdon Road, and east of Van Bibber Road in the Abingdon area of Harford County, Maryland. The subject site is identified on Tax Map 61 as Parcels 158, 178, 529, and 574 (Lot 12); and on Tax Map 62 as Parcel 63. The subject site is zoned as CI (Commercial Industrial) and encompasses approximately 330 acres.

Pursuant to COMAR 26.08.02.04-1K(1), development within Tier II watersheds is justifiable "in order to promote compact development, maintain habitat and open lands, an minimize impacts to undeveloped areas." The subject site is located within one of the two "Enterprise Zones" located within Harford County. Enterprise Zones are priority funding areas designated throughout the State of Maryland by the Department of Business and Economic Development to encourage new development and new jobs by revitalizing older industrial areas. These Enterprise Zones are also created to retain/expand existing resident businesses to encourage job creation and retention. Accordingly, the proposed uses on the subject site fits

within the State's and County's designated uses for Enterprise Zones and will serve as an economic engine for the region.

According to the most-recent update to Harford County's Comprehensive Plan (HarfordNEXT), the County will continue to focus residential and commercial growth and infrastructure investments into the County's "Development Envelope". The Development Envelope was originally identified in 1977 to focus growth along US Route 40 and the Veteran Memorial Highway (MD Route 24)/Emmorton Road (MD Route 924) corridor. A Development Envelope was identified to prevent urban and suburban sprawl to maintain the county's rural nature. According to HarfordNEXT, "[t]he perpetuation of development outside of the Development Envelope can exacerbate conditions that detract from our quality of life and impede economic growth." The subject site is located within this Development Envelope and due to its ideal location near Interstate 95 and MD Route 24, the subject site is also located within an area planned for "Industrial/Employment" land use. These areas are those "intended for the concentration of manufacturing, warehousing/distribution, technical, research, office, and other employment activities." The warehouse, commercial, hotel, and retail spaces proposed for this site are in accordance with the planned land use for this site.

The median household income in Edgewood, Maryland is approximately \$56,632, which is approximately 32% less than the \$83,445 median household income collectively for Harford County². While the 7.47% poverty rate for Harford County is below the national average, the poverty rate in Edgewood is greater than the national average at approximately 13.6%. Population rates in Edgewood are also declining (-1.69% between 2016 and 2017)². In an effort to retain and expand job opportunities in the region, the subject site and surrounding areas are located within a designated Enterprise Zone. According to the U.S. Energy Information Administration³, the square feet per worker ratio is approximately 1,500 square feet per employee for warehouse facilities. For the proposed 1,000,000 square foot flagship warehouse, the tenant is projected to employee approximately 667 people. These employees will come from Edgewood and the surrounding areas. With the additional 1,000,000 square feet of E-commerce warehouses proposed on Lots 2 and 3, it is anticipated that approximately 1,334 employees will be hired to staff the warehouses on Lots 1-3.

Approximately 7.90 acres of the subject site is within the Otter Point Creek 1 watershed, approximately 6.80 acres of which is forested. To accommodate truck, employee, and customer access into Abingdon Business Park, Edgewood Road will extend east from its existing terminus at Van Bibber Road through the business park to connect to Abingdon Road. The terminus of Edgewood Road is currently located within the Otter Point Creek 1 watershed, so impacts associated with extending the road through Abingdon Business Park are unavoidable. To minimize impacts to the watershed, the Applicant is limiting forest clearing to approximately 5.58 acres within the Otter Point Creek 1 watershed. As a result of site grading along the periphery of the watershed, a majority surface runoff in the subject site that currently contributes to the Otter Point Creek 1 watershed will be redirected east and will now contribute to the Haha Branch watershed. For portions of the proposed development within the Tier II watershed, the Applicant will implement Environmental Site Design (ESD) for stormwater management to the

² https://datausa.io/profile/geo/edgewood-md/

³ https://www.eia.gov/consumption/commercial/data/2012/bc/cfm/b2.php

maximum extent practicable, and only use structural practices where necessary. Small-scale ESD practices may include, but are not limited to, submerged gravel wetlands, microbioretention, rain gardens, and swales.

4. Proposed Mitigation

To mitigate for unavoidable forest clearing within the Otter Point Creek 1 watershed, the Applicant is proposing off-site tree plantings. The proposed reforestation site is located on a property north of Grafton Shop Road in the Bel Air area of Harford County, Maryland and is located within the same watershed (Otter Point Creek 1). The proposed 2.26 acre reforestation project would be located within an existing cleared riparian habitat to reconnect this riparian area to existing forest west of the stream. The enclosed *Solomon's Choice Farm* reforestation exhibit depicts the proposed planting area.

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		ecological restoration	129 INDUSTRY LANE, FOREST HILL, MARYLAND 21050 (410) 420-2600 www.ecotoneinc.com
SHOP ROAD		SOLOMON'S CHOICE FARM ABINGDON BUSINESS PARK OFF-SITE REFORESTATION	GRAFTON SHOP ROAD BEL AIR, MD 21014
WATERSHED CHARAC		SCALE: 1"= 200'	
(ATKISSON RESERVOIR)		PROJECT NO: L-1659	
DRAINAGE AREA	3.5 SQ. MI.	DATE: 1/7/2020	
IMPERVIOUS AREA	19.8%	DRAWN BY: SDC	
URBAN AREA	46.8%		
FOREST COVER	22.8%	1 of 1	
STREAM USE	IV-P		