

# Small parcel acquired for Lafayette Street Corridor project

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**COURTHOUSE** — The Montgomery County Commissioners passed a resolution Wednesday to acquire a tiny parcel for the Lafayette Street Corridor Project and may guarantee a \$1.9 million loan to acquire and remediate property planned for a future Norristown Regional Sewer Plant.

According to the resolution, the county would buy 0.07 acre of land for \$156,146.83, which includes about \$1,446 in taxes to clear, to clear the way for the Lafayette Street project set to begin construction in 2011. The price drew curious questions from a few in the audience and even commissioner Chairman James R. Matthews called in “jaw dropping.”

He explained that the long-awaited project to make Norristown accessible from the Pennsylvania Turnpike would be an economic boon for downtown. He said the decision for the highway to bypass Norristown had put the county seat at a disadvantage for decades.

“That had held us back for 80 years,” Matthews said. “So we’re trying to open up the town.”

The commissioner vote on the resolution was unanimous.

The commissioner also voted to prepare an ordinance that would guarantee a \$1.9 million Pennvest Corp. loan for purchase and remediation of 600 and 700 Washington Street, a former industrial site now part of the Norristown Regional Sewer Plant Project. All of the money would be reimbursed by the state.

Assistant Deputy Solicitor Jeffrey Albert assured officials that the proposed guarantee was not meant to pay for a future sewer plant. A planned new sewer authority made up of Norristown and West Norriton members would be established to build and operate a new, relocated plant, he said.

“We are not by adopting this (proposed) resolution committing ourselves to building a new sewer plant or financing it in any way,” he said. “What we’re doing is setting up the process which would permit that to happen.”

The planned resolution would likely be voted on at the next commissioners meeting. Between now and a Dec. 31 deadline, officials need to obtain estimates for clean-up costs for three parcels — 500, 600 and 700 East Washington Street — and seek a firm commitment for state funding.

If the ordinance is adopted, the county would forge a cooperation agreement with the county Redevelopment Authority for financing of the project and negotiate a \$500,000 escrow account for the clean-up costs with three O'Neill Properties "entities," Albert said.

"This is certainly a big and significant step in the revitalization of Norristown, but there is a lot of work left to be done," said commissioner Joseph M. Hoeffel.

Steve Nelson, the county's Chief of Policy, said any funding spent for clean-up would ultimately be paid for by the state.

"We will be advancing almost \$4 million with all the costs," he said. "(And) we will get a portion of that back, we're told, within 48 hours. And as additional (remediation and demolition) work goes forward, we'll be getting reimbursed as it moves along," Nelson said.

A \$3.7 million state H2O grant awarded last year to help construct the planned wastewater treatment plant would now be used to purchase nearly 12 acres on the waterfront from O'Neill Properties companies for the proposed facility. The Redevelopment Authority approved an agreement of sale in March to purchase the Washington Street properties from three property companies.

While the H2O grant covers the land purchase, a \$1.9 million subsidy from the Pennvest Corp. will pay for the bulk of the remediation costs and qualify as the 50 percent local 'match' for the H2O grant.

A Norristown application for about \$1 million from the Industrial Sites Reuse Program would be used for the balance of the remediation costs and other expenses.