

The Marketplace at Moon

Burns Scalo's Diamond Ridge development is shown on the rendering with Kossman Development's proposed Luna Ridge Apartments to the left and the Village at Marketplace single-family residential community beyond on the right. Rendering by NEXT Architecture.



Construction is well underway on what may be the largest mixed-use, master-planned development in Western PA and there is a good chance you have not heard much about it. Depending on the marketing approach of the individual developers involved, you may have heard about some of the individual projects, but the Marketplace at Moon has proceeded largely under the radar as a transformative development.

Ron Tarquinio and Lynn DeLorenzo, the principals at TARQUINCoRE, began exploring a development solution in 2016 that would result in the Marketplace after Chevron cancelled its plans for building an Appalachian headquarters off Montour Run Road in Moon Township.

DeLorenzo, a Moon resident and former member of the Moon Township Planning Commission, had been in discussions with the Sullivan Trust, which owned over 200 acres at the site. Tarquinio

represented NVR Inc. in its search for residential land to develop new homes. DeLorenzo believed that the potential for success lay in creating a master plan that would facilitate integrated residential and commercial development.

"Lynn is a forward thinker, and she presented the idea to the township four or five years before this project," says Tarquinio. "She encouraged them to change their thinking to do a master plan for a piece of property that could be 500 acres or more."

By 2016, the township had watched development along Marketplace Boulevard languish. After Chevron cancelled its plans, Burns Scalo Real Estate purchased that property and the former Gander Mountain property with the intention of developing Class A office. Tarquinio helped NVR identify land to the north of Burns Scalo's property and facilitated a deal with Sippel Enterprises to develop a large residential community there. As the developers,

including Kossman Development, began approaching Moon Township about their plans, the supervisors saw an opportunity to act on DeLorenzo's suggestion.

"We had just adopted a comprehensive plan and the board decided to create a comprehensive plan implementation committee. We knew we wanted to make some revisions to the township's zoning code," says Scott Brillhart, assistant township manager and planning director. "We knew Marketplace Boulevard was an area that we needed to focus on. There was clearly a market for multi-family and high density residential. We thought Marketplace would be a good location for that, but we still wanted commercial development. We asked John Trant from Strategic Solutions to help us draft a zoning ordinance with a new zoning district that would encourage mixed use development."

Moon Township adopted traditional neighborhood development (TND)

zoning, known as Marketplace TND, that covered roughly 350 acres and could be expanded to include another 150 acres.

"My background in Florida was in master planned communities, specifically business parks that integrated residential and accessory uses into the parks. This seemed like it was ripe for that type of a plan, even though the topography appeared to be challenging," says DeLorenzo.

"We had shuttled NRP and several other groups through that site over the years," she recalls. "They all liked the location but said they didn't want to be there by themselves. The Outback and the hotel were not enough to sustain other development. We thought there should be a master planned community there. It's just very difficult to do that in Pittsburgh because the topography doesn't lend itself well. But, if you have enough land and you figure out the right uses, you can make it work."

The location was attractive in isolation, but with a master plan in place Marketplace Boulevard became a hot property.

"It made sense for us because the entire site will end up being the largest mixed-use site in Western Pennsylvania. The ability to have a community with this live/work/play aspect to it is attractive," explains Joshua Mowrey, division manager for NVR's Heartland Homes.

"The biggest thing that attracted us to the property was that it was at the back door to Robinson Town Center. When you're doing residential like we are, that's

such a plus and it is a few minutes off the Parkway and close to the airport," notes Gary Sippel, CEO of Sippel Enterprises.

The NVR community features a mix of luxury townhomes and detached homes. According to Mowrey, the current phase of the community, the Village at Marketplace, includes 327 townhomes and 121 detached homes. There are additional residential properties in the TND, including the Prism at Diamond Ridge apartments and Harmony at Moon, a senior living community from Smith Packett of Roanoke, VA.

"If you look at the location, at the development across the highway, there are so many retail amenities. That is what we look for in a site," says Cameron Swengel, development manager for Smith Packett. "It's the demographics, the competition in the market, the land characteristics, and then the infrastructure and the neighboring amenities. We see this site as an up-and-coming area."

A key component of the TND and the future success of Marketplace at Moon is the improved transportation infrastructure. As the first of the developers came to Marketplace, they were asked to study the impact on the infrastructure and estimate the cost of the improvements. According to Lynn Colosi, from Delta Development Group, who acts as executive director of the Moon Transportation Authority (MTA), the solutions of the individual developers were inadequate to what would be needed. For Tarquinio, an integrated solution was the best option for the development and for the township.

been a mess," he says. "In a development that big you need a relief valve and multiple access points."

In Moon Township, the supervisors established the MTA in 1986 to plan and facilitate improvements to the community's infrastructure. To fund improvements, any new commercial structure developed in the TND pays its real estate taxes to the MTA instead of the regular taxing bodies, for 10 years through a Local Economic Revitalization Assistance (LERTA) and Revenue Allocation Program (RAP), so that infrastructure can be developed and maintained to support the new vertical construction. That mechanism was a key to creating upgraded infrastructure for the Marketplace without breaking the developers' banks.

"The township agreed that Village at Marketplace was a residential neighborhood with a low-speed roadway and didn't want the traffic of this overall master plan using it as a thoroughfare to connect to other roads in the township," says Colosi. "When the plan was submitted to the township and PennDOT, those regulatory bodies determined that amount was inadequate. That's when those regulatory bodies directed MTA to elevate the marketplace project and create a transportation master plan."

The plan, which was designed by Larson Design Group, has two phases. The first phase, which should get underway this year, will improve the Montour Run Road intersection with Marketplace Boulevard, including Montour Run Road between I-376 and FedEx Drive. Major improvements to Marketplace Boulevard are also included in the first phase, which will eliminate a dangerous curve and upgrade the utilities. The second phase will extend Marketplace Boulevard to Hookstown Grade Road, potentially opening up the other 150 acres for development. Another valuable infrastructure upgrade involves converting Hirshinger Road, a dilapidated underused township road, into a pedestrian and biking path that runs parallel to Marketplace and connects with the Montour Trail.

Larson Design's estimate of the cost of the overall improvements is \$20 million, with half that needed to cover the first phase. Colosi notes that the LERTA allows this work to proceed without



"There are more than 500 homes. There are 450,000 square feet of office buildings. You have senior living and hundreds of apartments. Imagine if all those properties had to exit down Marketplace Boulevard to Montour Run Road. That would have

making the site work cost prohibitive for development.

"It's not uncommon in cases like this that the sins of the past are loaded onto the developer of today. Without the MTA and the transportation plan the developers would have been handed a bill for \$10 million dollars," says Colosi. "This is an effective public-private partnership. MTA is the public partner, and the developers are the private partners."

Each of the developers is contributing significantly to the improvements that are a result of the individual projects. Congressman Conor Lamb earmarked \$3.5 million for the project. Moon Township's Pennsylvania representatives secured \$1.5 million in assistance in November 2022. MTA received PennDOT multimodal funds for a portion of the work. The developers give the township, and Colosi in particular, credit for working to create a solution that was affordable for the market and kept the projects moving.

"Lynn has been the driving force on the public side. She is a real driver of development," says Jim Scalo, CEO of Burns Scalo Real Estate, which has invested roughly \$4 million to prepare the pads for the second and third buildings in Diamond Ridge and build the roadway that will serve the completed project.

Construction is well underway on Diamond Ridge's first building, a 175,000 square foot Class A speculative office being built in an 8 million square-foot office sub-market. Scalo has no illusions that the market is flooded with prospects, but he is building an amenity-rich building that he hopes will outcompete existing buildings. Scalo is betting that the amenities and location will be attractive, especially at a time when companies seem to be seeking higher quality and less space when their leases renew.

"I know we are the only people building new office now, but we have to have the supply inside the cycle of demand. More than anything else, what we need is more of a return to the office. We are hoping that timing is right when Diamond Ridge opens in a year," Scalo says. "We don't need to move the market; we just need a slice of the market. The building is loaded with amenities. There will be a large conference center, pickleball courts,

fishing ponds, outdoor cooking and eating space, and hiking all connected with the residential."

Diamond Ridge is one of three major commercial projects under construction adjacent to one another. Harmony at Moon is getting started to the north of Diamond Ridge. To the south, Thompson Thrift is underway with the 376-unit Prism at Diamond Ridge apartments. To the west, Kossman Development is planning the Park at Luna Ridge, a mix of apartments and retail. Nearby, Alpha Residential has 24 acres on which it is proposing townhouses and apartments branded as Apex at Luna Ridge. Sippel Enterprises plans to develop neighborhood commercial on 15.6 acres it is just preparing, along with another 190 lots for single-family in another phase of the Village at Marketplace that has not been submitted for approval.

"What is great about the Marketplace project is that there are six developers with six different products. Nobody is competing with another developer, so the product types mesh well," says Sippel. "When you have six developers working on their own projects at the same time, the development goes faster than if one developer is bringing six phases to the market."

When it is completed, Marketplace at Moon will be home to nearly 2,000 residential units and 1,150 new jobs. The other developers seem to share Gary Sippel's opinion that the total development will be better than the sum

of its parts, largely because the public improvements could not have been done by aggregating the contributions of each developer to the infrastructure.

"The most important party was Moon Township and its willingness to support such a venture. It became a true public-private partnership when the LERTA was expanded and the MTA became involved to create the transportation district," says DeLorenzo. "It would be next to impossible to create a master plan with site owners and developers all building their piece of the infrastructure. There has to be a connection for the overall trafficways, pedestrian connections, bike paths and most importantly, the main infrastructure dollars necessary to improve the roadways outside of the development."

"It's a big lift. I don't think it would happen any other way," agrees Colosi. "Our job is to have the vision to improve the transportation to accommodate what will be there in the future. The private developers were open-minded enough to be my champion and I am their champion."

"It was good that the township was able to take on the investment and get the developers of the individual projects to participate," says Tarquinio. "Without that planning and investment it couldn't have happened." **DP**



Heartland Homes is building 327 townhomes at the Village at Marketplace.