

What's taking so long? Smithfield Gateway developer, area insiders talk progress

The drainage system has been installed at the Smithfield Gateway project, and now drivers on U.S. Route 209 in Smithfield Township will start to see above-ground construction on retail space and a new St. Luke's location.

The 40,000-square-foot medical facility will be one of five buildings constructed in the first phase of development, which will take place over about 10 acres of the approximately 120-acre site, said developer Jim DePetris of Legend Properties/DEPG.

"The timing of St. Luke's is to be delivered to them sometime in next summer, and then they take over their own construction, and then that will be opening around the end of the year," DePetris said.

A St. Luke's spokesman said in March that the location would likely house a mix of "outpatient and administrative services" and did not respond to requests this month seeking additional details.

The first phase also includes relocation of the Dunkin' currently operating at 5200 Seven Bridge Road (U.S. Route 209), and construction of a "major gas/convenience operation," which DePetris cannot publicly name yet but said is "definitely coming."

Another 15-acre phase will include construction of 236 apartments and 200 additional units for residents age 55 and older.

The housing will appeal to people who want to be able to walk outside and grab coffee or walk home from a job at St. Luke's, but with more natural views and more space than an urban area might offer, said Robert Ambrosi, chairman of ARCTRUST, a financial partner on the project.

The "live work play concept" is similar to other projects ARCTRUST is involved with, he said, including in Florida and in the Washington, D.C., area. "People want more than just a home today. Who really wants to live somewhere, just get in their car and have to drive everywhere?"

Route 209 will be widened from two lanes to five, including a center turn lane, as part of the project. Roadwork will happen in two phases, first from Strunk-Albert Engineering (804 Seven Bridge Road) north past Music Center Drive, then down to Pennsylvania Route 447. DePetris expects it to be finished within a year.

A hotel?

DePetris and his team are "talking to some hotel groups" about building on the site.

"There's absolutely demand" for hotel rooms, said Pocono Mountains Visitor Bureau President/CEO Chris Barrett. "Especially over the last two years, we've seen demand just increase dramatically."

Occupancy rates and average daily prices of rooms have both been increasing over the last year as people seeking safe outdoor recreation opportunities during COVID-19 flocked to the Poconos, Barrett said. Demand for short-term rentals has also gone up.



Pocono Mountains Economic Development Corporation Executive Director Chuck Leonard, Legend Properties/DEPG developer Jim DePetris and PMEDC Director of Marketing Michelle Bisbing look over the Smithfield Gateway plan at the PMEDC office on Tuesday, Nov. 9, 2021. KATHRYNE RUBRIGHT

"I think that's really a good location, because it's very close to (Interstate) 80, and you have really quick access to a lot of the major attractions and the outdoor areas" such as state parks, the Delaware River and Delaware Water Gap National Recreation Area, he said.

What took so long?

The site was once a dairy farm — a legacy that may carry forward in a farm-to-table restaurant, DePetris said — but for more than 20 years has been considered for various new ventures.

A hot dog company looked at the site, but upgrading the sewage capacity was too costly, said Chuck Leonard, executive director of the Pocono Mountains Economic Development Corporation. A performing arts center was considered, but the traffic it would create was too great.

After 9/11, it was pitched as a "Wall Street West" site, somewhere the financial industry could have backup operations. But then "boom, the Great Recession happened," Leonard said, and "that put a screeching halt to that initiative."

Still, the region had received some federal money for the effort, which paid for sewer and stormwater upgrades. That left the traffic problem.

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This rendering shows what the St. Luke's location in the Smithfield Gateway development will look like. It is expected to open around the end of 2022. PROVIDED

continued...What's taking so long? Smithfield Gateway developer, area insiders talk progress

To turn left onto 209 from any driveway in this stretch is "very, very dangerous," state Sen. Mario Scavello (R-40) said. "So any development has to address that issue."

Additionally, Scavello said, traffic backs up on Route 209 in the Route 447 area, especially on Sunday nights when traffic might be "30 cars deep, 40 cars deep, and I'm not exaggerating, because everybody's going back home" after a weekend in the Poconos.

"If he didn't do it by development," Scavello said of DePetris, PennDOT likely "would have had to, at some point, address that issue."

Southbound travelers on 209 who are heading to 447 rather than I-80 will be able to cut through Smithfield Gateway on a new road, rather than getting caught up in highway-bound traffic.

"It took us literally three years to pull the permit" for the 209 work, DePetris said, "because it was very complicated, because there are a lot of right-of-ways, and PennDOT will only issue a permit when you have all of the right-of-ways. So we worked really hard to get all of them, and we got the permit in early September."

That meant DePetris could finally close on several loans: \$13 million for St. Luke's construction from Provident Bank, \$2.5 million for roadwork from First Keystone Community Bank, and \$2 million altogether from Peoples Security Bank and Trust Company, Wayne Bank, Centric Bank and Fidelity Bank, also for roadwork.

The funding also includes a \$2.1 million PennDOT grant. An additional \$3.5 million was raised with the investment company ARCTRUST, and AR Restaurant Group, an unrelated business that owns more than 100 Popeyes locations, lent \$2 million.

There's also a \$3.5 million TIF (tax increment financing) loan from the Pennsylvania Infrastructure Bank.

The plans for Smithfield Gateway attracted ARCTRUST, "but in addition to that what attracted us was his persistence," Ambrosi said of DePetris.

"He's persistent," echoed Leonard. "He's done a lot of projects across the state of Pennsylvania. He's well-known. He had some struggles with the Bartonsville development, but he kept at it and got it done. And that's what we need, we need someone to stick at it and really make it work."

"It has been years of working diligently with state agencies, local leaders and with DEPG to get this project to where it is today. So many developers walked away because it wasn't easy and an extremely strong investment. We advocated and brought back millions of dollars to our area from the state to support modernizing our roadway by Smithfield Gateway, which is well overdue for the traffic volume and safety," said state Rep. Rosemary Brown (R-189).

The legislators and Leonard are hopeful that this project could spur more development along 209.

Scavello would like to see additional road widening, all the way north to the traffic circle in the Marshalls Creek area.



The overall site plan for Smithfield Gateway, including at St. Luke's location, is shown here. PROVIDED



Posing for a photo at the Smithfield Gateway site on Tuesday, Nov. 9, 2021, were, from left to right: Kristine Bush, chief of staff for state Sen. Mario Scavello; Mackenzie Strunk, chief of staff for state Rep. Rosemary Brown; Doug Olmstead, development manager for DEPG/Legend Management Services; Jacob Pride, a Smithfield Township supervisor; and Jim DePetris, developer with Legend Properties/DEPG. Nov. 9, 2021. KATHRYNE RUBRIGHT

Smithfield Gateway is "the start of improving the Marshalls Creek area so we can garner even more interest from investors and build back our depressed sections along our main corridors. It's important to remember that we want responsible and fresh development and we can absolutely do this while maintaining our beautiful Pocono area," Brown said.

"Our interest goes beyond his project, of course, because we believe that getting this infrastructure improved is something that will help other projects go forward," Leonard said.

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Pocono Record reporter Maria Francis contributed to this report.