

## West Chester, Manayunk...Coatesville? Will Chesco city be the next hot spot?

By Michaelle Bond, Staff Writer  
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DEPG COATESVILLE ASSOCIATES LP  
Buildings at the intersection of Lincoln Highway and First Avenue are scheduled to be demolished next month. Michaelle Bond / Staff

Ambitious plans and dreams have come and gone through the years, but at long last Coatesville appears poised for the kind of redevelopment that has redefined the likes of West Chester, Phoenixville, and other towns throughout the region.

The catalyst for the prospective rebirth of the city of 13,000 will be the scheduled arrival of the wrecking ball later this summer. When the debris clears, in its place will be a restaurant, offices, shops, and even a sports bar.

In the coming weeks, a developer who helped bring businesses to those Chester County boroughs and Manayunk plans to demolish buildings at the intersection of Lincoln Highway and First Avenue, which welcomes visitors to Coatesville's downtown.

In the former steel town's heyday, the corner marked the start of a busy shopping destination that included Woolworth, Sears, and Paul's Toy Town. Since the city's former primary employer, Lukens Steel, downsized with the rest of the industry in the 1970s and '80s, visitors have been greeted by empty storefronts.

But by the end of next year, developers say, the corner will host commercial properties as part of the \$21 million "Coatesville Gateway" project, and there are also plans for apartments.

Despite the vacant storefronts, in the last 15 years real estate appreciation in Coatesville has well outpaced that of Philadelphia's collar counties, according to state figures.



MICHAELLE BOND  
Buildings slated for demolition stand in the background as developer James DePetris speaks at a ceremony in Coatesville.  
Michaelle Bond/Staff

The Tax Equalization Division estimated that in 2016, total real estate value in the city was \$355.1 million, up from \$191.3 million in 2002. The rate of appreciation was 60.3 percent, compared with 40 percent in all of Chester County; 28.4 in Bucks; 42.3 in Montgomery; and 42.6 in Delaware.

But the Coatesville Gateway project is the downtown's first viable development in the last decade, said Sonia Huntzinger, economic development administrator for the city, and "the first domino to fall in what we expect to be transformational change throughout downtown Coatesville."

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“Few believed that we would get to this point,” developer James DePetris told a cheering crowd of about 200 residents, area business leaders, and officials Tuesday standing in a parking lot across the street from the buildings to be demolished. “But let me say that when those walls come down — and that will be very shortly — the message will be heard loud and clear that Coatesville Gateway will be a reality.”

Other developers have come to Coatesville promising rebirth and showing off impressive architectural designs only for plans to fall through. A more than 20-acre piece of land near the train tracks that city officials deemed a prime spot for development has languished. Since the former site of the G.O. Carlson steel plant closed in 2004, proposals for the property have included a lumberyard, a power plant, condominiums, a park, and a cycling center.

With demolition for Coatesville Gateway scheduled to start next month, more developers and small-business owners are calling about coming to the city. Three new businesses opened last month. Later this month, PennDOT expects work to begin on a project to beautify and redevelop the area around the shuttered Amtrak station, which will be rebuilt.

The county has awarded more than \$6 million to Coatesville for community development, including \$1.7 million to realign the intersection at the main entrance to the city to improve traffic flow and make the corner more pedestrian-friendly.

DePetris, who is managing partner of the developer DEPG Coatesville Associates and chief executive officer of the commercial real estate company Legend Properties, said he has applied for more than \$5 million through the federal New Markets Tax Credit Program, meant to boost the economies of low-income and struggling communities. The state has awarded developers more than \$8.5 million in grants and low-interest loans, DePetris said. Private funds account for more than \$2 million.

In another part of the city, developers of a planned office complex to be built next to the city's Courtyard Marriott are behind schedule and continue to look for funding.

Among the city's economic challenges are its 2.5 percent earned income tax, real estate taxes that are among the highest in the region, and a history of crime. Its median household income is \$34,716, according to Census data. As the poorest city in the state's richest county, it is battling its perception as distressed.

Rick Vilello, deputy secretary of the Pennsylvania Department of Community and Economic Development, said the type of development starting now “can change the whole perspective on a community.”

“We have to spread the word,” said Michelle Kichline, chair of Chester County's Board of Commissioners. “If Coatesville comes up in any conversation, simply say: ‘I hear they're turning it around. I hear great things are happening.’ And ‘Check it out for yourself.’ “

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