

King of Prussia gets a downtown

Project of the year | Village at Valley Forge/King of Prussia Town Center
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In real estate, as often is the case in life, patience has its rewards – though that can often be difficult to see at first.

For the Village at Valley Forge and its master developer, Realen Properties, fortitude along with the financial wherewithal to survive a decade of litigation, a long, detailed planning process and the Great Recession, has ended up producing one of the most notable real estate developments in the Philadelphia region and for that reason, it along with its King of Prussia Town Center, have been named the Philadelphia Business Journal's Project of the Year.

“It's transformative,” said [Cathy Coate](#), senior vice president at SSH Real Estate, who served on a judging panel for the Best Real Estate Deals of 2016 that named the Village at Valley Forge and its companion King of Prussia Town Center as Project of the Year. “It's a very, very big deal that is creating a whole community where there had been no center to King of Prussia. Before the mall, before the highways, Route 202 was a sleepy road you could take to rural Bucks County. The center of King of Prussia was the post office. This creates a real center.”

Other planned communities in the region have attempted to create town centers to varying degrees of success. For example, Main Street at Exton was a version that strived to reach that status but hasn't quite achieved it though future apartment development might push it in that direction. Up Route 100 from Main Street at Exton is Eagleview, which is an exemplary model of new urbanism and a cohesive mixed-use community.

“Most economic development projects are fantastic as individual projects but it's pretty rare that an economic development project literally changes the game for the community that it is going into,” said Eric Goldstein, executive director of the King of Prussia District who also sat on the judging panel. “The Village at Valley Forge and the King of Prussia Town Center are literally rewriting the script for the entire township. King of Prussia has been so autocratic with no walkability component to it and the Village at Valley Forge gives it a big area that is walkable and mixed use. It's everything King of Prussia wasn't before.”

The project is a culmination of 25 years of effort by Realen as master developer and its financial partner, Northwestern Mutual Life. The site, a former 126-acre golf course off

North Gulph Road, was the subject of litigation for years. Upper Merion Township fought rezoning the property beginning in the 1960s and later fought Realen, which bought the land in 1996. Litigation involving Realen ended in 2003 with a state Supreme Court decision. Realen then spent three years working with the township to come up with a master plan.

The legal setbacks meant delaying the start of the project, which ended up running into the recession. Rather than move forward with any development during a big economic slowdown, Realen President and CEO [Dennis Maloomian](#) and his financial partner invested in infrastructure to prepare the site for when the recession was over and the economy on the rebound. The fruits of all of those efforts are now being realized.

“The story is long and controversial but it’s working,” Maloomian said.

Design, timing, along with a societal shift to living in more urban and walkable environments appear to be making it a success.

“People desire that walkable, amenity-rich environment found in large cities,” Maloomian said. “However, not everyone can or wants to live downtown. The plan for the Village at Valley Forge is significantly more urbanized than typically found in any suburban location. It is the density and the proximity of residential and commercial uses all knitted together with sidewalks and carefully placed open spaces that result in an environment that people find highly desirable. It is a configuration that promotes walkability, convenience, neighbor interaction and a sense of community.”

As master developer, Realen has sold off portions of the tract to other real estate companies that have or are in the midst of constructing various projects on the site that are all part of a grand plan to create a self-sustaining community in the heart of Upper Merion. It is also at the crossroads of some of the region’s major roads including the Schuylkill Expressway, Route 202, Swedesford Road and the Pennsylvania Turnpike.

While Wegmans was a solid anchor along with the Children’s Hospital of Philadelphia, enlisting developer JBG Cos. and what is now known as Williard Retail, to acquire a portion of the site to develop the 260,000-square-foot King of Prussia Town Center, set the project apart. Known for its quality work and eye for detail in selecting a mix of tenants to round out spaces, JBG also makes placemaking an important aspect of a project. At the lifestyle center it created in King of Prussia, it incorporated a pedestrian plaza where there is a fire pit and a water feature as well as carved out an area that is programmed with live music, seasonal farmers market, and other events. Since restaurants and stores started opening last year, the center has been packed.

“The vision seems to be very timely because it’s a great mixed-use project that exists in other parts of the country but not in this area,” said Michael Markman, president of BET Investments, who was also on the judging panel. “For the Philadelphia metro area, it’s a game changer and raises the bar for future projects in the Philadelphia area.”

The market has also begun to respond to the rental apartments and for-sale townhouses.

“We always suspected that of the nearly 60,000 commuters who drive just into Upper Merion every morning, some of whom have very significant commutes, that if they had an alternative and variety of new housing choices in an environment like the Village of Valley Forge that some portion would chose to live closer to where they work,” Maloomian said. “The commuters are actually the people who are moving in. We’re taking people off of the highways and turning them into Upper Merion residents.”

It’s not one component of the Village of Valley Forge that makes it such as significant project, said Ed O’Brien, chief real estate officer at Benjamin’s Desk and a judge for the contest. The design concept works well and the perseverance of the developer is evident, he said.

“For those of us who have been around for a while, it’s Chesterbrook II,” O’Brien said. “It’s creating a form of urbanism in the suburbs that seems to be more and more popular and I think it’s good for the region.”

At build out, the Village at Valley Forge will eventually have 2,000 to 2,500 residential units. It has roughly 500,000 square feet of retail space of which includes the Wegmans and the King of Prussia Town Center. The project also includes a 125,000-square foot building that the Children’s Hospital of Philadelphia developed. Office development is one of the last pieces of the master plan to get executed and, through approvals, upwards of 1.5 million square feet of office space could be built.

Village at Valley Forge

1 Village Drive, King of Prussia

Master Developer: Realen Properties

Project Scope: At build out, it will have upwards of 2,500 residential units of all kinds including corporate suites, senior housing, for-sale condo flats and townhouses; 500,000 square feet of retail space; and 1 million to 1.5 million square feet of office space

The developers undertaking residential projects include: Hanover Properties; Korman Communities; a joint venture between Carlyle Group and Bozzuto; and Toll Brothers Inc. The Children’s Hospital of Philadelphia developed its building.

King of Prussia T own Center

155 Village Drive, King of Prussia

Project Scope: 260,000 square feet

Architect: Brown Craig Turner

Financing: Wells Fargo

Leasing: CBRE/Fameco

Anchor tenants: Nordstrom Rack, LA Fitness, Ulta, REI, Davio's Northern Italian Steakhouse, City Works.

General contractor: IMC Construction.