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Development finally coming to Sears Site in Millbourne

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A landmark site from glory days past in Millbourne is finally seeing new life. The old Sears property at 6400 Market St., which has been vacant for over 30 years, is being developed into a brand new 175,000 square-foot supply facility for Children's Hospital of Philadelphia.

Excavation equipment could be seen Monday leveling the property, as construction managers and stakeholders gathered near newly installed office trailers on the property.

“It’s a service and logistics center for the Children’s Hospital of Philadelphia,” said developer Michael Willner, president of Pomegranate Real Estate, who took a moment to discuss plans. “I’m excited to move forward with it.”

The plan for the building is to service CHOP’s ancillary operations but will not be directly associated with any medical services.

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“It will support the continued growth of the entire CHOP enterprise - to accommodate increasing demands for patient care - by enabling multiple support service departments to share resources, increase efficiencies, and improve services by providing the space required to support CHOP’s locations across the enterprise,” said Peter Grollman, senior vice president for External Affairs at Children’s Hospital of Philadelphia. **“The new Center will be state of the art, and we expect it will serve as a model for other medical institutions from around the country who will tour it to observe best practices in logistics design, construction and operations.”**

Grollman said CHOP intends to employ approximately 250 individuals at the building.

According to a 2012 Millbourne area station development plan, the Sears building was built in 1925 and operated until 1988. The building sat empty for 12 years until it was demolished in 2000 and the vacant parcel has been sitting unused ever since.

For years, officials had hoped to encourage a transit oriented development on the 18-acre site, which sits along Cobbs Creek adjacent to SEPTA’s elevated line. Prior plans called for retail with up to 91 apartments on upper floors . SEPTA’s “E1” literally next door with an exit directly on the property meant commuters could be in Center City in 15 minutes.

The 2012 plan noted drawbacks to the site including: Sitting lower down and far from the road, which limits its commercial appeal; a sizeable portion of the property lying within Cobbs Creek’s floodplain requiring it to adhere to insurance and development restrictions; and finally, nearby West Philadelphia being seen by some commercial investors as too disadvantaged and, for some housing investors, too risky.

“Originally, we tried to put retail space there but the configuration of the property is a little challenging, so we weren’t able to get a retail partner,” said state Rep. Margo Davidson, D-164 of Upper Darby. **“We started looking at ‘Meds and Eds.’ I made some calls to a number of universities and hospitals to see if they would be interested in having a satellite site in Millbourne.”**

Davidson said Willner, the property owner, liked the idea once he felt like he had exhausted every measure to try to get retail space there.

Davidson said there was mild interest as a satellite location, but Willner determined that CHOP needed some additional space for part of their service delivery ancillary services.

Davidson said she was able to secure a \$1.5 million Pennsylvania Redevelopment Assistance Capital Program grant as an initial investment. There had been a previous \$4 million dollar grant for the earlier project which expired because the retail component never materialized. In 2019, Davidson announced a \$250,000 state grant from the Commonwealth Financing Authority to fund intersection improvements as part of the project. The \$1.5 million is an initial investment; Davidson hopes to apply for additional funds as the project moves forward.

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Davidson said there will be a sizable amount of storage in the facility with truck bays. “They’ll store a lot of medical equipment and medical supplies,” Davidson said. “They are definitely moving forward. The owner has committed to match any state dollars that are used. They are doing all the studies, all the things you have to do before construction, land surveys and other requirement to make sure it is ready for development.”

The real estate proposal for the property states that the property will feature a campus style design, as well as the addition of a signalized turn signal at the entrance to improve pedestrian, cyclist and vehicle traffic safety. Grollman said the property will include new landscaping, including more than fifty new trees, and CHOP will provide 24-hour security for the property. He also noted the building will house Supply Chain including storage for supplies, linen and beds, Central Sterile Processing, Procurement, Information Services, Biomed, Facilities, Food/Nutrition and an enterprise Call Center for support services.

Willner estimated a completion date in the second quarter of 2022. A final cost of the project was not disclosed.

“This has been a number one-priority of mine,” said Davidson. “It’s been ten years in the making and I’m really excited that we will be able to have, instead of a vacant eyesore, developed property that provides a real community service and jobs.”