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Developer betting on N.J. riverfront

Success of South Jersey project may depend on riverboat gambling

By MAUREEN MILFORD / The News Journal
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PENNS GROVE, N.J. -- Proposed legislation to expand gambling in Delaware could be a long-awaited jackpot for this little down-at-the-heels town on the east bank of the Delaware River.

Penns Grove, a town of about 4,880 people that has views of Wilmington's smokestack industries to the west, has the quirky luck to have an abandoned ferry pier that juts out into the river. The pier, which connects with tiny Snow Island, is part of Delaware, thanks to boundaries set in the days of William Penn.

For about six years, plans have been in the works for a more than \$50 million riverfront development on the river in Penns Grove that would include riverboat gambling off the ferry pier, which would be restored. Should the Delaware House bill that was introduced in mid-May become law, Penns Grove could have gambling up and running within a matter of months after passage, said Penns Grove Mayor John A. Washington, who said he has already met with Wilmington Mayor James M. Baker.

"We're ready to go," Washington said.

But even without gambling, the Pennsylvania real estate developer who owns the pier and adjacent riverfront property said he's ready to move forward with the commercial redevelopment of about 17 acres of riverfront land near the foot of West Main Street.

George E. Kearns III, managing director of Fenwick Commons LLC, in King of Prussia, Pa., said work should begin in July on the Riverwalk at Penns Grove, a project that would include shops, restaurants, offices, hotel rooms and a river promenade. Financing has been secured through First Bank of Delaware and Republic First Bank, Kearns said.

The project will be the first significant development in decades for the town that was settled in pre-Revolutionary days as Helms Cove and has long had its fate tied to Delaware. In Colonial days, Dutch and Swedish settlers would canoe or sail across the river to attend services at Old Swedes Church in what would become Wilmington.

In 1829, a group of Wilmington investors started a ferry line across the river that included the construction of a ferry wharf at the location of the current Penns Grove pier. The Wilmington-Penns Grove ferry line, which carried passengers and produce across the Delaware, went out of business in 1942.



[Enlarge Photo](#)

Legend Properties

An artist's rendering of the shops and restaurants that would be part of the Riverwalk at Penns Grove project.



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The News Journal/**FRED COMEGYS**

The site of the Riverwalk at Penns Grove is now a string of empty lots along Main Street that end at the Delaware River.



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Developer George E. Kearns III stands at the end of the old ferry pier where a riverboat casino would be moored. The pier is in Delaware waters.

The prospect of more activity in Penns Grove is encouraging to Kennard Ridgeway, of nearby Carneys Point.

"This town is boring," Ridgeway said. "Honestly, I hope this goes through."

Ambitious plans

The Riverwalk project, most of which faces the river, calls for four restaurants, 30 shops and a 60-room boutique hotel -- spread throughout seven buildings. Four of the buildings would be connected.

Plans call for the project to be completed in the summer of 2006.

For the main 151,500-square-foot section, Anthony Gerardi of AGG architecture in Bala Cynwyd, Pa., has designed a two-story Victorian-style building reminiscent of the early 20th century, when the town was a thriving port and fishing village. The site once was home to a hotel and picnic grounds, pictures of which are displayed in the Willis Hardware store on West Main Street.

Besides the hotel, there were two shipyards in Penns Grove, and shad fishing was a profitable industry. In the late 1800s, when sturgeon roe became a valuable commodity, the town's economy got a boost from caviar. At one point, Penns Grove had the only caviar canning factory in the country.

Fortunes changed again for Penns Grove in 1891 when the DuPont Co. bought 100 acres in nearby Carneys Point for a smokeless powder plant. That was followed by the construction of a chemical plant in Deepwater, three miles south. By 1951, the town had a population of nearly 7,000.

Kearns said he wanted the architecture to hark back to the community's earlier history centered on the Delaware River. Eventually, Kearns said, he'd like to build a marina.

The Riverwalk's waterfront buildings, with high-pitched roofs, shingles and dormers, will have retail on the ground floor with the upstairs used for hotel rooms.

The developer is lining up specialty shops to take space in that section which is leasing for about \$25 a square foot, according to Joseph Scarpa of Legend Properties Inc. in Mt. Laurel.

Jersey Sailor Restaurant and Show, a nautical-themed restaurant, has agreed to take 40,000 square feet in the main building, Kearns said.

Facente, a hand crafter of ceramic mosaics, has leased 12,500 square feet in a 25,000-square-foot freestanding building off the water.

Plans also call for 15,360 square feet of office space, leasing for \$18 a square foot.

All this is good news for Richie Myers, manager of Willis Hardware, which will be next door to the Riverwalk project.

"Anything's a plus in this town," Myers said. "But a lot of people in town are not holding their breath."

Waiting for redevelopment

For nearly 10 years, residents have been waiting for redevelopment that would give this economically depressed community a shot in the arm. Washington, the mayor, said the town is one of the most distressed in the state because of a lack of industry. The median household income in Penns Grove in 2002 was \$26,227, according to Census data. In all of New Jersey, by contrast, the median was \$55,146.

About 1996, the town appeared to have found a savior in Hollywood actor Bruce Willis.

Willis, who grew up in Penns Grove and is a local legend, wanted to redevelop the waterfront as an entertainment and retail complex that would have included a hotel, nightclub, bars, marina and movie theater.

But in 1997, the president of Willis development company, Screwball Inc., told the town the actor "had lost interest" in the \$50 million project.

"When Bruce Willis said he was going to do something everybody got all excited," said Beth Zane of Woodstown, N.J. "It's a shame what's happened to Penns Grove."

Kearns got involved in the project in 1999, when he bought about 12 acres from Willis for \$1 million. He said he spent another \$4 million getting the project through the approval process in New Jersey and Delaware.

Just the same, a little of Willis stardust continues to be spread over the Riverfront project. His father, Dave, lives in a large stone house that will be surrounded by the new development. Residents still mention his name when talking about the town.

Willis also owns the elegant, but vacant, Masonic Temple adjacent to his father's home, Kearns said.

Gambling would be a draw

Kearns said the introduction of gambling at Riverwalk would make the project a "Rolls Royce."

As part of the project, Kearns said, he has an agreement with Kim Kloplic of Hannalily LLC to have gaming on a barge in the river.

As early as 2001, Kloplic proposed a floating entertainment venue with a dinner theater and gambling in Penns Grove. Kloplic, owner of the Yin Yankee Cafe in Annapolis, did not return phone calls.

Kearns said gaming at Penns Grove "would be a huge draw that will greatly enhance viability of the town and the center." But he believes the shops and restaurants will be a draw on their own.

Some Penns Grove residents wonder if the Riverwalk project can be successful without riverboat gambling.

"If they don't have gambling, I don't think it's going to make it," Myers said.

The Video Lottery Competitiveness Act of 2005, which would allow the Delaware state lottery director to designate up to three video lottery casinos on the Wilmington Riverfront, was introduced in May. The legislation is now in the House Gaming & Parimutuels Committee, which expects to hold a hearing on the bill in mid-June, said Rep. Joe Di Pinto, R-Wilmington West, who is the legislation's primary sponsor.

Di Pinto said he's hopeful the committee will release the bill. If that happens, Di Pinto said, he plans to push for some "thoughtful, unhurried discussion about the policy change."

Another beneficiary of expanded gambling would be Wilmington. Two casinos have already been proposed for the Christina River.

Under the legislation, Wilmington would get \$10 million a year or 4 percent of the net proceeds, whichever is greater.

"A gambling venue in Penns Grove would be a simple and straightforward thing that would help both Penns Grove and Wilmington," Di Pinto said.

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