

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
TRANSPORTATION COMMITTEE HEARING

IN RE: HOUSE BILL 2464, TRANSPORTATION REVITALIZATION
INVESTMENT

MILTON S. HERSHEY MEDICAL CENTER
ROOM C-3621
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HERSHEY, PENNSYLVANIA

MONDAY, AUGUST 19, 2002, 10:13 A.M.

BEFORE:

HON. RONALD MARSICO, ACTING CHAIRMAN
HON. RUSSELL FAIRCHILD
HON. RICHARD HESS
HON. KEITH McCALL
HON. EUGENE McGILL
HON. JOSEPH PETRARCA
HON. DANTE SANTONI
HON. JERE STRITTMATTER
HON. KATHARINE WATSON

ALSO PRESENT:

HON. CAROLE RUBLEY
ROBERT MUSTIN
DANA SHAW

JEAN M. DAVIS, REPORTER
NOTARY PUBLIC



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1 REPRESENTATIVE MARSICO: Good morning,
2 everyone. My name is Representative Ron Marsico,
3 Dauphin County. I'm the Subcommittee Chair for
4 Rail. I'm pinch hitting today as the Chair of this
5 Transportation Hearing on House Bill 2464.

6 You may or may not know that
7 Representative Geist, Chairman of the Transportation
8 Committee, had a small bicycle accident last week
9 while vacationing and, in fact, is having
10 reconstructive surgery this morning here at Penn
11 State on his elbow.

12 Anyway, we welcome you. We look
13 forward to your information and your testimony
14 today.

15 Let me, while I have the mike here,
16 thank Penn State Medical Center for hosting us here
17 today. We certainly appreciate the hospitality and
18 the accommodations.

19 We will start with introductions of
20 the members of the committee and staff starting at
21 my left over here with Representative Hess.

22 REPRESENTATIVE HESS: Good morning.
23 My name is Representative Dick Hess. I represent
24 southcentral Pennsylvania. I represent Bedford
25 County, Fulton County and Huntingdon County, and I

1 have been on this committee for 16 years.

2 REPRESENTATIVE WATSON: Good morning.
3 I'm Representative Kathy Watson. I represent a
4 portion of Bucks County in the southeast. I guess
5 if we're doing times, this is my first term and,
6 therefore, I'm very happy to be a member of the
7 Transportation Committee.

8 REPRESENTATIVE FAIRCHILD: Good
9 morning. My name is Representative Russ Fairchild.
10 I'm from Snyder and Union County and serve on this
11 committee as subcommittee chairman on aviation
12 issues.

13 REPRESENTATIVE SANTONI: Good morning.
14 I'm Representative Dante Santoni, and I'm from Berks
15 County.

16 MR. SHAW: Good morning. My name is
17 Dana Shaw, and I'm here on behalf of State
18 Representative LeAnna Washington of the 200th
19 Legislative District, Philadelphia.

20 MR. MUSTIN: Bob Mustin, minority
21 counsel.

22 REPRESENTATIVE MARSICO: Thank you
23 very much. We are going to adjust the schedule here
24 a little bit, the agenda. Representative Rubley is
25 running a little bit late. She was going to be the

1 first to testify. We are going to have Richard
2 Bickel from the Delaware Valley Regional Planning
3 Commission come up and give us a brief explanation
4 of House Bill 2464. Richard.

5 MR. BICKEL: Thank you, Mr. Chairman.
6 My name is Richard Bickel. I'm Deputy Director of
7 Regional Planning at the Delaware Valley Regional
8 Planning Commission.

9 The Transit Revitalization Investment
10 District legislation is intended to encourage
11 transit oriented development planning and
12 implementation throughout the Commonwealth. It is
13 intended to facilitate TOD, or transit oriented
14 development, in stable, growing and redevelopment
15 locations.

16 It also adds a value capture provision
17 that would enable transit agencies to participate in
18 developing improvements in the TRID area and also to
19 get more involved in the development activity
20 process.

21 It's intended to promote partnerships
22 and opportunities for local governments, transit
23 agencies and the private sector to work together
24 cooperatively to implement transit oriented
25 development. And it's also intended to support

1 community involvement in the TOD process.

2 Pennsylvania has quite a few
3 redevelopment provisions, and this legislation is
4 intended to add another tool that communities in
5 Pennsylvania can use to promote the preservation,
6 revitalization and reinvestment in a healthy
7 downtown area or other area within the community
8 focused on transit facilities and stations to
9 promote transit oriented development.

10 Thank you.

11 REPRESENTATIVE MARSICO: Thank you
12 very much. Are there any questions from the members
13 at this time?

14 Thank you. I'm sure we will have some
15 other questions.

16 Next on the agenda is Paul Morris,
17 FASLA, Senior Professional Associate, Urban Design
18 and Community Development.

19 MR. MORRIS: Thank you, Mr. Chairman.
20 I'm going to be operating a powerpoint presentation,
21 and so you may wish to slide to the side if that's
22 more convenient and comfortable for you. I was
23 hoping it would be on the screen. Maybe they
24 powered down.

25 REPRESENTATIVE MARSICO: Speak right

1 into the microphone.

2 MR. MORRIS: I'm going to try to do
3 that.

4 REPRESENTATIVE MARSICO: Why don't we
5 readjust the schedule again.

6 Let me see my agenda. Next to speak
7 is Mary Jo Morandini, General Manager, Beaver County
8 Transit Authority. Is Mary Joe here?

9 MS. MORANDINI: Yes. Good morning.
10 I'm Mary Jo Morandini, General Manager of the Beaver
11 County Transit Authority located in Beaver County,
12 adjacent to Allegheny County and the city of
13 Pittsburgh.

14 I would like to thank you for inviting
15 me here today. I appreciate the opportunity to
16 testify before this committee on legislation that
17 can have a tremendous impact on transportation and
18 economic development throughout the Commonwealth.
19 Indeed, this is legislation that encourages growth
20 that is consistent with the principles of sound land
21 use planning, that is comprehensive rather than
22 fragmented and achieved through a community
23 consensus building process.

24 BCTA would welcome such legislation.
25 In November 2001, our transit authority completed a

1 highly visible and welcomed project to the
2 municipality of Center Township and the county of
3 Beaver. Construction was completed on a \$14 million
4 travel center strategically located about 15 minutes
5 north of the Greater Pittsburgh International
6 Airport, just off the Route 60 expressway. We call
7 our project the Expressway Travel Center.

8 The travel center is a multifaceted,
9 state-of-the-art facility that functions as BCTA's
10 fleet maintenance and storage facility, an
11 operations and dispatch center, a customer service
12 center that includes some of the newest transit
13 technologies. And, in addition, there is a 250-car
14 park and ride and bus terminal area.

15 The services operated from the travel
16 center provide access to the Route 60 corridor,
17 including the Greater Pittsburgh International
18 Airport, retail and commercial activity in the
19 corridor and, most importantly, jobs.

20 BCTA's travel center was constructed
21 to increase mobility, to improve operational
22 efficiency and to stimulate economic development in
23 the largely vacant strip mall called Center Place
24 where our facility is located.

25 There is a vacant grocery store and

1 approximately 23,000 square feet of empty retail
2 space. The McDonald's there remains open at the
3 entrance to Center Place, largely because of BCTA's
4 project and the potential they believe it brings to
5 the site.

6 BCTA views this proposed legislation
7 as an opportunity to gain control at the remainder
8 of the Center Place property to ensure that
9 transit-friendly development occurs. BCTA would
10 like to play the role of coordinator and consensus
11 builder to lay the groundwork for a project that
12 makes sense for the community and the prospective
13 developers.

14 For example, we would like to partner
15 with county government, the township, adjacent
16 property owners, the Corporation for Economic
17 Development, and others to gain consensus on a
18 conceptual design for the remainder of the property
19 and seek developers who may want to invest in the
20 property if tax incentives were offered.

21 BCTA is appreciative of the
22 flexibility in this proposed legislation and could
23 choose to take on an even broader role in preparing
24 the site, securing funding through the Corporation
25 of Economic Development or another entity, and

1 seeking out potential leases for the developer.

2 We suggest this because of our close
3 ties with various organizations and government
4 entities in our community, and a history of building
5 successful partnerships with many of the
6 organizations and agencies in the development of our
7 service system, and the construction of two major
8 facilities in our county and a regional park and
9 ride project completed in cooperation with the Port
10 Authority of Allegheny County.

11 The opportunity that TRIDS presents
12 here and throughout Pennsylvania are abundant and
13 thought-provoking. Again, BCTA is appreciative of
14 the Transportation Committee's interest in our
15 project and some of our ideas. If we may be of
16 further assistance, please do not hesitate to ask.
17 And just for the record, I did pass out a brochure
18 containing a lot of information about our new
19 Expressway Travel Center for members of the
20 committee.

21 REPRESENTATIVE MARSICO: Thank you
22 very much. Before we move on, the chair would like
23 to acknowledge and recognize the Minority Democratic
24 Chair of the Committee, Keith McCall, and also from
25 Allegheny County, Representative Joe Petrarca.

1 I notice that Representative Rubley is
2 here, and we will put you on next. Okay.

3 Are there any questions at all from
4 the members regarding this testimony? If not, I
5 have one. The local funding part of this, what kind
6 of funding is available for this from the counties
7 and municipalities? Is there anything there that
8 has provided --

9 MS. MORANDINI: We haven't fully
10 explored that yet, but we have a pretty good
11 relationship with the Corporation for Economic
12 Development, and we thought that we would probably
13 work through that agency first.

14 We have a history with them. A
15 project has never actually materialized with that
16 partnership yet, but they were involved in looking
17 at other sites for our project early on and
18 expressed an interest in working cooperatively with
19 us, and we believe that that might be a potential
20 partnership.

21 REPRESENTATIVE MARSICO: You mean the
22 County Economic Development --

23 MS. MORANDINI: The Corporation for
24 Economic Development is a private nonprofit. The
25 County Economic Development Agency is another group

1 that we have stayed in touch with, and there may be
2 some potential there. We haven't explored it yet.

3 Our county in general is very
4 interested and supportive of public transit. We
5 have one of the largest commitments of county
6 dollars in our public transit system anywhere in the
7 state.

8 They have long supported our project,
9 provided local match on the travel center and some
10 other capital projects, as well as our operating
11 budget. They are probably one of the most
12 supportive groups in the state in terms of
13 contributing dollars to public transit in our
14 county.

15 REPRESENTATIVE MARSICO: Okay.

16 MS. MORANDINI: We also had a very,
17 very good relationship with Center Township when we
18 began this project. We thought that there might be
19 some zoning issues and some potential issues with
20 the planning commission there and the zoning board
21 there, but none of that materialized. They welcomed
22 the project and are very anxious to continue to work
23 with the transit authority and developers to
24 continue to develop that site.

25 REPRESENTATIVE MARSICO: Thank you

1 very much. We appreciate it.

2 If we could go back to Representative
3 Rubley, Carole Rubley is here to testify on her
4 bill, House Bill 2464.

5 REPRESENTATIVE RUBLEY: Good morning.
6 Thank you. I'm sorry for the delay. A little
7 traffic problem getting here this morning.

8 Thank you for providing the
9 opportunity to discuss and present TRID or the
10 Transit Revitalization Investment District
11 legislation. I am pleased to be the prime sponsor
12 of this bill and have worked with Representative
13 Steve Stetler on this.

14 I also applaud the members of DVRPC,
15 Pennsylvania Environmental Council and 10,000
16 Friends for their hard work in initiating and
17 promoting this very innovative proposal.

18 Although the Commonwealth of
19 Pennsylvania as a whole is not growing in population
20 to any great extent, much of the suburban areas are
21 experiencing intensive growth as more and more
22 farmland is converted into housing developments and
23 shopping centers, people and businesses are leaving
24 our older developed communities, including boroughs
25 and inner ring suburbs, resulting in a declining tax

1 base and deteriorating infrastructure.

2 In 1998, I served as a member of
3 Governor Ridge's 21st Century Environment Commission
4 and on the Task Force on Land Use. The Commission
5 recognized that the No. 1 problem facing the
6 Commonwealth as we move into the 21st Century was
7 the need to promote responsible land use, including
8 the need to revitalize our older communities.

9 The final report contains many
10 outstanding recommendations, including the need to
11 develop transportation and infrastructure plans on a
12 regional basis, encouraging transit oriented
13 development, ensuring that mass transit is
14 accessible, safe, reliable and affordable.

15 The Legislature, as you know, has
16 implemented two very important initiatives coming
17 from the 21th Century Commission's Report, both
18 Growing Greener and Growing Smarter. We have seen a
19 lot of progress from these programs, but more still
20 needs to be done.

21 TRID offers the opportunity for local
22 governments, transit agencies and the private sector
23 to work together to promote economic development,
24 community revitalization, and increased transit
25 ridership with its associated environmental

1 benefits.

2 I hope that we can work together and
3 am pleased to have the opportunity to get
4 constructive input from the members of this esteemed
5 committee and hope that we can then work together to
6 actually obtain passage of this legislation. I
7 could go into some of the details of the bill, but
8 I'm sure you are familiar with it and you will hear
9 more of the details from the other testifiers.

10 So in the interest of time, I would be
11 happy to take any questions.

12 REPRESENTATIVE MARSICO: Thank you,
13 Representative Rubley. Any questions from the
14 committee?

15 Let me just ask, as far as the groups
16 that would be involved, coming partners, the transit
17 authority, do you have a definition for transit
18 authority or transit organizations? Do you have any
19 ideas on that?

20 REPRESENTATIVE RUBLEY: We do have a
21 definition section. We define the planning study
22 and also talk about the financing, the creative
23 means of financing under the value captive area. I
24 mean, we are being flexible in this, because it can
25 be a group of municipalities, it can be

1 public/private ventures, it can be authorities, it
2 can be regional authorities. So we don't want to
3 stymie this whole movement by being too specific,
4 but we want to keep it open-ended enough so that it
5 will work, recognizing the differences that exist
6 throughout this Commonwealth.

7 REPRESENTATIVE MARSICO: Very good.
8 Thank you very much.

9 REPRESENTATIVE RUBLEY: You're
10 welcome. Thank you.

11 REPRESENTATIVE MARSICO: Paul, thanks
12 for your patience.

13 MR. MORRIS: My pleasure.

14 REPRESENTATIVE MARSICO: Are we ready
15 to go now?

16 MR. MORRIS: We are live. And if you
17 wish, again I will invite you to perhaps step a
18 little bit back from the screen. It will be, I
19 hope, a little more comfortable for you.

20 Mr. Chairman and members of the
21 committee, as was previously stated, my name is Paul
22 Morris. I am a Senior Professional Associate in
23 Urban Design and Community Development with Parsons,
24 Brinckerhoff, Quade & Douglas; and in that capacity,
25 serve as one of the firm's national leaders in

1 transit lines of development, so this is something
2 that I have the privilege to participate in in a
3 variety of levels around the United States with
4 various communities.

5 I think to start off my presentation,
6 I would like to comment in regard to the whole issue
7 of partnership briefly and just say that while the
8 first slide in my powerpoint presentation talks
9 about the marriage of land use and transportation, I
10 think the message I would like to leave with you
11 today as it relates to this whole notion of the
12 Commonwealth participating in the support of
13 community livability and community quality of life
14 agendas is, in that it helps facilitate the
15 emergence of partnerships between the community and
16 private sector, as well as with other agencies who
17 have an interest in the infrastructure and
18 development activity that occurs in those
19 communities.

20 My presentation is designed to provide
21 you with a primer of sorts on the state of the
22 practice of transit oriented development around the
23 United States. And so to do so, I will be sharing
24 with you a few of the key elements and some case
25 study examples of places around the United States

1 that have been exploring and implementing this whole
2 program.

3 Clearly, there are about six, if not
4 other, major key limits that affect transit oriented
5 development, or TOD, or T-O-D, depending on your
6 personal preferences. The key is to look at
7 moderate to higher density. And this really isn't
8 about defining density in specific numbers as much
9 as it is relating it to the community's needs and
10 goals for the kind of scale of housing that they
11 wish to have.

12 A key to all of this, though, is that
13 whatever happens, that there be a good
14 transportation network within proximity of where the
15 transit station may be, regardless of the mode of
16 transit that's provided, that provides a safe and
17 comfortable walk for pedestrians who are going to
18 make use of the system.

19 It is important that it be mixed use.
20 And what this means is not just to have different
21 kinds of housing in an area, but, in fact, to have
22 housing and jobs and civic opportunities,
23 institutional uses, parks and retail, so that folks
24 can go either way on a transit system; and that they
25 know when they reach a destination, they have the

1 ability to actually continue to use the means they
2 have within walking distance.

3 It also is a more marketable and more
4 successful community that's created, which is one of
5 the key benefits. It needs to be designed for the
6 pedestrian, as I mentioned, both in scale and
7 orientation. And the beauty of good transit
8 oriented development is that it accommodates either
9 redevelopment or new construction. That is one of
10 the beauties that affects especially a place where
11 you have a history of transit already in place and
12 you're looking at revitalization and reinvestment.
13 And the bottom line in all of this is that if it is
14 done well, it actually stimulates or encourages
15 transit ridership.

16 There's a series of elements that
17 prove to be the success recipe. The first is that
18 you create or stimulate a supportive real estate
19 market. That is key, which means that you actually
20 have participation of the real estate community, the
21 development community, involved in your planning
22 efforts. But it is integrated with transit system
23 design.

24 And the key there is that often
25 transit systems have been designed around the notion

1 of moving people along the line with not as much
2 attention paid to what happens when people get to
3 the stations. The key here is to actually make sure
4 that the stations are located and designed in a
5 manner that is complementary.

6 It is most important that there be
7 community partnerships. And one of the most
8 beneficial aspects of the TRID legislation that's
9 before you is that it provides meaningful guidance
10 to communities on how to do that.

11 The understanding of real estate
12 becomes key, because every TOD is not the same,
13 every community is not the same; therefore, it needs
14 to be uniquely customized or tailored to fit the
15 needs of every community as it evolves.

16 And the nicest thing about it is that
17 it provides a mechanism to think ahead to plan for
18 growing smart in the coming years. So that even if
19 a project doesn't happen in its entirety out of the
20 gate, it's put in place the mechanisms and the
21 processes and the elements that are necessary, that
22 as the market changes or the interests of the
23 development community change, the guidance is
24 already set in place for them to be able to provide
25 to predictability and certainty in what they want to

1 do.

2 One of the things we know that is a
3 critical element to making TOD work, which explains
4 why it doesn't happen naturally, is that there needs
5 to be the right mix of incentives in place, and
6 those incentives come in a variety of forms and
7 shapes.

8 Now, there is also this notion that we
9 have become familiar with and begun to recast, and
10 that is, in fact, to create development oriented
11 transit. So rather than thinking about it as
12 development beside transit, in fact, trying to make
13 the transit system fully integrated with the
14 development activity that is going around it.

15 So that comes down to when you're
16 looking at existing routes or new routes, making
17 sure that you have the corridors in the right
18 places, the stations are functioning properly,
19 there's good pedestrian access within the quarter
20 mile or half mile walk that is appropriate and
21 desired, that the parking is appropriately available
22 and located in a manner that supports both the
23 transit access as well as the commercial or
24 residential or other functions that need to be close
25 to the station.

1 And then the community partnerships
2 become really the glue that binds it all together,
3 and then ultimately you incorporate the TOD, as I
4 said, of guiding principles for development.

5 It used to be that people thought
6 about transit as a place to get on to go somewhere
7 else. What we're increasingly finding is that in
8 many cases, successful transit oriented developments
9 are, in fact, places that are successful themselves,
10 that people can actually move either direction on a
11 transit system; and that when they get done at the
12 end of the day, they can come home to a place that,
13 in fact, actually has the services and other
14 functions they would like to have.

15 Why are we doing this now as opposed
16 to in the past or waiting until the future? Well,
17 first of all, there really is a true renaissance.
18 Transit oriented development may not have been a
19 vision of the past, but it certainly was a practice
20 of the past. We know that increasing congestion is
21 diminishing the quality of life in many communities.
22 And transit oriented development provides an
23 alternative to only having the option of increasing
24 highway widths and speeds as the option to overcome
25 congestion.

1 This is an increasing movement both
2 politically and demographically back into central
3 places; the first tier suburban communities, the
4 older villages and boroughs of the Commonwealth, and
5 the innercity itself. And that demographic shift is
6 proving to illustrate that an aging population,
7 perhaps one that many of us are going to be a part
8 of, really does desire to be able to have
9 alternatives to having to drive for all of their
10 purposes, as well as being able to maintain the
11 ability to live in place and age in place, which
12 requires them to have access to other modes of
13 travel such as transit.

14 This does support a smart growth
15 agenda. Every Commonwealth, every state in the
16 country defines that a little bit differently. But
17 what we've learned is that transit oriented
18 development has become a common link or a common
19 indicator for the kinds of smart growth that many
20 communities are trying to achieve, because it
21 marries transit and transportation to land use
22 patterns with development.

23 Most importantly, I think, one of the
24 most gratifying changes is that federal policy now
25 embraces and supports transit oriented development.

1 The Federal Transit Administration and the new
2 starts criteria that is used to rate funding at the
3 federal level for appropriations at a state level
4 now looks at the land use connection and transit
5 oriented development as key tests or criteria to
6 determine whether a community actually rates high
7 enough to receive funding over the hundreds of other
8 communities around the country that are exploring
9 it.

10 I would like to share with you just a
11 few snapshots of how these thoughts or these
12 elements and guidelines play themselves out, and
13 it's through examples of projects around the country
14 that have been built.

15 The first I'll show you is Arlington
16 Heights, which is a suburban community outside of
17 Chicago in the Chicago metropolitan area. It was a
18 project guided by downtown redevelopment of a
19 community, with the notion being for them that the
20 first and most important thing to create as a part
21 of their TOD was a performing arts or civic center.

22 They provided structured parking as a
23 part of the value added that the community used to
24 help trigger or stimulate investment when the
25 development community was unable or not ready to

1 respond. And they made a very important statement
2 that they wanted main street retail at the ground
3 floor of those parking structures, so that people
4 actually had continuity of activity from the station
5 to the residential areas that in this case were
6 higher density condominium ownership with ground
7 floor retail below.

8 What's most fascinating about this
9 particular project is that they actually put a
10 McDonald's into the transit station. It has no
11 parking or drive-thru, and you actually go to the
12 transit station to get your hamburger or your Egg
13 McMuffin; very interesting approach.

14 Holly Street Village is in Pasadena,
15 California, a suburban community, an older
16 established community outside of Los Angeles. I
17 share this project with you to suggest that in some
18 cases, while there are opportunities to go back into
19 communities where transit exists and reinvest to
20 make the system work better, there are some
21 communities that are actually creating opportunities
22 for the development to happen ahead of the transit.

23 In this particular case, if you view
24 the slide that is up in the right-hand corner where
25 it says LRT here, what it's displaying is the fact

1 that the housing in this project was built over the
2 air rights of where the future train would go and
3 completed. And it's been about two and a half
4 years, and they are now just beginning to bring the
5 train in and they're actually excavating out. And
6 the train will actually be built after the housing
7 and the commercial development are in place.

8 Transit oriented development doesn't
9 just relate to trains. It also is very successful
10 in areas where you have buses, especially where you
11 have either rapid bus transit or where you have
12 primary trunk routes, where you have the frequency
13 that supports development.

14 This is a project in uptown San Diego,
15 an older established multi-ethnic neighborhood,
16 where there was a Sears department store that was
17 going to be torn down. And the city concluded that,
18 in fact, it was more financially smart and
19 development savvy to preserve the building and
20 convert it into civic uses, and combine that with a
21 new transit oriented development for buses, 14-acre
22 site that has housing, retail, office uses
23 associated with it.

24 The effect of this project, which
25 people didn't believe would be high, was that it not

1 only increased ridership but it actually stimulated
2 reinvestment in the surrounding area, incorporating
3 a new Ralph's department store, higher-end
4 department store than this community had had in the
5 past. Where they wanted to be there so badly, they
6 actually put their parking under the building and
7 incorporated escalators that allowed grocery carts
8 to be taken up and down with them.

9 Fruitvale Transit Village in Oakland
10 is a really interesting project, and there's some
11 important lessons to be learned when it comes to
12 community vision. The beauty of the TRID
13 legislation is that it really provides guidance and
14 funding, but it directs the local community to take
15 the leadership to set the long-term vision.

16 The Fruitvale project took many years
17 with lots of meetings to create a very grand vision.
18 But the community vision was almost too grand, and
19 as a consequence it's only now, after about eight
20 years, that they have been able to actually begin to
21 implement.

22 So one of the messages is think about
23 projects and break them down into small pieces so
24 that it can be implemented incrementally and the
25 development community can respond appropriately.

1 The Lindbergh Center in Atlanta is a
2 reinvestment project in the inner city, where MARTA,
3 which is their heavy rail, commuter rail transit
4 system, had been planned for this area. And, in
5 fact, this was an old industrial site. BellSouth,
6 which is one of the baby Bells, had actually looked
7 at relocating their corporate headquarters out into
8 the suburbs. But they found they could not afford
9 all the parking that was necessary to make it work.

10 They located here and are
11 systematically building all of their campus
12 together. What they did in concert with this, which
13 is kind of interesting, is that they actually
14 decided to go out and build smaller park and ride
15 projects out at key MARTA transit stations on the
16 suburban fringe, so their employees would actually
17 have dedicated parking to get onto the transit
18 system and come into downtown. It allowed them to
19 both meet their parking needs but also provide a
20 service to the community and continue to provide
21 benefits to their employees.

22 Englewood, Colorado is a project just
23 outside of Denver in a failed shopping center that
24 was abandoned and was actually going to be torn
25 down. It's on a rail project that not only has

1 commuter light rail transit but also has heavy rail
2 coal trains that go by here regularly.

3 The city ultimately took over the
4 failed mall as a part of their reinvestment project
5 and converted it into their civic center, where they
6 have community gathering space, a city hall and
7 other services. And they oriented the whole project
8 around that civic amenity and used that as the
9 leverage to attract development in a fairly blighted
10 area.

11 The new city hall also provided with
12 it 900 parking spaces and a park and ride, so that
13 folks coming into the area would have the basic
14 needs up front; and as the housing and other things
15 came along, there would be parking to support them.

16 One of the most interesting aspects of
17 this project is that there actually is a Wal-Mart
18 that's been redesigned to incorporate itself into a
19 more community oriented setting around transit
20 activity.

21 And then Gresham Central, this is a
22 project where the federal congestion management air
23 quality standards idea really came along and created
24 some interesting ideas. It was a former industrial
25 and vacant right-of-way area, not a huge transit

1 oriented development, certainly a much smaller area
2 than what might be permitted with the TRID
3 legislation.

4 But what was interesting is that they
5 created a unique nexus between affordable housing
6 within proximity to transit. They basically were
7 able to argue that by creating quality housing next
8 to transit, they were able to increase the amount of
9 people who could live near transit. And they would
10 also increase ridership, which would reduce vehicle
11 miles traveled or car use, which would ultimately
12 clean the air.

13 Now, that seems like somewhat of a
14 circuitous route to get to the nexus, but it was
15 proven. That proven element actually created TEA-21
16 money for them to improve the quality of the housing
17 right next to the train for things like gables,
18 porches and a sidewalk and esplanade.

19 So in the final analysis, what we know
20 and you can see from just the few examples I've
21 illustrated, transit oriented development really
22 does have benefit if it is catered to the local
23 community in partnership with the development
24 community.

25 There are factors that really

1 determine whether the transit and the urban form
2 work. It takes some vision, and that vision needs
3 to be regional in the sense that it incorporates the
4 municipalities, the development community, the
5 citizens at large. It needs to involve the respect
6 of institutions that exist there today rather than
7 just trying to create something new.

8 It needs to play off a more supportive
9 transit culture, one that actually sees the benefit
10 or has already experienced some of the benefits of
11 having it. It relies on high quality transit
12 service, whether it's rail or bus. It relates to
13 regional growth by providing linkages between
14 stations. It provides station areas with
15 development potential. It actually serves as a
16 catalyst for reinvestment where it's appropriate.

17 It relates to regional and local
18 policies by marrying land use actions to real
19 substantial infrastructure investment, whether it's
20 in rail or roadways, and ultimately it provides
21 focus for the long term.

22 I talked a little bit about density.
23 But what you can see is in any project, there's a
24 variety of densities that can be pursued and
25 achieved. And the real goal in many of the transit

1 oriented developments that are most successful is to
2 look for ways to actually have a way of variety of
3 density and health type, so people actually have
4 choices and are able to stay there longer.

5 What TRID can overcome and the
6 challenges that lie before us. Transit oriented
7 development doesn't happen often naturally. It
8 takes a concerted effort and a partnership. So it
9 means that agencies that are involved in developing
10 the transit system should be looking more at transit
11 system design. So involving the transit agencies or
12 authorities as a part of the legislation is key.

13 It addresses local community concerns
14 as the driving force. So that this really is a
15 grassroots home rule kind of issue that provides
16 guidance but really gives the directive to the local
17 communities to address.

18 It needs to provide the ability to
19 overcome the lack of transit-friendly zoning. What
20 I can tell you is that in many cases transit
21 oriented development is actually prohibited
22 unintentionally. The codes and policies that exist
23 today actually make it harder to do rather than
24 easier.

25 What you will also learn is that the

1 development community, who may often want to do
2 this, cannot overcome some of the financial costs
3 and risks of time. So what TRID does is creates a
4 mechanism to the value captured element to permit
5 them to actually begin to overcome some of those
6 barriers. And that relates to financing as well.

7 And then in the final analysis what we
8 know is that there aren't many built examples that
9 are contemporary. Especially in the early years,
10 what your TRID bill will permit is the state's
11 ability to support projects that the communities are
12 trying to do and to develop a log or a catalog of
13 examples in Pennsylvania that really are useful and
14 beneficial to communities.

15 What we know, too, is that TRID
16 legislation can help make TOD the rule rather than
17 the exception. It fosters the development of real
18 TODs as opposed to developments that aren't quite
19 there. It creates the legalizing mechanism. It
20 provides the ability to design transit with TOD in
21 mind, and it also builds transit oriented
22 development expertise all around the Commonwealth.

23 So what are some of the conclusions
24 that we have learned from other places around the
25 country that the Commonwealth of Pennsylvania can

1 benefit from?

2 The first is that there are an
3 increasing and now record number of transit oriented
4 developments being created around the United States.
5 The trends are positive. The challenges have not
6 all been overcome, but the movement is in the right
7 direction.

8 The benefits for transit oriented
9 development are real. The ridership numbers
10 increase, the value added is there for communities
11 once it's in place. The nicest thing about that is
12 it returns or it adds value back into the community,
13 often in places where they need it the most. It
14 works best with rail, but also works great with bus
15 where it is available.

16 There are barriers; they are real,
17 they are significant. It takes a marriage and a
18 partnership of all the parties in order to overcome
19 them. It also is best successful when it links to
20 community vision. And what we found in many
21 communities is that they're now using it to actually
22 help foster and grow their own community visions of
23 how they want to be in the future.

24 And in the final analysis, it really
25 does provide for and needs to be designed for

1 pedestrians.

2 That concludes my overview. I am at
3 your pleasure for any questions you may have.

4 REPRESENTATIVE MARSICO: Thank you.

5 Are there any questions from the members?

6 Representative Fairchild.

7 REPRESENTATIVE FAIRCHILD: Thank you
8 very much for your presentation. I have just a few
9 questions.

10 Recently I watched the History
11 Channel. I'm a large fan of that when they have
12 railroads and subways on. And one of the
13 interesting things that I think relates to the TRID
14 process is that originally way back when, they had
15 kind of the same problems we are having now. And
16 the private developers that owned -- at one time
17 owned the railroad and subways, they had to realize
18 that the big problem was they didn't have the
19 riders. So they went out and purchased land and
20 built houses and communities along the rails.

21 It seems like we are trying to
22 reinvent the wheel here, that's what we're trying to
23 do here, and maybe roll in a lot of other elements,
24 smart grow.

25 MR. MORRIS: You are absolutely right.

1 We lost sight of some important lessons that go back
2 a century. When the Continental Railroad was built,
3 one of the things that happened along the way was
4 the creation of key land parcels retained by the
5 railroad companies, because they understood that
6 wherever their trains stopped, they needed to have
7 industry, employment and housing.

8 They were able to control the land at
9 that time. Over the years, there have been examples
10 where communities have done it as they become more
11 and more urban. However, we really took a turn in
12 the '50s where we started migrating away from our
13 communities, the urban area and both the historical
14 villages and boroughs and first tier suburbs.

15 And we are now coming back to those
16 places that in some cases have suffered and
17 realizing that the land is no longer in single
18 ownership. It has aging infrastructure and
19 development that has to be either adaptively reused
20 or renovated.

21 And the lessons we gained from the
22 history are that bringing that land together,
23 finding a way to assemble key parcels, finding a way
24 to, if not assemble them, bring the owners together
25 in a way that partners them, is really a new way of

1 doing a time-tested lesson.

2 REPRESENTATIVE FAIRCHILD: Thank you.
3 My second question has to do with expanding
4 development, especially in southeast Pennsylvania.
5 We seem to be -- I think if you took -- I have seen
6 legislators take polls. We want to slow down
7 growth, etc., because we can't keep up with the
8 advance of growth. It seems like this process
9 perhaps in the long run may be a little
10 counterproductive to that. It seems every time
11 growth takes place in certain high growth areas,
12 they come back to us and seek relief in some form of
13 either long or economic comprehension to slow that
14 down. Sometimes it's against the developer.

15 Then we have other parts of the state,
16 the rural parts, that welcome growth, that need
17 growth. Any comments on that?

18 MR. MORRIS: A couple comments. One,
19 really the nice thing about the TRID resolution and
20 the legislation language is that it really provides
21 a tool without directing the state to do anything.
22 It provides support and assistance. And it's really
23 at the discretion of the communities to initiate the
24 activity.

25 And it's unlikely that the kind of

1 growth that translates into kind of continual sprawl
2 out into the countryside would benefit from this.
3 The communities that often benefit from it the most
4 are the communities that exist today that are kind
5 of wanting to focus their energy and attention back
6 into their downtowns.

7 In aging communities around the fringe
8 who have been kind of left by the wayside as growth
9 has happened out further, and the inner city areas
10 which are really in need of being able to respond to
11 an aging population.

12 One of the things we know -- and I
13 work about half my time with development
14 communities, so I kind of wear two hats on the
15 public and private side -- is that almost 75 percent
16 of all households over the next 20 years are
17 projected to be one and two person households with
18 no more than one child and in many cases no
19 children.

20 Well, we know where that's coming
21 from. A lot of it is both declining birth rate
22 among married couples and, more importantly, an
23 aging population; that is, the baby boom generation.
24 We are not creating the kind of living environments
25 that they request. We have a very strong interest

1 in single family housing, in large lot development,
2 to support the traditional family, and they will
3 continue to be there but they won't be the majority.

4 So what this is really able to do is
5 focus that where the folks who need it have it, and
6 that's around the stations.

7 REPRESENTATIVE FAIRCHILD: My last
8 question, the provisions of the bill call for, I
9 believe, \$5 million from the state general fund
10 essentially.

11 That's a little counter to what you
12 said, I believe, as far who is going to pay. I'm
13 referencing rural Pennsylvania; Huntingdon, Snyder,
14 Union, Warren, Elk Counties, perhaps and say why
15 should we pay for this when it benefits that area.
16 And, as I understand it, other than that, it will --
17 the funds that are generated will come from the TRID
18 to real estate assessment taxes.

19 MR. MORRIS: There's two questions
20 there.

21 REPRESENTATIVE FAIRCHILD: I'm going
22 to ask you one more.

23 MR. MORRIS: Okay, go ahead.

24 REPRESENTATIVE FAIRCHILD: What if a
25 TRID area, say new and redeveloped, utilize a

1 housing area you could actually go into an existing
2 area that you want to rehab it or bring a transit to
3 it or bring it up to scale, again, we hear so much
4 about property tax and problems with property tax.
5 How are you going to just adding more property taxes
6 to either residents or businesses who participate?
7 Thank you.

8 MR. MORRIS: Shall I try?

9 REPRESENTATIVE FAIRCHILD: Sure.

10 MR. MORRIS: The first question had to
11 deal with an issue, I think, relating to equity.
12 You asked the question which was if we're spending
13 \$5 million in communities that want TRIDS, how do
14 the other communities that don't have that money are
15 going to benefit?

16 I think there are a number of ways,
17 and the legislation talks about them. One is that
18 it directs development in areas where people desire
19 to have access to transit but are currently not able
20 to live or work. So it concentrates near the
21 station, which ultimately reduces costs for other
22 forms of infrastructure, which reduces congestion
23 and air quality impacts and ultimately environmental
24 losses in the areas that you are trying to protect;
25 namely, rural areas.

1 So it's an integrated relationship
2 that this provides a reference for. The other thing
3 about the \$5 million, from my understanding of the
4 legislation is that that is a match grant program
5 that relies on the local government to provide their
6 share. So there is -- it does require the local
7 communities to step up and be serious about what
8 they are trying to do and put money out to make it
9 possible.

10 Now, the way the value capture
11 approach works basically is that if you have
12 development that's in an area that is perhaps
13 underperforming in terms of tax revenue, which often
14 is the case, what this does is provides a mechanism
15 or catalyst to stimulate the reinvestment that would
16 otherwise not happen in that area.

17 So the tax benefits accrue from the
18 reinvestment and the added value from that
19 development activity, so it doesn't necessarily
20 translate into a substantial change in the
21 surrounding communities.

22 I will tell you that communities that
23 do successful transit oriented development through
24 this kind of approach through reinvestment strategy
25 do see a ripple effect, where they see

1 revitalization transcend into areas outside the
2 direct impact area, but that happens through the
3 marketplace and it isn't directly related to it.

4 And then your final question -- I
5 think I just forget -- I may have answered the
6 second one more completely.

7 REPRESENTATIVE FAIRCHILD: Thank you.

8 REPRESENTATIVE MARSICO:
9 Representative McGill.

10 REPRESENTATIVE McCALL: A little
11 background to help me understand this a little bit.
12 Tell me has community visioning played a role in all
13 of the projects that you sited from the Holly Street
14 Village? Did they all use community visioning? Was
15 that a part of their planning process or did they
16 use other means?

17 MR. MORRIS: Most of them went through
18 some community discussion. Visioning might be more
19 ambitious, something that all of them did.

20 REPRESENTATIVE McCALL: Local
21 planners.

22 MR. MORRIS: Local planners, in many
23 cases they tried to actually identify key developers
24 who worked in their community. They most certainly
25 always worked with direct property owners on the

1 projects and effectively tried to engage often the
2 transit agency, who was providing the operating
3 system.

4 The ones I did show you tended to
5 relate to different relationships and different
6 results that would be parallel to what you might
7 experience with the TRID legislation. There have
8 been examples in other places where it was driven
9 completely by the private sector. In fact, we have
10 had projects where they actually went and, I call
11 it, bought a train station when they did their
12 reinvestment project, because they found it was able
13 to reduce their parking requirement, which is
14 getting up to almost \$10,000 a stall.

15 And it was cheaper to buy the station
16 and have it built at their facility which they then
17 designed with walking access to it, very large
18 campus, and other situations similar to that.

19 REPRESENTATIVE McCALL: How long was
20 the history? How long has this been in existence
21 from Holly Street Treat to Englewood? How long in
22 existence?

23 MR. MORRIS: They vary considerably.
24 The oldest ones are 10 to 15 years old. Many of the
25 things we are seeing are new reinvestment efforts.

1 Rail in many cases is coming to communities that
2 didn't have it before, and reinvestment rail is
3 starting at a time when communities are having a
4 hard time accommodating for reinvestment.

5 REPRESENTATIVE McCALL: We have some
6 examples of the important things we often talk about
7 that work, maybe you can talk about some of the
8 things that didn't work. It's easy to point to the
9 things that work. What about the things that don't?

10 MR. MORRIS: Actually, in the interest
11 of time, I cut that half of my presentation out, not
12 intentionally. We actually have -- I could go
13 through many slides and examples. I will just give
14 you one. It relates to a notion called Transit
15 Adjacent Development, which we affectionately call
16 TAD or the evil twin of TOD. The notion there is
17 where you create a transit station that doesn't
18 actually have access to the development around it.

19 There are numerous examples of
20 projects where the station is built and it's a sea
21 of parking that goes a quarter of a mile before you
22 actually get to the housing or in more cases the
23 employment. It becomes really difficult to get
24 ridership.

25 In one particular case, Sysco Systems

1 in California was asked to develop transit oriented
2 development around a new BART station. And they
3 thought they did so. But when you look at it on a
4 map, you see this light rail going down the middle
5 of an arterial and literally acres and acres and
6 acres of parking with all the buildings on the
7 fringe.

8 The highlight of their investment was
9 -- I think it was a \$200 thousand sculpture that
10 they put at the station, which for people who like
11 art is great, because you can go there and you can
12 have a really quiet time because no one is at the
13 station. Their investment didn't quite click and
14 they don't get the ridership. That's the pivotal
15 distinction.

16 REPRESENTATIVE McCALL: In the
17 examples that you cite how much development, how
18 much by percentage is government development in
19 these areas and how much is private monies?

20 MR. MORRIS: It varies considerably
21 based on the scale of the project, the amount of
22 redevelopment that's going on versus clear and
23 vacant land. The need for parking is probably the
24 biggest driver because often you get into parking
25 structures and it's very expensive. So what the

1 community will often do is provide the bonding
2 authority through the TRID value capture to finance
3 the parking structures.

4 That can be -- we've seen projects
5 where it's been as high as a 50/50 split on the
6 upfront infrastructure to as little as 5 or 10
7 percent on the public side.

8 REPRESENTATIVE McCALL: In one of your
9 overviews, you talk about a mix of incentives,
10 recipe for success. Can you explain some of these?

11 MR. MORRIS: Yes. There are a number.
12 One incentive is the ability of the local community
13 to assemble a larger tract of land than a single
14 builder or developer could do where you've got small
15 lots that are all scattered around. The municipal
16 capacity to do that is often more efficient and more
17 acceptable to the community than a developer trying
18 to do that.

19 That assembly reduces costs and
20 accelerates the ability to develop in the key areas
21 in the way that it is best. Another way is removing
22 barriers and expediting the review process.

23 I talked a little about the notion
24 that in many communities, what we found is that it's
25 actually illegal to do transit oriented development

1 because the codes and comprehensive plans and
2 development standards actually prohibit it. So the
3 community can work to actually restore some of those
4 opportunities by modifying those policies to be more
5 supportive.

6 In addition to that, many communities
7 have found that the biggest cost to development of
8 TODs is time. And by creating more proscriptive but
9 yet more predictable policies on what they want to
10 see happen, they are also willing to expedite the
11 review process, because the community gets certainty
12 of what they want. The developers are actually more
13 willing to go along with it than what people might
14 think, because what they want is predictability.
15 And that time that's shaved off can be sometimes
16 years, which is really their principal cost and it's
17 the carrying cost of financing the money.

18 And then the final one, which is very
19 interesting, that is being done actually in
20 Washington D.C., is the city actually in this case
21 purchased the land, sold it to the developer at the
22 lowest end of the fair market appraisal, with a
23 caveat that when the project was completed and the
24 economic return was accrued, in this case the
25 county, Montgomery County, would get everything over

1 a certain profit level.

2 What it did was it backloaded the
3 upfront cost of land purchase, which permitted the
4 developer to do a better, faster project, which
5 actually sold faster, returned their money, and the
6 county actually got just over the mid range of the
7 appraisal when it was done. So they got what they
8 would have gotten in the front end but they got it
9 in a different sequence, and they were able and
10 willing to carry some of the time that the private
11 sector couldn't finance.

12 There are many other examples, but
13 those are four of the key ones.

14 REPRESENTATIVE McCALL: Generally,
15 these are all light rail projects?

16 MR. MORRIS: No. They're light rail,
17 heavy rail, subway, Amtrak stations, they are Rapid
18 Transit bus and they are just a standard commuter
19 bus on major routes.

20 REPRESENTATIVE McCALL: Generally,
21 these are all rail authorities that are providing
22 the infrastructures?

23 MR. MORRIS: Rail authorities, transit
24 districts.

25 REPRESENTATIVE McCALL: Basically,

1 public dollars bringing that back to service those
2 districts?

3 MR. MORRIS: Often, not always. Some
4 of the development community will actually pay for
5 the rail improvements where it fits them. I gave
6 you the example of the project where they actually
7 built their own station.

8 REPRESENTATIVE McCALL: Just one last
9 question because I'm very confused. Contrary to one
10 of the statements ridership is up. A lot of things
11 that I read about some of these districts, the
12 ridership has been disappointing. Do you care to
13 comment on that?

14 MR. MORRIS: Without having specifics,
15 it would be hard for me to know which ones.

16 REPRESENTATIVE McCALL: Say Oregon.

17 MR. MORRIS: Which I come from, so I
18 can speak to that one.

19 REPRESENTATIVE McCALL: Is it not true
20 that Oregon, they had grandiose plans and they've
21 been probably around the longest.

22 MR. MORRIS: In terms of light rail.

23 REPRESENTATIVE McCALL: Right, in
24 terms of light rail. They have not seen the success
25 that they thought they would.

1 MR. MORRIS: I'm not sure where you
2 got those statistics, because the ridership is
3 actually over projections, and I'll give you the
4 most recent example. The city just finished a year
5 ago and opened the new light rail to the airport,
6 which basically runs on the existing line to the
7 east and then splits off and heads north to the
8 International Airport.

9 REPRESENTATIVE McCALL: Prior to the
10 airport line, what was it like?

11 MR. MORRIS: Well, we had different
12 lines. But let me relate the specifics of that
13 particular case. They segment that performance of
14 that line based on its needs. And they actually
15 started adding trains a year ahead of schedule, and
16 their ridership is already at 2006 levels, so
17 they're ahead of projections in both cases.

18 REPRESENTATIVE McCALL: I probably
19 read four, five, six newspapers a day, and I just
20 haven't seen a lot of positive things about light
21 rail. I think it's a good idea. We could start
22 talking about the clean air things and all those
23 aspects. I'm just hopeful that ridership will
24 support it, that's all.

25 It seems to me that a lot of things

1 that I am reading is contrary to what you are saying
2 as far as you saying it's going to increase
3 ridership. What I'm reading, they're saying there
4 haven't been.

5 MR. MORRIS: If there hasn't been
6 increased ridership, it typically is because there
7 is a combination of factors happening. One is the
8 development isn't happening as expected, and often
9 parallel to that, the system isn't set up to support
10 it. What that means is that the rail system
11 actually has to be set up to have the stations in
12 the right locations to support development around
13 it. It needs to have frequencies that actually will
14 trigger ridership, because anything short of 15
15 minutes in the off peak and as fast as eight minutes
16 in the peak directly affect ridership; and the way
17 the rest of the transit system works.

18 Light rail is one of several elements
19 of a transit system. You've got local buses, you've
20 got regional buses, you've got trollies, light rail,
21 heavy rail and commuter rail; and they all provide
22 different services to different parts of the
23 commuting sector.

24 And I think one of the things that
25 sometimes happens is communities don't put the right

1 system in the right place, and we have seen that
2 happen, too. They will put light rail in a computer
3 corridor, and they don't see the ridership because
4 the train isn't moving fast enough and the stations
5 are too close together. Or they'll put a commuter
6 rail in an area where you've got a lot of
7 development, but they don't get enough ridership
8 because the stations are too far apart.

9 So there is a huge interconnect that
10 has to be very thoughtfully worked out from the
11 system design standpoint as well as from the TRID
12 neighborhood design.

13 REPRESENTATIVE McCALL: Thank you very
14 much.

15 REPRESENTATIVE MARSICO: Thank you
16 very much. Any other questions? Representative
17 McGill.

18 REPRESENTATIVE MCGILL: I have just a
19 quick one. I have several people in my district who
20 are old rail people. We have Rails to Trails which
21 is extremely popular in Pennsylvania, and I get a
22 phone call every time another rail is ripped up and
23 a trail is put in.

24 I'm just wondering, do you think that
25 this legislation works in conjunction with what we

1 have as far as Rails to Trails; or is the Rails to
2 Trails program, the fact that we have now pulled up
3 many of the rails and many of the bridges have been
4 removed and things like that, does that put us back
5 in a position where it's going to be extremely
6 difficult to recover in trying to bring a plan like
7 this?

8 I can see small areas, but I'm a
9 little confused on how we go out further, simply
10 because we ripped up a lot of the rails, we pulled
11 down a lot of the standards, we pulled down the
12 wires. We have long trails now.

13 MR. MORRIS: It can be. It doesn't
14 have to be. It depends a lot on whether there is
15 some thoughtful regional planning going on on
16 alignment of future rails to serve the communities.

17 We have seen experiences in parts of
18 the country where they decide for speed they are
19 going to put the rail down the freeway versus
20 through an existing rail line that serves
21 communities because they think it will be quicker.
22 But the problem is people have to drive so far to
23 get to it that they don't get the ridership.

24 And often what it means is making sure
25 that those are both an important part of the

1 conversation as the discussion goes along. Because
2 they aren't always. Some communities, they benefit
3 from a rail to trail conversion, because the rail is
4 in a place that is really more suited for a trail
5 function. And you are not likely to need the rail
6 in that location.

7 In other cases, there are communities
8 that actually hope that the Rails to Trails mission,
9 which people often forget, is that it's always with
10 the prospect that the alignment is preserved for
11 future rail use. But I'm not one to suspect that's
12 ever going to happen because people fall in love
13 with Rails to Trails. And I've actually designed
14 them in many states. I'm a landscape architect by
15 training.

16 So I think you have brought up a very
17 important issue that probably should be built into
18 any guiding process for how communities look at both
19 abandonment of rails or trails as well as alignment
20 of new rail systems.

21 REPRESENTATIVE MCGILL: Thank you.

22 REPRESENTATIVE MARSICO: Any other
23 questions? Thank you very much for your excellent
24 presentation.

25 MR. MORRIS: Thank you. I appreciate

1 the honor of being here.

2 REPRESENTATIVE MARSICO: Next is John
3 McPhee, Project Facilitator, Delta Organization,
4 Inc.

5 MR. MCPHEE: Good morning, Mr.
6 Chairman and members of the committee. Thank you
7 for the opportunity to speak with you this morning
8 about the TRID legislation.

9 The Delta Organization and its
10 affiliated at the Delta Partnerships, we are a
11 builder/developer company. We specialize in brown
12 field property and urban corps center development.
13 Specific in our mission statement is that we will
14 not and do not develop green field properties.

15 Our most significant asset to date is
16 the single purpose entity, the Phoenix Property
17 Group, which is the owner of the 123 acre brown
18 field site in the heart of the borough of
19 Phoenixville, in Chester County, Pennsylvania.

20 This property is in a one and a half
21 square mile borough that has 17,000 residents and a
22 history of 150 years. And the existence of the
23 borough and the infrastructure around it exists
24 because of the former use of this property as the
25 Phoenix Steel Company and prior to that Phoenix Iron

1 Works for 150 years. The demise and fall of that
2 company in 1988 and subsequently its final closure
3 in 1992 brought about serious economic retribution
4 to the borough of Phoenixville and some of the
5 surrounding areas.

6 However, we as developers in the
7 development community, I would like to point out
8 that we are basically followers. We are not
9 leaders. By that, I would like to explain that as
10 followers we follow infrastructure. A key example
11 of that is the Route 422 corridor in southeastern
12 Pennsylvania, a highway system that traverses from
13 King of Prussia out to the Reading area that was
14 developed some 20 years.

15 And if you familiar with that area,
16 you will see that there have been thousands and
17 thousands and thousands of housing developments
18 along that corridor, creating increased congestion
19 along that corridor. As you develop houses, with
20 every 2,000 new housing starts, you will then see a
21 regional shopping center developed around that.

22 So the infrastructure begins the
23 process with housing developments. Housing
24 developments spawn the retail and other development.
25 We follow the infrastructure that's put in place,

1 and we will continue to do that.

2 With regard to Phoenixville, we are
3 the heart of the -- or the center of the proposed
4 Schuylkill Valley MetroRail Line. Schuylkill Valley
5 Metro is proposed to travel from center city
6 Philadelphia to west of Reading in the Wyomissing
7 area. And I'm sure that Dennis Louwerse who will
8 testify later will have more to say about the
9 Schuylkill Valley Metro project.

10 This project is very significant to
11 the entire corridor of southeastern Pennsylvania.
12 And the TRID legislation will become a key component
13 for how municipalities and communities can embrace
14 that proposed metro rail line and develop in a smart
15 and appropriate manner around it.

16 The value of private development will
17 be significant. In the area of Phoenixville, there
18 is nearly \$20 million of infrastructure in and
19 around our site that will be required. Much of
20 this, other state agencies have already begun to
21 partner with the borough of Phoenixville and Phoenix
22 Property Group.

23 Our private investment will be nearly
24 \$200 million. Our project will generate more than
25 800,000 square feet of new office space and nearly

1 500 new residential units and 100,000 square feet of
2 new village retail. This will creat 5,000 new jobs
3 in and around the Phoenixville area. And it will
4 take a property that presently pays \$60,000 a year
5 in real estate taxes and translate it into \$70,000 a
6 week in state and local real estate and income and
7 use taxes.

8 This project, while we are advancing
9 at a very rapid pace to break ground ahead of the
10 actual transit development, the only way this
11 project can maximize and achieve those goals is that
12 the train will eventually arrive. We can build
13 certain portions of this project, probably 60
14 percent of the numbers that I have expressed to you,
15 but to ultimately max the potential requires the
16 ability to bring the train to Phoenixville and to
17 the entire corridor.

18 As I said, the private development
19 community, we in the Phoenix Property Group really
20 embraced the local community and advanced the
21 education process to develop appropriate zoning for
22 this project to be able to be put in place. We have
23 an approved unified development district, a UDD,
24 that is an overlay zoning district for the entire
25 123 acre property.

1 And we see that this process has taken
2 us six years and nearly \$7 million. We are
3 committed to brown fields and urban centers and have
4 been willing to do this in this particular community
5 and in this particular project. As we at Delta
6 Partnerships and my development team look to go
7 beyond Phoenixville and develop other projects,
8 quite frankly, we will not and cannot financially
9 take the time to invest that many years and that
10 many millions of dollars before we can project a
11 return on investment.

12 I am happy to say that we are in the
13 land development process in Phoenixville and we'll
14 be breaking ground on the first office buildings and
15 residential units in the spring of 2003.

16 As we go forward, we are looking for
17 municipalities that will be taking a leadership role
18 in creating the TOD areas and the vision to be able
19 to work with us in a more aggressive fashion. The
20 gentleman that preceded me talked at length about
21 the risk to the development community and the need
22 to accelerate the time frame in the financial
23 outlay.

24 This legislation will provide the
25 municipalities as well as the transit agencies the

ability to partner and work together with us and
2 other developers so that we can advance in a
3 positive fashion more quickly together and that the
4 value that we create by the private development, the
5 example of the jobs and the tax base that will be
6 brought to Phoenixville.

7 There needs to be this kind of
8 legislation that creates the ability to capture that
9 value so that ultimately the operation and
10 maintenance of that transit infrastructure can be
11 maintained. While transit investment is huge on the
12 front end, the dollars that it takes to implement of
13 equal and maybe even greater impact is the ability
14 to operate and maintain that system.

15 By capturing the value of what we the
16 development community can bring to the table, this
17 is a key component in how to operate and maintain.
18 I would challenge you to consider the projects like
19 Schuylkill Valley Metro are not just transit
20 projects. They are economic projects for older
21 corps communities that are accomplished through
22 transit infrastructure.

23 And it is through a new partnering of
24 the municipalities, the transit agencies and we as
25 private developers that can implement this and truly

1 make it successful. We all need one another
2 partnering in order to be successful.

3 Thank you for your time and I'm open
4 to any questions.

5 REPRESENTATIVE MARSICO: Thank you,
6 John. Any questions?

7 Next on the schedule is William
8 Fontana, Executive Director, Pennsylvania Downtown
9 Center.

10 MR. FONTANA: Good morning to the
11 members of the committee. My name is Bill Fontana,
12 and I am the Executive Director of the Pennsylvania
13 Downtown Center.

14 PDC is the only statewide organization
15 in the Commonwealth dedicated solely to the issue of
16 revitalization of the Commonwealth's traditional
17 central business districts, be they large, mid-sized
18 or small. This year, 2002, is our fifteenth
19 anniversary of operation. We have historically
20 worked primarily with communities in the state's
21 Main Street Program, but increasingly are working
22 with business improvement districts as that
23 revitalization tool grows as a method to sustain the
24 downtown revitalization effort.

25 I've come here today to lend our

1 organization's call for and support for the passage
2 of House Bill 2464.

3 In my previous professional lives
4 before coming to the Pennsylvania Downtown Center, I
5 worked in several capacities that have a direct
6 bearing on the legislation you are considering
7 today.

8 From 1979 until 1997, I worked in
9 various planning and economic development capacities
10 in Allegheny County. My longest stint was 15 years
11 with the Redevelopment Authority there. I can tell
12 you from firsthand experience that the proposed TRID
13 legislation, had it been available during my tenure
14 there, would have resulted in substantial private
15 sector investment along the Port Authority of
16 Allegheny County's light rail transit line.

17 I can recall quite clearly the attempt
18 that was made to put a multimillion dollar
19 development in place in the Borough of Dormont, over
20 the McFarland Avenue Station. The borough was
21 willing to participate. The Redevelopment Authority
22 and the Port Authority were cooperating on the
23 proposed development of the air rights above the
24 station and a developer was in-hand.

25 The problem was that the topography

1 between the street level of West Liberty Avenue and
2 the actual station on McFarland Avenue was extremely
3 steep. The proposed solution was the construction
4 of a five-level parking garage that would have
5 brought the development site level with West Liberty
6 Avenue, provided the station and the proposed
7 development site with more than adequate parking and
8 resulted in a substantial increase in the local tax
9 base and the number of local jobs.

10 This proposed mixed-use development
11 never saw the light of day, however. The Port
12 Authority did not have the financial resources to
13 facilitate the project and at that time probably
14 didn't want to set the precedent even if they did.
15 The project became economically unfeasible for the
16 developer, had he had to bear the burden of
17 constructing the garage at his own market rate
18 costs.

19 Tax Increment Financing had not yet
20 been passed by the Commonwealth, and the Urban
21 Development Action Grant Program had just been
22 cancelled. This wonderful, transit- and
23 pedestrian-oriented, antisprawl, smart growth, older
24 community revitalization project never got off the
25 ground. Neither the financial resources nor the

1 tools to bring the financial resources into place
2 existed. That station still has incredible
3 potential to benefit from the development that was
4 proposed almost 20 years ago. The TRID legislation
5 could make that project a reality today.

6 I know we tend to feel that these
7 types of projects will primarily benefit the larger
8 communities of the Commonwealth -- Pittsburgh and
9 Philadelphia and their related transit systems --
10 the Port Authority and SEPTA. And this is true. I
11 can think of many stops along the South Hills LRT
12 line; in Brookline, in Beechview and Pittsburgh,
13 Dormont, Mt. Lebanon, and Castle Shannon where this
14 legislation would be beneficial; along the airport
15 busway in communities like Crafton and Carnegie.

16 I can also picture the potential for
17 future development around the SEPTA station in
18 Norristown and other SEPTA stations in that area.
19 But I can also see the potential for smaller
20 communities; the possibilities for the area around
21 the intermodal facility in downtown Williamsport,
22 the intermodal sites around the Amtrak stations in
23 Altoona and Greensburg, Lancaster and Harrisburg,
24 and the rest of the Keystone Line. And there is
25 great potential for the use of this type of

1 legislation as the growth of the central
2 Pennsylvania region centered around the construction
3 in the State College area comes on line.

4 Let me fast forward a bit to the time
5 I spent in New Jersey where for almost three years I
6 served as Executive Director of the Rahway Center
7 Partnership, a New Jersey Special Improvement
8 District which is a New Jersey counterpart to our
9 Business Improvement Districts.

10 While there, I had the pleasure to
11 work with New Jersey Transit on the construction of
12 the Rahway Station, a major stop for NJT along the
13 northeast corridor connecting New Jersey with
14 Manhattan. The role that evolved there for the BID,
15 just as you have envisioned in the proposed TRID
16 legislation, was a partnership between New Jersey
17 transit and the organization I managed to maintain
18 the station and its immediate environs.

19 Over time, that partnership resulted
20 in an annual allocation of approximately \$120,000 to
21 the BID. We were able to provide maintenance and
22 security personnel, purchase cleaning equipment, and
23 more importantly maintain a safe and clean
24 environment in that downtown business district that
25 has resulted in substantial spin-off development,

1 including significant retail store rehabilitation,
2 the soon-to-be-initiated construction of a small
3 hotel and conference center, and the design and
4 construction of an award winning public plaza with
5 an open-air market and performance venue.

6 In short, from my practical real world
7 experience, I am a firm believer that the proposed
8 TRID legislation will have an immediate and
9 beneficial impact on the communities of this
10 Commonwealth.

11 As far as the specifics of the
12 proposed legislation, I would offer only a few but I
13 believe critical issues for your consideration. The
14 first is found in Section 502.1 of the legislation.
15 The proposed bill requires that if the public
16 transit agency acquires property as a result of this
17 program, the transit agency may offer the property
18 for sale to the private sector through a competitive
19 bid process.

20 I can tell you from my experience that
21 the phone will ring off the hook from communities
22 asking if that means for the highest price. I might
23 suggest to the committee for their consideration
24 that as with powers granted to redevelopment
25 authorities, that in the particular case of property

1 acquired through the TRID process, that the land be
2 able to be sold for the highest and best use
3 consistent with the TRID plan.

4 I understand that the transit agency
5 has the ability to contract with the local
6 Redevelopment Authority and that such a highest and
7 best use sale could occur through that vehicle. The
8 unfortunate reality today, however, is that many of
9 the Redevelopment Authorities in this Commonwealth
10 have lost the professional ability to deal with
11 redevelopment projects and instead tend to
12 concentrate on housing rehabilitation issues.

13 It only seems to make sense that we
14 allow the developer who has the best development
15 plan consistent with the goals of the TRID plan to
16 be the developer of choice. To do otherwise would
17 be to make the plan for the area secondary to the
18 ability to pay for the property.

19 Certainly, I would suggest that in the
20 developer's proposal that price be a component of
21 the decision-making process but not the sole
22 determinant. The precedent was clearly set by
23 allowing Redevelopment Authorities this power under
24 the Pennsylvania Urban Redevelopment Law. I would
25 urge your consideration of that power here for

1 transit authorities.

2 Secondly, as we are defining the
3 potential for a Neighborhood Improvement District to
4 act as the TRID management entity, I might suggest
5 that the potential eligible uses for TRID dollars be
6 extended to those eligible under the NID
7 legislation. This might allow for the use of some
8 TRID dollars for additional soft costs, such as
9 marketing and promotion of the transit village
10 created by the TRID.

11 Finally, I am raising an issue that
12 may have already been addressed. I know when I was
13 working on tax increment financing issues before
14 going to New Jersey, that school district
15 participation in the TIF process was often a
16 difficult matter. This was true due to the fact
17 that the increased assessment resulting from the
18 improvement of a property was reflected in a
19 decrease in the Commonwealth's subsidy to the school
20 district.

21 In the case where TIF type projects
22 were put in place, the school district lost both the
23 increased taxes as a result of the improvement as
24 well as the prorated portion of the subsidy from the
25 Commonwealth that the previously lower assessment

1 brought to the school district.

2 If this issue has not been addressed,
3 you may want to look at this matter as a way to
4 encourage greater school district participation, not
5 only in the TRID but in tax increment financing
6 projects generally.

7 This concludes my remarks. Thank you
8 for giving me the opportunity to provide this
9 testimony, and I would be happy to answer any
10 questions that you might have.

11 REPRESENTATIVE MARSICO: Thank you
12 very much. Any questions at all?

13 MR. FONTANA: Thank you.

14 REPRESENTATIVE MARSICO: Thank you.

15 As I look over to my right, I see
16 Representative Strittmatter from Lancaster County.
17 Nice of you to be here.

18 REPRESENTATIVE STRITTMATTER: Thank
19 you.

20 REPRESENTATIVE MARSICO: Next is
21 Carlos Rodrigues, Representative, New Jersey Office
22 of Smart Growth.

23 MR. RODRIGUES: I was asked to come
24 speak to the committee and describe briefly the
25 various activities that the State of New Jersey has

1 to promote and support transit oriented development.
2 I believe you have in front of you a couple of
3 handouts that describe very briefly a number of
4 programs, also a brochure for one of those programs.

5 I would like to before going into that
6 and describing them very quickly for you, I would
7 sort of like to put that into context, why would the
8 state of New Jersey support those types of
9 activities. Well, it's not just because we want to
10 support New Jersey Transit, which is one of our
11 agencies, by increasing ridership.

12 It's because supporting this type of
13 development and supporting transit use is one of the
14 key elements of the state's smart growth strategies.
15 It's a key theme in the state development and
16 redevelopment plan, which is the state's smart
17 growth blueprint, which essentially says that where
18 we've committed significant public investments, we
19 should continue to support those investments and
20 reinforce them.

21 And our public transit systems are
22 significant public investments. If we were to
23 rebuild the systems now, we would be looking at
24 enormous appropriations. And, in fact, we are
25 because we are, in fact, bringing back some of the

1 these systems.

2 So to the extent that we have existing
3 infrastructure that's underutilized in many cases,
4 this is where we preferentially locate growth.
5 That's sort of one of the key principles of smart
6 growth. So it makes sense to channel and foster and
7 promote additional growth in the vicinity of public
8 transportation systems, in particular along the rail
9 corridors, although that's not exclusively what we
10 do, because there is capacity for growth there.

11 In many cases, these communities
12 welcome the additional developments. And the
13 investments and transit or transit-related issues
14 reinforce and revitalize these communities.

15 So with that, sort of giving you the
16 context of why we are doing it, let me just briefly
17 describe the programs that we have in place in New
18 Jersey to promote this sort of thing.

19 Most of these programs are aimed at
20 building or providing the planning capacity at the
21 local level that will, in turn, promote and support
22 transit oriented development.

23 New Jersey is a home rule state. We
24 have 566 municipalities. Fortunately, we don't have
25 to work with every single one of them on transit

1 issues, but we have to work with many. For the most
2 part, the planning capacity to adequately address
3 what can be very complex issues of transit oriented
4 development does not exist locally. So the state
5 and in some cases some of the counties as well as
6 the metropolitan planning organizations are stepping
7 up to the plate to provide these communities with
8 the planning capacity to sort of figure it out and
9 to develop plans, transit oriented plans, that, in
10 fact, make sense and that will work in the
11 marketplace.

12 So several of the programs that New
13 Jersey Transit has in place are programs that do
14 precisely that. They provide specific communities
15 who are obviously willing partners. We don't work
16 with communities who are not interested in this
17 stuff. We only work with communities that come to
18 us and ask us for assistance. So provide these
19 communities with a variety of planning, design,
20 services that can help them develop the vision for
21 transit oriented development and then sort of take
22 it through the various necessary steps to making
23 that come to fruition and become a reality.

24 Transit-Friendly Communities for New
25 Jersey, the first program that you see listed there,

1 was initiated with federal money, TEA-21 money, and
2 then sort of matched with state money. And that was
3 a program where New Jersey Transit partnered with
4 several other state agencies, including mine, the
5 Office of Smart Growth and the Department of
6 Community Affairs, and a series of civic groups to
7 -- and then through a competitive selection process
8 picked 11 communities and worked with them on
9 developing plans for their stationaries.

10 In every community, the issue was
11 different. So this is not one of those situations
12 where you can come up with a template and then apply
13 it across the board, no. One of the lessons from
14 this program, which is now winding down in terms of
15 the initial grants -- and I believe New Jersey
16 Transit plans to reauthorize it using their own
17 funds -- one of the lessons from this program is
18 that every community had different needs, was in a
19 different sort of stage of development, had
20 different issues that needed to be addressed.

21 So, in fact, it took a broad range of
22 consulting skills to tease them out and to work with
23 these communities to identify what precisely the
24 issues were and how to address them. In some cases,
25 it was sort of straightforward redevelopment. In

1 other cases, it was access, providing pedestrian and
2 bicycle access to the train station. In other
3 cases, it turned out to be a roundabout, that was
4 located directly in front of the station that didn't
5 work for cars and didn't work for pedestrians
6 either, and that had to be redesigned.

7 So quite a lot of lessons learned.
8 But the most important thing that sort of came
9 through here is the diversity of conditions and the
10 need to, in fact, have the planning and design
11 skills that can respond to that diversity.

12 New Jersey Transit, using sort of the
13 experience from this first program, instituted their
14 own program called Transit-Friendly Consultant
15 Assistants, which essentially means they've retained
16 several teams of consultants which they then loan to
17 interested communities to work with them on specific
18 projects. So a community approaches New Jersey
19 Transit and says, we are interested in taking
20 another look at the area around our train station or
21 major bus depot. We think there are some
22 redevelopment opportunities. Can you provide us
23 with the technical assistance?

24 And the New Jersey Transit working
25 through their planning department and their

1 consultants will set up a process and essentially
2 provide free planning and design assistance to these
3 communities under that program.

4 The third program that New Jersey
5 Transit uses is the Joint Development Program. This
6 is essentially taking advantage -- and whereas the
7 others are sort of run from their planning division,
8 the Joint Development Program is run from their real
9 estate division. This is a program where they take
10 advantage of land which they own, have acquired over
11 the years, adjacent to train stations which are not
12 needed for the original purposes and can be
13 redeveloped for other uses.

14 So it's a process where, again, it's
15 important to start working with the community at the
16 very beginning developing sort of the planning and
17 regulatory framework for the redevelopment of these
18 parcels. In other words, it has to be a community
19 that's willing to share a vision for redevelopment
20 of these parcels, working with the community to sort
21 of make the necessary changes to their planning
22 framework and zoning framework so that this
23 redevelopment can actually be transit oriented and
24 make sense. And going from there, looking for the
25 private sector partners to build these projects.

1 And obviously being sensitive to the fact that while
2 these projects are in public ownership, they're not
3 generating taxes locally, so looking for ways in
4 which these projects can become tax generators for
5 the community, which is of major interest to them.

6 The Transit Village Initiative, which
7 you have the little brochure of, is a way for the
8 different state agencies to sort of focus their
9 collective resources to support transit oriented
10 development. There is only so much that the transit
11 agency can do on its own. What we found is that a
12 partnership with other state agencies can be
13 extremely beneficial.

14 The Transit Village Initiative is
15 meant to sort of focus on communities that have
16 already developed on their own or with the
17 assistance of some of these other programs have
18 developed a coherent planning and regulatory
19 framework for redevelopment of their train station
20 areas and then by designating them as a transit
21 village, give them priority access to state agencies
22 and priority funding for projects which they may
23 need.

24 So if there is construction of, for
25 example, affordable houses or housing that has an

1 affordable component in the train station area,
2 there might be low-income housing tax credits
3 involved. There might be other programs that the
4 state housing mortgage finance agency administers.
5 So this is meant to sort of provide a direct
6 pipeline into these different projects and have the
7 state agencies work as a team to collectively focus
8 their resources; not just technical assistance in
9 this case but actual investments in these designated
10 areas.

11 And, finally, the Department of
12 Community Affairs, which is where I come from, has
13 its own smart growth planning grant program, which
14 is \$3 million a year. And we fund all kinds of
15 planning, from larger scale regional planning all
16 the way down to sort of individual sites. Some of
17 the projects that we've funded are transit oriented
18 development.

19 For example, we are funding an
20 evaluation at the redevelopment opportunities in
21 five stations along the PATCO line, and that's
22 entirely transit oriented development. And then we
23 also work with major universities' planning and
24 design programs which are always looking for places
25 to do urban design studios.

1 And we've, in partnership with the
2 Department of Transportation or by ourselves, have
3 sort of matched them together with towns that look
4 for planning assistance. And planning and urban
5 design studios are an excellent way to sort of get
6 the process rolling, because you get all sorts of
7 ideas, some of which are whacky but others are not.
8 And, you know, it's relatively inexpensive and you
9 get a big brainstorm, lots of energy and sort of get
10 the ball rolling.

11 So these are some of the ways in which
12 we are supporting transit oriented development in
13 New Jersey. I would be happy to take any questions.

14 REPRESENTATIVE MARSICO:

15 Representative McCall.

16 REPRESENTATIVE McCALL: Thank you.

17 Mr. Rodrigues, tell me, has the majority of your
18 investment in these areas been in existing
19 communities that have the railroad structure already
20 in place or bus terminal? Are you primarily
21 investing in areas that already have infrastructure
22 in place?

23 MR. RODRIGUES: Yes. We are building
24 new rail lines on existing rights-of-way. So the
25 new lines that have been built for the most part

1 have been on existing rights-of-way. The one
2 exception is the line that runs along the Hudson
3 waterfront which was not for the most part on an
4 existing right-of-way.

5 Because it's such a hot real estate
6 market anyway, by and large, the private marketplace
7 sort of jumped on the availability of transit and
8 built extensively around the train station and
9 continues to do that.

10 But by and large, the new starts in
11 New Jersey are on existing rights-of-way. The next
12 one to come on line will be the Trenton to Camden
13 light rail which runs on an existing right-of-way.
14 These were all sort of rail communities that had
15 service for many, many years and then it was
16 discontinued. And now it's sort of starting up
17 again.

18 REPRESENTATIVE McCALL: The
19 investments that put the rail down, was that by the
20 private developer or something that the New Jersey
21 Transit Authority paid for?

22 MR. RODRIGUES: No. The private
23 developers, no, we are not in the 19th Century
24 anymore. It used to be that the railroad people
25 would build the railroad and the town at the same

1 time, because they understood the synergies between
2 the two. They made money on the railroad and they
3 made money on the real estate. And the more money
4 they made on the real estate, these things would
5 sort of feed on each other.

6 We are not in that world anymore. So
7 the public funding goes to the infrastructure. I
8 think you might expect in some cases from the
9 private sector some funding for infrastructure in
10 the area immediately around the train station. If
11 there's the need to put in new streets, if there's
12 the need to rebuild sewer systems, you might expect
13 some participation from private developers if the
14 numbers work. And that depends entirely on the
15 local real estate market. But the major investment
16 in the infrastructure is going to come from the
17 public sector.

18 REPRESENTATIVE McCALL: That was the
19 following question. So then the bulk of the funding
20 for these projects, is it coming from the government
21 side, public funding or the private side? The
22 overall development of these areas, where is the
23 money coming from in New Jersey?

24 MR. RODRIGUES: For the housing, the
25 office space, for the uses around the train station?

1 REPRESENTATIVE McCALL: Everything.
2 Give me a number.

3 MR. RODRIGUES: Well, the track --

4 REPRESENTATIVE McCALL: What
5 government investment is in these districts and --
6 when I say government, what the public sector
7 investment is versus the private sector investment.

8 MR. RODRIGUES: The track and the
9 rolling stock, that's public investments. The
10 investment in the infrastructure around train
11 stations, I can't tell you. If there's a need to
12 again rebuild a street, put in a public plaza,
13 chances are that might be public investment.

14 The buildings are privately developed.
15 In some cases, they may require subsidies.

16 REPRESENTATIVE McCALL: I understand
17 all that. I'm just wondering if you have something
18 that we can guage, something that we can look at as
19 policymakers to say, all right, we as the state of
20 Pennsylvania are going to invest X number of dollars
21 in infrastructure. Here is the return on our
22 investment in those dollars. Our return is that
23 there has been \$2 billion worth of growth on the
24 private side. Do you have anything that we can look
25 at that says this is the New Jersey experience, our

1 minor infrastructure dollars have provided \$2
2 billion --

3 MR. RODRIGUES: How many private
4 dollars, the public dollar leverage, I don't have
5 that here today, but I suspect it's available or can
6 be made available.

7 REPRESENTATIVE McCALL: Thank you very
8 much.

9 MR. RODRIGUES: Sure.

10 REPRESENTATIVE MARSICO:

11 Representative Strittmatter.

12 REPRESENTATIVE STRITTMATTER: Thank
13 you for coming today and helping us better
14 understand what you are doing in New Jersey.

15 In Pennsylvania, specifically
16 Lancaster County where I am from, we went through a
17 planning process ten years ago and we came up with
18 urban growth boundaries. The idea of better
19 planning, that was something that was talked about
20 at that time, saving farmland, having these
21 boundaries.

22 The problem has been we have 2600
23 municipalities, you have 500 municipalities. The
24 municipalities within the growth areas have decided
25 they want to keep all the other types of growth or

1 development, for example, industrial growth that
2 hasn't been there for 15 or 20 years. And yet they
3 still want to not allow commercial development in
4 the in-growth areas or other big public arenas or
5 ballparks or stadiums, that they're resisted that.

6 Do you have any similar examples in
7 New Jersey of where that has happened? You've gone
8 through the planning process. You're a planner.
9 The best plan 10 years ago was to go in this
10 direction and have these villages have the growth.
11 And now we come with the term smart growth and
12 trying to get around infrastructure with rail.

13 We have rail in Lancaster, but yet
14 they don't want to put certain things there that the
15 private developers would bring. What the private
16 developers want to bring, the citizens don't want.
17 What solutions have you found in New Jersey that
18 work?

19 MR. RODRIGUES: What leads you to
20 believe that we've found the solutions?

21 REPRESENTATIVE STRITTMATTER: Well,
22 for one reason a lot of our citizens come from New
23 Jersey, and they're telling us that they know better
24 now because they lived in New Jersey. They're
25 telling Lancaster County not to make these mistakes,

1 how they learned from that. So I thought maybe you
2 could update us on what our new neighbors are trying
3 to tell us.

4 MR. RODRIGUES: That's why they moved.
5 These programs that I've described are all obviously
6 based on the premise that there's a local
7 willingness, that there's a local interest. There
8 are many towns that have train stations that are
9 just not interested in changing or think they are
10 not interested in changing. Change happens whether
11 you like it or not, but you really have to be
12 prepared to embrace it and accept it and direct it.

13 You can put your head in the sand and
14 sort of wait for things to happen. There has to be
15 -- communities have to reach that point where they
16 are ripe for accepting change and understanding that
17 the world is changing around them and that they can
18 with the assistance that the state or others provide
19 them technically, financially and so forth, that
20 they can take advantage of what essentially is an
21 asset, the transit facility. Take advantage of that
22 to turn themselves and to reinvent themselves and to
23 turn themselves into better places.

24 REPRESENTATIVE STRITTMATTER: What we
25 were trying to do was, while we were a better place,

1 to make those changes without waiting to be
2 depressed and have everyone without jobs and then
3 say, oh, yes, now I need to do this. Is there a way
4 to entice the neighborhoods and the citizens who
5 don't have the same look into five or ten years out
6 when there is going to be high unemployment and no
7 jobs? Because what I've been told, that there's a
8 very fine line between smart growth and no growth.

9 MR. RODRIGUES: There can be. There
10 can be. I think that without growth, the smart
11 growth sort of falls apart or at least the growth
12 part of it falls apart.

13 These places, many of these places
14 have the capacity to absorb growth, because you have
15 sort of changes in land uses and changes in the
16 local economies. There are many industrial, former
17 industrial facilities, that were located along or in
18 close proximity to our train stations and they don't
19 function anymore and they're prime for
20 redevelopment.

21 In some cases, we've amassed vast
22 areas for surface parking which when the real estate
23 market reaches the appropriate point can be
24 redeveloped with parking decks and other uses. So
25 there is the capacity to accept considerable growth

1 at select locations, but there has to be the
2 willingness locally to sort of participate in that
3 vision. Without that willingness, nothing done.

4 Now, how do you influence that in
5 states that have home rule and are reluctant to use
6 the legislative hammer? You work very hard on
7 educational initiatives. It's hard work. And you
8 publicize your success stories. You do a very good
9 job at putting them out there. Wherever you have a
10 success story, demonstration projects, you make sure
11 that everybody knows about them, because that's part
12 of the educational process. And then you just hope
13 that these things will build on each other, and that
14 if the elected officials in a certain community
15 don't see it, that eventually they will be replaced
16 with others who can. This is the process that we
17 have to work with.

18 REPRESENTATIVE STRITTMATTER: The
19 problem is then that the process to get it done goes
20 through many election cycles, elections every two
21 years. And you're talking about things that take
22 maybe ten years. So you have four or five rolling
23 elections that are taking place.

24 I appreciate you coming to
25 Pennsylvania and sharing your insights. If you're

1 driving back by the way of 283 or 30, I would
2 appreciate it if you'd look at our new Route 30
3 between there and the train station and around that
4 area. And I invite you back in the future to help
5 us do that while we are still strong, that we are
6 able to convince people that now is the time to make
7 those changes rather than having depressed areas and
8 maybe trailer parks that go into areas that are now
9 used as commercial at this time. And they can't pay
10 for the good schools that they need because they are
11 resisting and they want to keep the view open and
12 available to them. These are the problems that we
13 are facing.

14 And then the people who move from your
15 state to our county will then move to another county
16 or to another state, and we will be left with their
17 bad decisions once again. Thank you very much.

18 MR. RODRIGUES: You're welcome.

19 REPRESENTATIVE MARSICO: Any other
20 questions? Thank you very much, sir. We appreciate
21 your time in coming to Pennsylvania.

22 MR. RODRIGUES: Thank you.

23 REPRESENTATIVE MARSICO: Moving right
24 along, we have Edward Troxell, Director, PSAB
25 Government Affairs.

1 MR. TROXELL: Thank you, Mr. Chairman,
2 and good afternoon. I want to thank the
3 Transportation Committee and also my fellow
4 transportation advocates for being here today and
5 allowing me to testify before the committee on
6 Representative Rubley's proposal for the creation of
7 TRIDS, the Transportation Revitalization Investment
8 Districts.

9 Once again, my name is Ed Troxell, and
10 I am the Director of Government Affairs at the
11 Pennsylvania State Association of Boroughs. As the
12 advocate for Pennsylvania's 961 boroughs, PSAB has
13 actively represented its members since 1911.
14 During our 90 plus years, our borough communities,
15 as we've heard here this morning, have undergone
16 tremendous changes, sometimes for the better but
17 oftentimes have we seen in recent years oftentimes
18 for the worst.

19 Sadly, our communities were once the
20 thriving hubs for commerce, development and transit.
21 Having been affected now by out migration, sprawl,
22 and economic contraction, we can witness some of the
23 devastation in our communities as taking place
24 today. However, a lot of our communities have
25 continued to persevere and even flourish in light of

1 these and other conditions.

2 Boroughs, their elected officials who
3 often work freely and voluntarily, along with
4 citizens have used ingenuity and good old-fashioned
5 pluck to insure community survival out of dedication
6 to what they fondly regard as their hometown.

7 PSAB believes that, when given
8 effective management tools, boroughs can
9 simultaneously contribute to community
10 revitalization and needy renewal of the
11 Commonwealth's once heralded transit system. There
12 is no reason to doubt that Representative Rubley's
13 proposal, House Bill 2464, cannot be one of those
14 tools that foster a transit renaissance in
15 Pennsylvania.

16 Since colonial times, boroughs have
17 served as crossroads communities. Yet today more
18 than ever, they are the Commonwealth's
19 often-overlooked integral transit nodes, typically
20 serving as primary alignments for many existing
21 transportation corridors.

22 Among these corridors are the
23 Schuylkill River Valley's Metro Project, which we'll
24 be hearing about a little bit later from Mr.
25 Louwerse. In addition is the Keystone Corridor in

1 southcentral PA, which actually is home to Amtrak.
2 We also have the 28th Division Corridor which starts
3 on 322, a little bit outside of Lancaster. And I
4 was on that yesterday, as a matter of fact,
5 traveling all the way through up into Harrisburg
6 here and eventually it ends up out into Crawford
7 County and eventually into Ohio; and, finally, the
8 Northern Pocono Corridor, which traverses the
9 rapidly growing counties of Wayne and Pike. And
10 there's the growth with New Jersey, New York, and
11 the people that commute a lot of times that way.

12 These illustrations lend just a few
13 proofs to why PSA believes that this legislation can
14 really lead to a renaissance and see a real value
15 behind 2464.

16 As a borough advocate myself, these
17 are some of the theoretical rationales behind why we
18 promote this role. My role in government affairs
19 also entails taking a look at the actual language
20 itself of 2464. I have listed here some of the
21 suggestions made to be changed. They're fairly
22 technical, and I'll leave that to staff. We will
23 work on this in the future.

24 And some of the changes listed here
25 are just relatively to give the municipalities more

1 of a role, an active role, not so much a dominating
2 role, but a more collaborative and cooperative role
3 there.

4 With those technical changes made that
5 we'll lead into, we really feel and look forward to
6 supporting this legislation on its way for the
7 growth of Pennsylvania's boroughs and for the growth
8 of PennDOT's 28 corridors that they focused on
9 during their Penn Plan move. So I think altogether
10 with the TRID legislation in place, this is not just
11 a southeastern Pennsylvania bill, but it's a
12 statewide Commonwealth beneficial product.

13 With that short opening there, I would
14 just like to say I would be willing to answer any
15 questions you may have at this point.

16 REPRESENTATIVE MARSICO: Any questions
17 from the members? Thank you very much, Ed.

18 MR. TROXELL: Thank you, Mr. Chairman.

19 REPRESENTATIVE MARSICO: Our last
20 testifier is Dennis Louwerse, Executor Director/CEO,
21 BARTA.

22 MR. LOUWERSE: I was talking to
23 Representative Rubley, and she said it's tough being
24 last. I always remind her, I only want to be first
25 when it really matters. Not that this doesn't

1 really matter, but I'll save my first for some other
2 time.

3 I am Dennis Louwerse, Executive
4 Director/CEO of the Berks Area Reading
5 Transportation Authority, BARTA. I am happy that
6 you gave me this opportunity. I also recognize our
7 good friend and long-time supporter, Representative
8 Dante Santoni, who has been very supportive of
9 public transportation in our community.

10 I am hoping to bring to you today
11 really another perspective, to provide you a small
12 city's perspective and actually talk about some
13 actual experience, what I call the preTRID activity
14 that's taking place in Reading, Pennsylvania.

15 I would like to talk about two
16 projects in particular. The first is the BARTA
17 Transportation Complex Project. It is and was, in
18 fact, a TOD, a transit oriented development,
19 project. It was completed in downtown Reading.
20 And, again, it was completed without the benefit of
21 TRID, sort of hopefully a good example of why the
22 TRID is needed.

23 This project has three distinct but
24 integral components. The first is the BARTA
25 Transportation Center, which has been completed. We

1 moved in in March of this year. It is a total
2 intermodal transportation hub. It is the focal
3 point of the BARTA bus system. So right now it is a
4 bus only TOD. Hopefully, with the Schuylkill Valley
5 Metro, it will become really a multimodal in its
6 nature.

7 It contains all the passenger
8 amenities. It contains what we think is a very
9 positive and unique situation, a community police
10 station in our new facility. It also has retail
11 space, parking and other opportunities that we are
12 pursuing at this particular time.

13 The second component of the project is
14 a park-n-transit facility which will be eventually a
15 four-level parking transit facility with 450 parking
16 spaces, which is currently being implemented.

17 And the third phase is the restoration
18 of the Franklin Street Station, which is a historic
19 railroad station. I'm sure you all played Monopoly
20 when you were a child. This is the Reading-Franklin
21 Street Station which we hope to restore in terms of
22 a private/public partnership and a very important
23 part of this whole area.

24 These three projects are three
25 separate parcels which are located very close to one

1 another.

2 Again, this was a transit oriented
3 development project. The overall transportation
4 system of the community was and is improved. There
5 was and is local government and multiagency
6 cooperation, and there was limited private/public
7 partnership. This project along with our neighbor,
8 which is the convention center, which is called the
9 Sovereign Center, which opened six months before the
10 BTC, has brought dramatic revitalization to downtown
11 Reading.

12 I believe that even greater
13 opportunities could have been realized and benefits
14 received if we would have had this TRID legislation.

15 One of the important things is working
16 with all the other government entities. I don't
17 think Reading is any different than anywhere else.
18 Sometimes those processes take a lot of time and
19 energy. But we worked with, of course, our Parking
20 Authority, the city, the county, our Convention
21 Center Authority, some of our private realtors. All
22 this took a long effort and a long time because
23 there are, in fact, different visions in terms of
24 what is needed and what isn't needed.

25 I think the TRID legislation really

1 provides the process that communities can follow.
2 We were -- I just tried to use a common sense
3 approach. Probably fortunately for me, in a
4 previous life I was in the housing and redevelopment
5 field. So that experience obviously helped me
6 having been in this field as well.

7 Again, the cooperation is so vitally
8 needed. If we would have value capture, that
9 potential in the TRID, I think we would have -- that
10 would have been a much greater benefit. I think we
11 would have had greater private/public participation.
12 Everybody wants to know what is the private's
13 influence on public investment. Well, in our case
14 it really is leasehold value in our facility and the
15 rent which the retail space receives from the people
16 who have their businesses in there, and also a
17 service fee which is collected to go to pay the city
18 for the services that these private businesses
19 enjoy.

20 In reality, with the TRID legislation
21 in place, I would have thought that we could have
22 had some private ownership of our facilities, not
23 just the public ownership.

24 We are very proud of that project. It
25 had great success. However, I think if the TRID

1 would have been in place, we would be even happier
2 about the results that we had.

3 The next project is called the
4 Schuylkill Valley MetroRail Project. This is a
5 joint project of BARTA and my little larger neighbor
6 to the south, SEPTA. It is a proposed 62 mile rail
7 line between Philadelphia, Reading and its western
8 suburbs. The region within the corridor is one of
9 the faster growing areas in southeastern
10 Pennsylvania.

11 Its two principal highways, the
12 Schuylkill Expressway, I-76 and US Route 422
13 Expressway as well as many of the arterial and
14 secondary roads are quite frankly plagued by
15 congestion. With the tremendous growth of jobs and
16 population taking place in this corridor, land
17 development is occurring rapidly with commensurate
18 loss of farmland and open space.

19 Meanwhile, many of the older
20 industrial towns in this corridor like Reading,
21 Pottstown, Phoenixville, Norristown and others are
22 in need of economic development. I would say to you
23 that the Schuylkill Valley Metro Project is a
24 transit-led, rather than a highway-led project.

25 Now, we have had many highway-led

1 projects in this state. And some of you have had
2 highway-led projects in your district. When that
3 investment was made, many times people just thought,
4 okay, well, we need to have more lanes, we need to
5 carry the people faster. But those highway-led
6 projects have resulted in tremendous development,
7 tremendous tax base, a lot of economic growth.

8 I mean, any development project has
9 negatives and positives. You get the money but you
10 also get the overabundance of growth and all the
11 problems that go with it.

12 The Schuylkill Valley Metro, again, is
13 a transit-led project. The SVM MIS/DEIS include
14 four broad goals; a transportation goal, a
15 socioeconomic goal, an environmental goal and a
16 financial goal. These goals were developed through
17 a cooperative and community oriented process. The
18 community process is an important aspect of the
19 proposed TRID.

20 You are not just setting a legal
21 structure. You are actually providing a community
22 process.

23 I have been in the public side for
24 many years. And believe me, the public's input and
25 the public process is extremely important. It's not

1 easy. Believe me, it's not easy. I mean, some
2 people like you a whole lot. Others don't want to
3 talk to you at all. But the process is important.

4 In conclusion, the Schuylkill Valley
5 MetroRail studies process and community-partner
6 process developed a broad range of benefits.
7 Specifically, the MetroRail will provide a safe,
8 high-quality, multi-modal transportation service in
9 the corridor, which will help reduce gridlock,
10 provide direct transit access to regional
11 employment, residential, arts and cultural and
12 recreation centers; serve to stimulate economic
13 growth, create new construction and employment,
14 create new real estate development opportunities,
15 revitalize older communities, manage growth,
16 preserve and promote environmental quality,
17 incorporate modern rail technology and serve as a
18 model for public/private development.

19 It is obvious at least to me that the
20 benefits of the TRID legislation will greatly
21 enhance our ability to hopefully have the successful
22 completion of the Schuylkill Valley MetroRail
23 Project. But it is not only -- this is not only for
24 one part of the state. You have -- and I'm familiar
25 with all of these. You have the Corridor One

1 Project, which is extremely important; again,
2 another transit-led growth project. You have, of
3 course, the Northeast Project from Scranton to the
4 Poconos, to New Jersey, to New York. Of course,
5 there are many activities in Pittsburgh. There's
6 some activity going on regarding the Erie to
7 Cleveland.

8 Quite honestly, we are in our
9 Schuylkill Valley Metro Corridor, we are maxed out.
10 There is no place to build another highway, but we
11 are in a crisis mode when it comes to our
12 transportation needs. We need another solution.

13 I think that solution is projects like
14 the Schuylkill Valley Metro, and your legislative
15 proposal will help those kind of projects move
16 forward.

17 And finally -- I'm sure I said
18 probably more than you wanted me to say -- if you
19 are a student of history, which I am, you find that
20 railroad, the railroads and heavy industry, fueled
21 the economy of the Schuylkill River Corridor. That
22 fueling of the economy had such great economic
23 impact, it impacted Pennsylvania, it impacted the
24 nation.

25 Now the MetroRail and a new and

1 diverse 21st Century industry can fuel the economy
2 of tomorrow. Now, that can happen not only on the
3 Schuylkill Valley Metro Corridor but it can happen
4 on other corridors as well. Again, that history was
5 great when the trains were good and heavy industry
6 is good. Now we need to look at new modes of
7 transportation, new industries, high-tech
8 pharmaceuticals and others that will gravitate to
9 these type of developments.

10 In my opinion, the TRID legislation
11 can really help these potentials become reality. I
12 thank you very much for having me, and I would
13 certainly be very happy to answer any questions,
14 should you have any at this late hour.

15 REPRESENTATIVE MARSICO: Thank you,
16 sir. Any questions?

17 Seeing no questions, we thank you very
18 much for being here and your input. Perhaps we
19 will have discussions in the future regarding your
20 project as well as Corridor One throughout central
21 Pennsylvania.

22 MR. LOUWERSE: I would be happy to do
23 that. Thank you very much.

24 REPRESENTATIVE MARSICO: Thank you
25 very much. This concludes our hearing on House Bill

1 2464. Once again, I want to thank the testifiers as
2 well as the Penn State University Medical Center as
3 well as the Pennsylvania Cable Network for being
4 here.

5 Thank you.

6 (The hearing concluded at 12:26 p.m.)

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I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me on the within proceedings and that this is a correct transcript of the same.



Jean M. Davis, Reporter
Notary Public

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