



GREATER PHILADELPHIA CHAMBER OF COMMERCE

200 South Broad Street, Suite 700, Philadelphia, PA 19102-3896 | P: 215-545-1234 | F: 215-790-3600 | greaterphilachamber.com

TESTIMONY OF
GREATER PHILADELPHIA CHAMBER OF COMMERCE
TO THE
HOUSE FINANCE COMMITTEE
Public Hearing on HB 1461
Proposed Waterfront Development Tax Credit
THURSDAY, JANUARY 23, 2014 - 10:00 AM
Independence Seaport Museum
211 S. Columbus Blvd. & Walnut St.
Philadelphia, PA.



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Thank you for the opportunity to offer testimony on HB 1461, legislation establishing a Waterfront Development Tax Credit to encourage private investment and spur economic development, environmental improvements and public recreational enhancements along waterfront properties in Pennsylvania.

We commend Representative Tom Killion and Senator Randy Vulakovich and other sponsors for introducing this legislation in an effort to benefit communities throughout our region and across Pennsylvania.

The Greater Philadelphia Chamber of Commerce is dedicated to promoting regional economic growth, advancing business-friendly public policies, and servicing our 5,000 members through outstanding programs, benefits and services.

Investment in the region's infrastructure is one of the Chamber's highest priority public policy goals. Local infrastructure assets including access to major waterways and shipping ports offer a competitive advantage in business attraction and job growth. In addition, the region's tourism industry and quality of life benefit from the valuable amenities presented by our waterfront access.

Riverfront investment and related projects are having a remarkable impact on economic and community development in the region.

Revitalization and development at the Navy Yard is expected to support 20,000-30,000 jobs. The quality of the environment at the Navy Yard, including the parks and open space, trails and bike paths along the Delaware river, historic and attractive new buildings and the growing on-site amenities like food and beverage options creates a unique atmosphere that helps attract and retain workers.



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Development of the Philadelphia Union's new world-class waterfront stadium in Chester, PA, and Harrah's Chester Casino and Racetrack has had a positive impact on local community development and job growth.

These successful projects are evidence that riverfront properties can be prime locations for economic development and public recreation. Oftentimes, however, revitalization of waterfront land can require additional costs due to barriers including contamination from previous industrial use. Despite the desire to enhance waterfront areas, access to sufficient funding can present a formidable obstacle and delay progress on needed investment.

HB 1461 would provide funds for waterfront development projects by creating the Waterfront Development Tax Credit. Capped at \$10 million annually, the tax credit would be available to individuals or businesses that contribute to non-profit waterfront improvement organizations. The organizations and the projects would need approval by the PA Department of Community and Economic Development prior to participation in the program.

Under the bill, eligible uses include: streets and public rights-of-way; waterfront parks, gardens and open spaces; access to public utilities, erosion control, storm water management and other environmental projects which promote economic development; water transportation facilities for use by the public, including water transit landings and boat docking; and amenities, including infrastructure and recreational projects.

In the City of Philadelphia, two new master plans for development of the Central Delaware Waterfront and the Lower Schuylkill River could benefit from enactment of this legislation.



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The Master Plan for the Central Delaware Waterfront was recently lauded as a “a brilliant blueprint for revitalizing the waterfront and intelligently integrating it with the character of the city’s many neighborhoods along the Delaware River.” The Delaware River Waterfront Corporation (DRWC) worked to develop and manage implementation this plan to transform the central Delaware River waterfront into a vibrant destination location for recreational, cultural, and commercial activities for the residents and visitors of Philadelphia.

DRWC has a solid pipeline of truly shovel ready projects that would be eligible for funding under this legislation.

In May, 2013, city officials and partner organizations including the Philadelphia Industrial Development Corporation introduced the Lower Schuylkill Master Plan, an economic development and revitalization initiative for a 3,700-acre, historically industrial corridor on the east and west banks of the lower Schuylkill River. At full build-out, the Lower Schuylkill is projected to support new research and production facilities that employ up to 6,500 people, and generate \$63 billion in total economic impact. According to city officials, this portion of the Schuylkill River was once a vibrant hub for heavy industry, but poor access and environmental conditions have deterred comprehensive development in this corridor.

Following a comprehensive study that showed a critical shortage of modern industrial sites in our region, officials determined that based on its size, industrial character, transportation assets, and proximity to economic engines, the Lower Schuylkill can once again be a site for innovation and growth of Philadelphia’s economy. The Waterfront Development Tax Credit could be a valuable tool in advancing elements of the Lower Schuylkill Master Plan to reposition the area into a dynamic mixed-use site.



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The Schuylkill River Development Corporation (SRDC) is another valued organization working to create a vibrant riverfront greenway space along the tidal Schuylkill River and enhance connections to the greenway. 1.2 miles of this 8 mile stretch have already been completed, along with bridge enhancements and other accessibility improvements. SRDC is currently working with public and private partners to plan, design and build additional trail segments and improve neighborhood connections to the greenway.

The Waterfront Development Tax Credit would also help SRDC advance their vision for trails and greenway running along both banks of the Schuylkill River wherever possible between the Fairmount Dam and the Delaware River.

Efforts in other parts of our region could also benefit from the investment encouraged by this tax credit program. For example, the Bucks County Waterfront Revitalization Plan envisions a vibrant and accessible waterfront with a public riverwalk flanked by natural areas, stable existing communities complemented by vibrant new businesses and residential uses.

The Waterfront Development Tax Credit offers a unique way for organizations and investors to work together to restore and revitalize waterfront areas to benefit the entire community.

Again, we commend the sponsors of this legislation for their vision and efforts to promote economic and community development in Pennsylvania. The Waterfront Development Tax Credit program offers a valuable incentive to stimulate private investment, job creation and a better quality of life.

Thank you again for the opportunity to offer comments.



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