



Lehigh Valley Planning Commission

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Lehigh Valley Planning Commission Testimony

to the

Pennsylvania House Local Government Committee

**Given by Steven Glickman, Chair, Lehigh Valley Planning Commission and
Becky Bradley, AICP, Executive Director, Lehigh Valley Planning Commission**

Written Testimony of Steven Glickman

First, thank you to the Pennsylvania House of Representatives Local Government Committee for holding this important hearing. In a region growing as quickly as ours, the proposed House Bill 782 is welcome and timely, as the Lehigh Valley Planning Commission's testimony will demonstrate.

I'm Steven Glickman, the LVPC Chair and have served the bi-county planning agency for Lehigh County and Northampton County for over 25 years. Because of my tenure on the Commission, I have knowledge of how land use changes affect communities, I have commented on thousands of proposed subdivision and land development plans and contributed to the evolution of our regional comprehensive plan, all to support the health and vitality of the Lehigh Valley.

It is of note, that the municipal, state, and federal governments we partner with, all work together with the private and non-profit sectors and the public as a whole to support responsible economic growth while balancing all needs of community, from jobs to the environment, to hazard mitigation and emergency response to the impacts on our transportation system. Growth in the Lehigh Valley is evidence of our success, but we have reached a tipping point where additional tools are needed to maintain the balance that we strive for. The proposed House Bill 782 is a positive and proactive step toward expanding the tools needed by county and municipal planners, Commonwealth Departments and even our federal agencies to address the fundamental increases in the volume, scale, and complexity of development that we see today. It is a new compound-complex and global economy that we live in, which affects everything from how we live to how we recreate and shop, and the tools available to us *must* reflect today's society, while supporting the future economies we are laying the foundation for today.

By way of reference, the Lehigh Valley Planning Commission is now completing 1,200 or more reviews per year, up from around 850 pre-COVID-19 Pandemic. And we were growing prior to this world altering event, however, during the Pandemic, online and in-app shopping, and the

movement of critical supplies to hospitals and grocery stores sky-rocketed in importance. With the Lehigh Valley's proximity to the now largest port in the US -- The Port of New York and New Jersey -- lower land costs and taxes in Pennsylvania compared to New Jersey, less traffic congestion and even a more efficient and transparent land development process, regions like the Lehigh Valley have seen and continue to experience unprecedented growth. Even with inflation and a fundamentally different economy than in 2020, our region continues to grow, especially in the industrial and waste disposal and recycling sectors, with legacy quarrying operations and petroleum storage hubs.

As the bi-county planning commission, we release the Pennsylvania Municipalities Planning Code-required annual report which includes a detailed development update by March 1st annually. Last year, *a single year*, the development report showed that we did more than 1,200 reviews, including 547 subdivision and land development reviews -- *the most since 2008* -- and 223 *stormwater management reviews, which is the most since 2006*. Our reviews also include Pennsylvania Department of Environmental Protection permitted project reviews, state and federal grant funding reviews, sewage facilities and solid waste plans, ordinance amendments and zoning maps, and street vacations. All due to our growth.

Among those increases, is a drastic jump in the number of ordinance and map amendments our communities are filing. We've seen nearly 100 of these amendments since the start of 2022 and are on pace this year to see the most since 2007. These amendments are how our community partners are attempting to respond to this growth spurt the region is having. It shows they are using the existing tools provided by the MPC, but more is needed.

Our committee and full commission meetings have doubled in length, often over two hours just to process land uses of regional significance, and these are only the largest development proposals we see every month. The proposals themselves are larger and more complex in their nature, with an existing 40-foot-tall cold storage warehouse being proposed to increase vertically to over 100 feet -- roughly a ten-story building in a community with no fire apparatus available to respond to an emergency. We've had no less than four former stone quarries proposed for upwards of 40 million square feet of logistics and mega-storage buildings. More and more of these expanded and reimagined uses occur in areas without adequate sewer and water, roads, or bridge infrastructure, making it hard for employees to access these sites or employers to operate efficiently, even as same day and two-day delivery becomes an expected part of our purchasing decisions.

We have continued to dedicate the county planning reviews, which are early in the land development process and largely advisory, to being more detailed, thorough, and comprehensive so they can be a greater resource for our municipal partners trying to manage development in their communities. It also helps support the public information and dialogue on the increasing complexity and intensity of growth regionwide. Whether you read the Wall Street Journal or turn an eye toward the words of Federal Reserve Chairman, Jerome Powell, growth continues even in an inflationary economy. And, Pennsylvania is in a unique position, as a keystone or gateway between the Northeast, Mid-Atlantic and Midwest, to take advantage of it. With the Lehigh Valley's gross domestic product now higher than the entire state of Vermont, New Hampshire, or Alaska, and now the 11th largest industrial market in the Nation at over 116 million total square feet, we are a bellwether for what the rest of Pennsylvania can expect. But I ask you at what cost?

Lehigh Valley municipalities have approved 4.6 million square feet of manufacturing, mineral extraction and general industrial within the past seven years. Over that same period, more than 30 million square feet of warehouse, e-commerce and logistics has been approved. Compare municipal approvals to the proposals the LVPC has reviewed through mid-year 2023 and more is coming. A potential 26.6 million square feet of warehouse, e-commerce, and logistics and a little over 1.5 million square feet of general industrial, mineral extraction and manufacturing space could be built in the coming years. If local governments approve all of the plans proposed, new inventory will increase--- **over only eight years** --- from 30 million square feet to **over 58 million square feet** of warehouse and **nearly 6 million square feet** of manufacturing.

Some of this development is good and remediates and redevelops former brownfield sites near adequate supportive infrastructure, like the former Bethlehem Steel site. Other proposals, even some redevelopments, route trucks through neighborhoods. They are often routes past schools, daycares and senior facilities, on two-lane, low-speed and volume roads, across structurally deficient bridges and through multiple communities, miles from the highway network needed to support them. Yet, key tools to address the scale and breadth of impacts are largely missing from the Pennsylvania Municipalities Planning Code today.

Executive Director, Becky Bradley, of the LVPC will share further details on what tools are needed how they can help everyone, even developers.

Written Testimony of Becky Bradley, AICP

Thank you Chair Glickman and thank you to the House Local Government Committee for the opportunity to testify today as not only a county planner but, as an American Institute of Certified Planners credentialed professional with 25 years of experience, including over 20 in Pennsylvania, as a Pennsylvania Municipal Education Planning Institute instructor, as a Professor of Practice at Lafayette College, as a transit agency board member for twelve years, and as the Secretary of the Lehigh Valley Transportation Study metropolitan planning organization for ten years, and both an LVPC and LVTS board member for eight years prior. I love planning, and I especially love the results of great planning. That is not easy or gracious in Pennsylvania and evermore difficult in the midst of a fourth industrial revolution in a diversifying and rapidly urbanizing region, like the Lehigh Valley.

To be clear, we are not anti-development. One of the truly great things about the Lehigh Valley is that it is both beautiful and bustling. Our mission is to strike a balance between those two. We want managed growth and smart development that drives the Lehigh Valley economy, while preserving the things that make this region special.

As you are aware, one of the primary tools of the planner's trade is the Pennsylvania Municipalities Planning Code, adopted by the Legislature in 1968 and, amended little in its overall framework since. This law established the basics for county and local governments to prepare comprehensive plans, zone, regulate subdivision and land development, develop municipal capital improvement plans and voluntarily cooperate on matters outlined in this law. It was written before the end of the Vietnam War, the realization of the interstate highway system, and prior to cable television, cell phones and the internet. It carries the tone and tenor of the time in which it was written. Because the world has vastly evolved, interpretations of the Municipalities Planning Code are left up to the interpretation of the courts and a few brave local

officials with reserve enough to stand up to challenge. The courts don't always agree, and communities are left with some but, not all of the tools that they need to manage, growing stress on all forms of infrastructure, from wastewater treatment and stormwater facilities to roads and bridges, greater difficulties getting people to jobs among other challenges that work against the public, health safety and general welfare. And, in the worst cases, critical habitats, natural, historic, and cultural landscapes are disrupted, forests are cleared, farmlands disappear along with the farming economy, and a growing competition between land uses, especially for housing and public facilities, is created. Add just these factors up and we institutionalize everything from longer commutes which leads to lowered air quality and poorer health outcomes to more traffic on roads and bridges not built to withstand the frequency and weight of vehicles traveling them, leading to the need for more frequent and expensive repairs. And these are just two examples of what a dated legal framework reinforces. It's planned-unplanning, inconsistency and confusion leading to higher costs to taxpayers and developers alike.

From early spring to June of this year I had the opportunity to participate in the State Planning Board's Ad Hoc Committee on Local Permit Reform, at the request of Governor Shapiro. Our goal was to review and make recommendations for the streamlining the 2,416 subdivision and land development ordinances and 1,740 zoning code processes in the Commonwealth and to incorporate this into a series of recommendations. This was the second time in a decade that this had been undertaken. We met at least weekly, often more frequently and *Permitting Reform Revisited 2023* report was released in July.

Seven core findings emerged from this report:

- The local land development review process is complex.
- Insufficient capacity and expertise in the public and private sector can result in delays, expense, and less-than-optimal development.
- The need for education in both the public and private sectors.
- No consistent location for those involved with the process to find educational materials.
- Poor-quality submissions result in delays and wasted resources.
- The lack of integration among various federal, state, and local permitting processes causes development quality concerns.
- Caution is needed around creating any new unfunded mandates for both county and state agencies for the implementation of any newly authorized options as well as the necessary best practices training programs.

As it relates to the modernization of the Municipalities Planning Code and House Bill 782, several legislative themes emerged: getting to yes, no, or maybe with conditions faster. Better, cheaper, faster for everyone, equitably. House Bill 782 takes a partial step in this direction by recognizing that all land uses, especially waste-handling, quarries, intermodal terminals, and land uses of impact beyond a single community's borders are worthy of additional detail during the land development review process. The bill also urges coordination between county and local governments and state agencies from the Pennsylvania Department of Transportation to Department of Environmental Protection. I would urge that the Pennsylvania Department of

Conservation and Natural Resources, as managers of ecological and geological resources and the Department of Agriculture, at a minimum, be added as coordinating entities.

Because of the rapid and large-scale development, we have been experiencing in the Lehigh Valley, in 2021 we began piloting "Land Use of Regional Significance Partner Meetings", similarly to what is outlined in the House Bill. As county planners we have only 30 days to review and provide comment in subdivision and land development plans or inaction is by statute deemed support of the application. This is a quick turnaround for even small development, and a heavy lift for proposals of 500,000 to 1 million square foot buildings, let alone multiple plans of this scale and intensity at the same time. We quickly realized that we needed to understand not only the impacts local governments were anticipating but, the need for PennDOT highway occupancy permits, additional travel lanes, turn signals, county bridge structural ratings and transit agency coordination. Add to that coordination with county conservation district and DEP permitting and in some cases, coordination with multi-state compacts like the Delaware River Joint Toll Bridge Commission or Delaware River Basin Commission, and multi-municipal comprehensive planning communities, to name a few. The New Jersey Department of Transportation has even requested coordination on developments affecting infrastructure patterns and frequency. We have a better understanding of the interrelationships between regulatory processes and this informal coordination is leading to clearer, more coordinated, and organized responses among all advisory and regulatory agencies. House Bill 782 embeds a more formal process into the Municipalities Planning Code again, making governments overall function more efficiently, reducing confusion and coordinating for better outcomes for everyone.

One key element of House Bill 782, which is supported by the *Permitting Reform Revisited 2023* report is to expand authority of specific plans. In the case of the House Bill, it's through the provisions for impact analyses. Nine out of ten warehouse, e-commerce, or logistics buildings, and as LVPC Chair Glickman noted earlier we have reviewed over 58 million square feet of these facilities in under eight years, are proposed without a known end user. If the average building that is proposed is now around 500,000 square feet each that's roughly 90 buildings proposed just in the Lehigh Valley without having any indication of how much traffic will be generated, where that traffic will go, how employees, tractor-trailers, and delivery vans will get to and from the facility, if an intermodal rail siding is needed, where goods will be moving to and from, if public water or sewer will be needed, where trucks will be parking or other basic information. The best a community can do is have requirements in their subdivision and land development ordinance for a traffic study, which will be based on estimates, for an unknown industrial user. These studies are inaccurate at best and lacking the fundamental details, including impacts to natural, historic and cultural resources, adjacent communities who may be impacted the most, need for the bridge replacements or other critical factors affecting the public health, safety and general welfare.

We have worked hard to prepare our communities. We've recommend how they should amend through ordinances and maps, and as you heard from chairman Glickman, they are responding. We recently worked with Northampton County to Create a Freight-Based Land Use Management Guide, and we're going to create one for Lehigh County soon. But our communities need more tools.

You will hear from countless developers that change is too costly and will slow or stop growth but, it is important to note that CBRE, a national industrial developer and property management company, releases quarterly reports detailing county-by-county information on rent, leasing

activity and property development. In its second quarter report, industrial warehouse tenants are paying a little over \$10.54 a square foot per year for space. That's up almost 37% from \$7.70 a square foot per year from the beginning of 2022. For a 500,000 square foot facility, which is typical size for an industrial building in the region, at \$10.54 a square foot per year, an industrial property owner will collect \$5.27 million/year in rent. Over the average lease length term of 8-years that's \$42.2 million in rent for a single 500,000 square foot building.

If you use this average across the 116 million square feet of industrial regionwide, the private sector industrial property owners combined are earning around \$1.22 billion in industrial rents each year and \$9.78 billion over the average 8-year lease term. With that kind of money to be made, having to provide a little more useful and relevant information is not going to cause a developer to walk away.

Building tools into the development process that ensures that our communities are protected and thrive is far from too much to ask from a multi-billion-dollar industrial development community. And, that's just in Lehigh and Northampton Counties.

In this region alone, the Lehigh Valley Transportation Study has identified nearly \$2.5 billion in unmet transportation infrastructure needs today. That is in addition to the over \$5 billion in investment in the region's road, bridge, and transit system by the US Congress and matched by roughly 20% by you, the Pennsylvania Legislature. That's an additional \$500 million that just Northampton and Lehigh Counties will need from you in addition to the \$1 billion that you typically provide in federal transportation infrastructure match dollars, over the next 25 years to maintain a state of good repair. And, this is after the recent additional investment by the US Congress through the Bi-Partisan Infrastructure Law. And, this is only one aspect of need regardless of the growth and development we are experiencing and anticipate experiencing over the next two decades.

Don't let more become gluttony. It's up to all of us to manage our communities, counties, and the Commonwealth in the interest of our public health, safety, and welfare. Better land use tools are needed to do this more effectively.

In closing, while House Bill 782, doesn't do everything to modernize the Municipalities Planning Code it takes a critical, prudent and necessary step towards increasing coordination between levels of government, developers and the community, adding expedited review processes, elevating land uses with impacts beyond municipal or county borders, reinforcing professional review and approval processes, and requiring the effects of regionally significant developments to be understood prior to approval. The bill recognizes the global and interconnected nature of modern life and sets a foundation stone or two for the Commonwealth to continue to see growth, in a balanced, fiscally responsible, resilient, and sustainable way. It is what our community, time and time expects of us, and of you, and we urge you to advance this bill to the full Legislature for adoption. Thank you.