1	COMMONWEALTH OF PENNSYLVANIA HOUSE OF REPRESENTATIVES
2	URBAN AFFAIRS COMMITTEE
3	COATESVILLE CITY HALL, COUNCIL CHAMBERS
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5	WEDNESDAY, MAY 11, 2016 10:00 A.M.
6	PUBLIC HEARING ON BLIGHT
7	
8	BEFORE: HONORABLE SCOTT A. PETRI, MAJORITY CHAIR HONORABLE BECKY CORBIN
9	HONORABLE JERRY KNOWLES HONORABLE HARRY LEWIS
10	HONORABLE JAMES R. SANTORA
11	HONORABLE ED NEILSON
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1	COMMITTEE STAFF PRESENT
2	CHRISTINE GOLDBECK EXECUTIVE DIRECTOR, HOUSE URBAN AFFAIRS COMMITTEE
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4	V. KURT BELLMAN RESEARCH ANALYST, DEMOCRATIC COMMITTEE
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PROCEEDINGS

CHAIRMAN PETRI: Ladies and gentlemen, we're going to call this informational meeting of the House Urban Affairs Committee for Wednesday, May 11th, 2016 --- oh, I'm sorry, the mic is off.

Let me start over. Ladies and gentlemen, we're going to call this informational meeting for the House Urban Affairs Committee to order. First order of business will be the rollcall. Would you like to call the roll?

REPRESENTATIVE CORBIN: I would, Mr. Chairman.

Thank you.

ROLLCALL TAKEN

CHAIRMAN PETRI: Thank you. For the members and the audience, there are a number of hearings today around the State. And because members are on multiple committees, it makes it difficult for them to be in two places at one time. In fact, a couple of our members may have to leave early because there's a hearing down the road on gaming.

We're going to do --- start with the self-introduction, and then we're going to go to opening remarks. I'm going to have some opening remarks. And I know my colleague, Representative Neilson, will have some opening remarks, and then we'll turn it over to Representative Lewis for opening remarks. Then we'll get into the testimony.

We do have slated testimony and time, but that's really for a benchmark. Don't feel constrained that we're going to hold you strictly to that time period. So without further ado, why don't we start with opening comments?

Indicate where you're from, and if you want, some of your background that may help the audience understand. We'll start with Representative Santora.

REPRESENTATIVE SANTORA: Thank you, Chairman. My name is Jamie Santora. I am a Representative from Delaware County, the 163rd District. My background was for many years in real estate development. Actually, one of my former colleagues I see out in the audience there, Mike Trio. Hello, Mike. We worked together at O'Neill Properties in King of Prussia for many years.

I did development work from as far down as Florida, but primarily in the northeast corridor and got a lot of interest in what's being discussed here today with development and blight and everything else. So I look forward to this hearing.

CHAIRMAN PETRI: Representative Knowles, thank you for appearing. Would you like to give the audience some background on yourself?

REPRESENTATIVE KNOWLES: Yes. Great to be here, Mr. Chairman. A little bit of a problem finding it, but it's great to be here.

I was a former Borough Councilman, Borough Lawyer,
County Commissioner and recognize the issue that we're dealing
with here today, how important it is, and I look forward to the
testimony of the testifiers.

CHAIRMAN PETRI: Representative Neilson?

REPRESENTATIVE NEILSON: I'm Representative Ed

Neilson. I'm out of Philadelphia County. I'm a former

Councilman of the City of Philadelphia. And I'm going to --
I'll use this as my time to open up a little bit, ---

CHAIRMAN PETRI: Okay. Fine.

DEDDECEMENTINE NETICON. if I was Mr. Char

REPRESENTATIVE NEILSON: --- if I may, Mr. Chairman, and then I'll come back. It's been a pleasure working with Representative Lewis because some of the issues that he sees in blight is some of the issues that we see in Philadelphia, people losing their jobs and the homes becoming vacant, banks owning it from out of state and no way to get in touch with them, and there they are just sitting there, sitting there, rotting away, and making a nuisance for the neighbors and the community as a whole. It's something that weekly Representative Lewis and I talk about on the House floor, on what we've done in the City and how we can help this city along to fight these issues.

And I'd like to also compliment the Chairman for bringing this hearing to the communities itself because many times we see, when we watch PCN or we watch the TV, and we

see all these hearings being done inside Harrisburg, but it's better that we have inside the community and we're able to walk through other people's community, as we did with Representative Lewis yesterday, how they had us tour and actually see the issues themselves because not every community faces the same thing as this community, and it's something that we have to do as Representatives of the Commonwealth to get to know each other a little better and to work together in a bipartisan manner. And it's been a pleasure serving with him, and I look forward to doing it some more. And I look forward to a good hearing, Mr. Chairman.

CHAIRMAN PETRI: Thanks.

REPRESENTATIVE NEILSON: Thank you.

MR. BELLMAN: My name is Kurt Bellman. I'm with the Democratic staff of the Committee. I'm a research analyst. I grew up in Minority Chairman Caltagirone's District, although I now live in Lancaster County.

CHAIRMAN PETRI: I'm Scott Petri. I'm Chairman of the Urban Affairs Committee, also Chairman of the Ethics

Committee. My district is in Bucks County and in an area that has faced some blight as well. I'll come back to some of the work --- issues that we're working on, but blight in the end is something you know when you see. And when we took the tour yesterday --- and by the way, thank you for all the hosts and

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the information. It was fascinating to see. Sometimes you can
see blight from the outside and sometimes it's more on the
inside as well. But because of the 2008 economy, a lot of
communities have faced vacant properties, which is really what
we're talking about, absentee owners, code violations,
properties that fall into disuse.
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And the issue of reuse of buildings, restoration of buildings, becomes really critical, so my background is --- I've been an attorney, graduated Villanova Law School. And I have to tell those in the audience it was like a welcome home tour yesterday because I'm a graduate of Downingtown High School, 1978. So when I --- and my wife and I lived our first year of marriage in Exton. But for the time period from 1978 to about 1985, I was in the community. I lived there. At the time period I was --well, I was always a taxpayer because I had jobs. I worked at the Exton Mall. I was in and out of Downingtown. Somebody asked me how often we got to Coatesville. Remember, there's a strong rivalry, so not too often, but certainly competed against Coatesville regularly in athletics and always enjoyed the competition. Oh, I'm sorry, it was off. So I want to thank personally Representative Lewis for inviting the community to come. Seeing things first hand on the tour yesterday

was extremely helpful, as --- especially as we hear your

testimony, we'll have a better idea of the issues you're
trying to deal with, the specific conditions that exist.

And we saw three communities that have some of the same
problems and some different problems. So I'm anxious to
hear the testimony. I'll have some more opening remarks in
a moment, but let's finish the introductions.

Representative --- why don't we go forward? So we'll
continue on to Representative Corbin.

REPRESENTATIVE CORBIN: Good morning. I'm State Representative Becky Corbin. I represent the 155th District, which is in central Chester County, east/west Brandywine, Euclid, Upper Euclid, all the way up to Spring City, including the Borough of Spring City. So I'm very interested in hearing a lot of the information we're going to have today so I can relate it back to my constituents in Spring City Borough and see what is applicable to that area as well.

I've lived in the Downingtown area almost four decades, so I'm very familiar with Downingtown/Coatesville area as it has had its ups and downs over the years. I'm from --- originally from the western part of the state, in a steel town, so Coatesville looks very familiar to me, as Johnstown did at one point. But thank you for all being here this morning, and I look forward to learning a lot about the different projects we talked about yesterday on

the tour. Thank you.

CHAIRMAN PETRI: I'll recognize Christine Goldbeck next.

MS. GOLDBECK: Good morning, everyone, and thank you. I'm Christine Goldbeck, and I'm the Executive Director of the House Urban Affairs Committee for the Republic Caucus.

It's great to see all of you here.

CHAIRMAN PETRI: Representative Lewis?

REPRESENTATIVE LEWIS: Thank you, Mr. Chairman, and thank you, Committee. I really appreciate this opportunity.

And it's a situation where all the communities can't come to Harrisburg, so we're bringing Harrisburg to the community this morning to hear all of the issues and make that connection so we can work together and accomplish our goals in each community.

We started this --- I'm very proud to be

Representative for the 74th District. It's a long district and
quite deep and goes down towards southern Chester County. So
we are a large district, serving about 63,000 people.

What we would like to do, once we get there, just have everybody communicate. This is a friendly gathering. And just to give you some background as to where we started yesterday, we began our tour in Downingtown, see the proposed train station and development site, which includes mixed use space and parking. We were joined by borough manager, Steve

Sullins, president of the Main Street Association; Steve Plaugher, President of the Borough Council; Chip Gazzerro. And we also had an opportunity to tour the Chester County Airport, one of the busiest general airports in Pennsylvania. And we wanted to look at their recent renovations and also to see the division of expansion of the airport, including, hopefully, a tower to minimize safety concerns with hovering and aircraft traffic in the area. That includes Sikorsky, with their testing of their helicopters.

The committee was joined by Gary Hudson, Airport Manager; Al Koenig, Chairman of the Airport Authority, Rich Saylor, member of the Airport Authority; and David Jones, a consultant. And for those who did not know, the airport in Chester County, the GO Carlson Airport, serves more air traffic than Lancaster and Reading put together. So we are a busy, busy airport, and we need to help them to help our community because we are the next best thing to the Philadelphia International Airport. So that is very, very significant.

We had a great tour of Coatesville to highlight the train station project, Route 82 and Route 30, that expansion, and the gateway at the corner of Route 82 and Route 30. Legend Properties, they helped us with the tour. The tour included a visit to the old Lipkin's Furniture, where we were able to see the Frank Lloyd Wright stairs, that historical site. And they're going to transfer those stairs to one of the new sites

to maintain that dignity of history.

We had a brief tour of the cultural society, the old First National Bank building, and a brief visit to the Iron and Steel Museum to see the Lukens steel that was recovered from the Twin Towers in New York City. We were joined by City Council President Linda Lavender-Norris, City Manager Mike Trio, Jim DePetris, and Jack Corcoran of Legend Properties, Colleen Terry and her staff of Eon --- Eon Apartments, and Andrew Witter of Capital Associates.

We also had a great tour of Parkesburg to see the issues and concerns the borough has with bringing back revitalization to that borough and also to see some beautiful, beautiful success stories of buildings that have been restored to their former glory.

We were joined by Jack Assetto of the business community and Jim Thomas, borough manager. And briefly we talked with Reverend Mark Beideman of the Parkesburg United Methodist Church. That's a brief overview. We did not get a chance to go to some of the communities because of time restraints. But ladies and gentlemen, I cannot emphasize how important this meeting is to the revitalization and reconnection to state government for the communities in this area. I'm proud that we were able to get here. We can't reach every community, but the Urban Affairs Committee, of which, of course, I am a member, we sort of really wanted them to come to

see what was happening here in our community, and that happened.

I, at this time --- and we're privileged to be here in Coatesville. And if I could introduce, Mr. Chairman, with your approval, the City Manager President for the City of Coatesville and President of City Council, Mrs. Linda Lavender-Norris? If you don't mind, if you would take a brief seat at the table here and tell us about us coming to your city and make a brief comment.

MS. LAVENDER-NORRIS: Good morning, everyone. I'm Linda Lavender-Norris, City Counsel President. And it's with great pleasure I welcome you all here this morning. Thank you for coming out. Thank you for your interest and willingness to assist all of our communities to come together as one and move forward.

With blight being the focus and acknowledging that blight is a silent influence and it could be negative, this is positive coming out of it, so it could be a negative, but I'm grateful today to say that it's for --- it's positive. I thank you for your interest, thank you for coming out, and I look forward to working with you soon on behalf of the City of Parkesburg as well.

CHAIRMAN PETRI: Thank you very much. And I want to thank you for hosting us. Oh, do you have some more? Go ahead.

REPRESENTATIVE LEWIS: I'm sorry to interrupt, Mr.

Chairman, but I did want to make a point and state if you would observe and look at this committee. I am so proud to have such a bipartisan report --- support with Representative Nielson here, my friends. We eat out often, so we kind of know each other.

REPRESENTATIVE NEILSON: Break some bread, yes.

Mr. Chairman.

REPRESENTATIVE LEWIS: Absolutely. We won't tell you what our favorite dish is, but I wanted to show that we are very serious about the revitalization and the rebuilding of the communities and the --- we are working hard. We don't want to have you think that you're talking on deaf ears. It's a process, and right now we are in the middle of the process of succeeding. And this is a part of that process. Thank you,

CHAIRMAN PETRI: Thank you, Representative. And I'm going to actually just bully pulpit right on that last comment. It is a process. And as I was about to say, I want to, you know, thank you for hosting us and the informative tour that we had yesterday. What I noticed about you in particular and others in the group that will testify are the passions you have for your communities. It's clear that you have a vision, that you intend to execute on that vision. And the other thing that I would share, if you don't mind, that you and I talked about in particular was the need that we work together

collaboratively. You can't get it done without us. We can't get it done without the Federal Government, in some cases. And all of us need to be pulling in the same direction on that or we're just going to go in circles.

And so the legislative process, for the audience, is very interesting. I've been on this committee for --- I'm in my 14th year, so as a first term, second term, third term, I was on this committee. What happens is we'll examine an issue, like we are today, blight, we pass legislation that moves the ball forward, but we always have to revisit. And what we find are that some of the tools that we provide to local communities to address the issue work for a period of time. They work for some. They don't work for all. So if you look at generally the legislative process, originally we started with bills like Main Street and Elm Street. And they're great programs, but you have to have matching dollars. And it doesn't work everywhere. And it's not always just Main Street and Elm Street that are suffering from blight.

Then we came back and we dealt with absentee owners and conservatorship, the Blight Act and land banks. And I'm going to come back to the information on those bills in a moment. I think it's important that community leaders know what tools are available under those acts because they're fairly recent. This term we're dealing with expedited foreclosures on vacant and abandoned land. What we found is

that many times these properties sit for years in the foreclosure process, which prohibits your ability to deal with those properties.

We also dealt with shortening the time period on quiet title actions for certain smaller properties so that you don't have to wait 21 years while the property sits there to figure out who the ultimate owner is going to be.

And the other piece which is really moving through the Senate is a cultural and historic district bill, the idea that you need to have public/private partnerships with your cultural and historic museum resources today. There's not enough governmental funding for those organizations. So let me just give you some of the detail and then we'll get right into the testifiers.

Act 135 of 2008 deals with conservatorship.

Community members may petition the Court of Common Pleas to become a conservator of a blighted property. If the Court grants the conservatorship, you take control of that blighted and abandoned property and make the repairs necessary to return the property to productive use. The conservator could be a local government group, may borrow and incur --- may borrow money, incur debt and fulfill its role as a conservatorship.

As a conservator, you must maintain safeguarding, insure the property and develop and implement a final plan for abatement of nuisance conditions. An annual status report to

the Court and parties to the action is required, and the Court may request updates more than once a year.

We also dealt with the Blight Act, Act 90 of 2010, and that places responsibilities on eyesores on owners instead of on the public. It requires local government to take action against the owner. It's a powerful tool that local government can use to force owners to either fix up or pay up or both. In other words, it's a way --- a tool that you have to enforce some of your zoning laws. Obviously, there's a local resource cost to that kind of action, but it has been found to be very helpful.

We also passed Act 153 of 2012, and that creates land banks. A land bank focuses on the conversion of vacant, abandoned and tax delinquent properties into productive use. They can be pivotal in making property redevelopment more efficient and affordable and for reserving land for targeted purposes under local policy and planning goals. Land banks also clear title to the properties they acquire. And this is meaningful because clouded titles cause significant delays in cost to real estate transactions. Act 153 applies to every county, every city, borough, township and incorporated town with a population of 10,000 or more or two or more municipalities with populations less than 10,000 that enter into an intergovernmental cooperative agreement to establish a land bank. And we talked about in the current session how the

House Urban Affairs Committee reported unanimously House Bill 1 773, which provides for acquisition of real property by adverse possession through an action in quiet title after ten years. 3 Current law on all properties is 21 years other than properties 4 5 that fit within this category. And those are properties one-half acre or less. So that should be another tool that 6 7 would enable you to establish ownership of properties. 8 Without further ado, why don't we get into our first 9 testifier. We have Dave --- I'm going to butcher your last 10 name, but I'll try --- Sciocchetti? MR. SCIOCCHETTI: Sciocchetti (corrects 11 12 pronunciation). CHAIRMAN PETRI: Sciocchetti (confirms 13 14 pronunciation). That's easy. I'm sorry. Chester County 15 Economic Development. So the floor is yours. Take us through the process and the difficulties you're dealing with. 16 17 MR. SCIOCCHETTI: Thank you, Mr. Chairman, and 18 members of the Pennsylvania House Urban Affairs Committee. 19 Welcome to Chester County, the 74th District and the City of 20 Coatesville. 21 We are very pleased that you are here today to 22 listen to testimony about the issue of blight and its negative 23 impact on communities in Pennsylvania. My role today is to 24 kind of set the stage. You're going to hear from a lot of people who are dealing with the issues of blight. I'm going to 25

talk a little bit about blight, what it is and how it manifests in communities.

As you're certainly aware, blight's a serious problem facing many communities in Pennsylvania. Blight has been defined by the American Planning Association in their policy guide on public redevelopment as underperforming or obsolete land uses or buildings that exist wherever rational, private investment cannot overcome market forces. Very technical. For a less technical definition, everybody these days uses Wikipedia. Wikipedia describes urban decay or urban blight as the process whereby a previously functioning city or part of a city falls into disrepair and decrepitude. I like that word myself.

At its heart, blight is a response to changing economic realties. It is a process of disinvestment. Areas and neighborhoods that were stable gradually become unstable. Jobs leave an area and there is less demand for homes in that area. Values decline. Houses deteriorate. There is less interest in the area and a downward spiral is underway. All of that is a good description of blight in a textbook manner, but I will tell you that it is too antiseptic and too clinical to describe the reality of blight to those who are experience --- experiencing it, both individuals and communities.

Blight is a disease on the community. It is

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insidious in how it seems minor at the outset but grows into something that changes whole neighborhoods. It can start for different reasons and manifest in many ways. At the macro level, blight can begin when the economy of an area starts to move in a negative direction. Companies start to leave and they are not replaced. Empty buildings start to appear. Those with an ability for relocate begin to do so. Those left behind struggle with a new negative dynamic.

At the micro level, blight might start with a homeowner who loses their job or it might be someone with an underwater mortgage. It could be a prolonged illness. It can be anything that limits the homeowner's ability and desire to care for their home. It might start with high grass and weeds. It can move to peeling paint and broken windows. Leaks can start to damage the structure. At some point the owner abandons the property. It may or may not be subject to bank foreclosure proceedings, depending on what it's worth. It becomes tax delinquent. It does not sell at tax sale. It may or may not be sold at judicial sale. It is vandalized. Copper is removed from the building. becomes home to vermin and may be used for criminal activity. It continues to deteriorate until it must be demolished as a public safety issue. The local community may or may not have the funds to demolish it.

While this process of the individual property is

unfolding, the adjacent properties are experiencing a decline in the value of their properties. They may have problems getting property insurance. They begin to question whether they should continue to live there. People on the block are concerned that nothing is being done to address the problem of the deteriorating property. They may decide to sell now before their property value declines. Investors see an opportunity and start to buy at discount. They often seek to reassess the property to a lower value. The entire neighborhood is now under siege by the forces that contribute to blight.

The community as a whole now has a problem neighborhood that can exert negative influences on the entire community. It can now be perceived as less desirable to new residents and new businesses. Now, while not every community experiences blight will develop the full set of outcomes described above, variations of the sequence of events have played out in many Pennsylvania communities.

Too often the community does not recognize the problem until it has reached an advanced state.

Equally likely, the community does not have the funds, manpower or tools to address the problem in a meaningful way. While Pennsylvania has taken many steps to create new tools, Chairman Petri described some of them, and options for dealing with blight, there are certainly more

that can be done.

Today you will hear from a range of individuals who are battling blight in large ways and small. From code enforcement to the use of incentive programs, to responding to foreclosures, communities in Chester County and the 74th District are engaged in a range of activities to combat blight. We hope that you will find the testimony today helpful as you work to identify legislative responses to the challenge before you. Thank you very much for the opportunity to address you here today. I'd be happy to answer any questions if there are any.

<u>CHAIRMAN PETRI:</u> Any members have questions? It looks like Representative Santora ---.

REPRESENTATIVE SANTORA: Thank you for testifying today. We are looking into a lot of things continually in Harrisburg. We have a lot of blight bills, as Chairman Petri had said, coming before our committee and have taken very seriously. In fact, Christine, what's the official name of that committee I just --- the Blight Task Force or ---?

MS. GOLDBECK: Yes, Bipartisan, Bicameral Blight Task Force.

REPRESENTATIVE SANTORA: So that's something that I've been involved in now because of a bill that I was very involved in that just went through the house. You're absolutely right. We've got to be able to give you the tools

from the state level on certain items. One of the things that I see is --- and this is one of the things my --- our bill just addressed, was that things happen when a property is ready to close. And it's been a real problem because what it does a lot of the times is prevent it and it's the only time that you, as a municipality, seems to have certain authorities that you can get things done. And we've got to give you those tools ahead of time so that you can go after it before it does become a problem, like you said. You start seeing the lawns growing big --- or high and then, all of a sudden, a property is empty, then the next one's empty. It's --- you've got to realize it at that point in time and have the resources to be able to address the issue.

Another issue I find is that we've got an issue with District Judges --- not picking on them, but they slap people with a \$25 fine and they laugh and go back and do nothing about their property. So we've got to start holding some feet to the fire there as well in order to be able to prevent that. So I thank you for your testimony. I think it was very insightful.

CHAIRMAN PETRI: Representative Corbin?

REPRESENTATIVE CORBIN: Thank you, Mr. Chairman.

Thank you, Mr. Sciocchetti, for your testimony. I know from our past experience we've had a lot of conversations about the Keystone Opportunity Zone, and I wanted to know if you would comment on the success of the KOZ in battling blight here in

Chester County or other places and is there anything we can do to improve on that program?

MR. SCIOCCHETTI: And within Chester County I'll give you the best example of how KOZ has --- has contributed to economic success. In Lower Oxford Township Tastykake had a plant and they were contemplating moving that plant out of state. We put together a team with the state government and local governments and we identified the KOZ as a tool for an adjacent piece of property. And we were able to use that tool to convince Tastykake to stay --- Flowers Food, I should say, I believe that is the corporate name. And they added about 90,000 square feet and added, at this point, well in excess of a hundred jobs, when it could have been another vacant, empty warehouse-type building. And I will tell you, if you do get the chance to go down there to the Tastykake property, the manufacturing process for baking bread is extremely interesting. It's a great tour.

In a prior incarnation, I spent a long time working in the City of Chester, and the Keystone Opportunity Zone was an extremely successful tool there. We took an abandoned power plant on the waterfront that had been sitting there for 20 years vacant --- and someone mentioned Brian O'Neill, Mike O'Neill's brother, who was the developer who came and said that's not an empty power plant. That's 400,000 square feet of Class A office space. And using the KOZ and some other

incentives, we were able to turn that building literally from a contaminated property with PCBs and other problems into really an amazing office building. So it's a tremendous tool.

Now, we'll tell you it doesn't --- doesn't work everywhere. You have to be able to find an economic use for the property, and that's the biggest challenge, but it does create an incentive to go places where developers might not otherwise go. So again, I think that --- certainly we've used it effectively in a number of situations. I think it's a great opportunity to drive development to where it needs to go, which is usually what happens in these distressed communities.

They're distressed because economics has moved away from them.

And a KOZ can be a tool that drives it back to that community and slows and maybe halts the process of decline that is associated with blight.

CHAIRMAN PETRI: I want to thank you for your testimony. One other thing I think we ought to all be cognizant about that would help Pennsylvania tremendously, and that would be the availability of cheap energy. When you talk about these plants, the game changers that we see around the Commonwealth are where facilities can get cheap energy available, they not only stay, they expand. And so I think it becomes incumbent upon us at the state level to try and figure

out how to deliver this asset we have in the ground in Pennsylvania to Pennsylvanians for their use. Take the Lukens property as just an example of --- I'll call it the former Lukens property, to be technical. If that steel plant operator would have cheap energy available to it, it could expand its --- its operations dramatically.

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It's interesting, in my own local town there's been a property that has been abandoned for probably 12 to 15 years while they tried to get development approvals. Going to Representative Santora's previous comment about sometimes we need to cooperate a little better and figure out how to move things along. And every survey of the community said what should --- what do you think the primary use of this property should be. And invariably, it always came back to that which what it was, which was a car dealership, a car dealership that went under because of all the plethora of problems that Pontiac and other dealers had. But in the end, everybody thought that it should be a car dealership. And like the Lukens property, you know, I'm looking at it, thinking yesterday as we're doing the tour, boy, that can be a this, that can be a that. --- we find out the new owner has restrictions on what they'll allow to go in there, which may not be fair to the community leaders who are trying to redevelop that property, but is the reality of the economics. And so how do they advance their plans of restoring Coatesville, making things better, when they

have an owner that's compliant and doesn't really want to allow opportunities. We have this in the Fairless Hills plant in my area. There have been thousands of people who had ideas of how they would use the property, but U.S. Steel was --- has been able to block it. So that becomes another little issue.

Again, to make the point, if you had cheap energy, though, maybe its former use could be a use again and what a shot in the arm that would be for Coatesville and in creating jobs.

So I want to thank you for what you do. Your role is important. Most businesses have no idea where to go when they want to develop a property. Those that are watching at home, your local Economic Development Council is the place to start so that you can find the properties and identify how you want to proceed.

So we'll go to our next panel, which I believe is the City of Coatesville, Michael Trio, the city manager, and Sonia Huntzinger, economic development advisor. Welcome, and you may proceed when you're ready.

MR. TRIO: Good morning, Mr. Chairman, members of the Committee. My name is Michael Trio. Pleasure meeting everybody yesterday on the tour. It was very interesting and helpful to us.

I'm here this morning to talk to you this morning about the challenges and the opportunities facing the City of Coatesville, including our current planned efforts to address,

manage and eliminate blight in our community.

As the city manager and executive director of the Coatesville Redevelopment Authority, I'm also a certified land planner, and I've been between public service and private sector business about 30 years of experience. This has been --- experience has been important in understanding how to balance the needs and constraints of the City and its taxpayers with the need to constantly work to attract new revenue, development and jobs here. I'm also responsible for the day-to-day management of the City --- City operations and functions, including overseeing staff, budgeting, accounting practices, enforcement, utilities, external communications and guiding land development activities. So it's a --- it's a busy town and we're really trying to move forward with all these activities.

My planning and development experience is an asset when I'm working closely with City Council and local development agencies and stakeholders, such as Sonia, to develop programs and systems to advocate for the attraction and reinvestment to the City as well as supporting plans to nurture existing business and community organizations.

Our opportunities. At first glance, it may be difficult to see Coatesville's distress and its plight as one of the Commonwealth's most distressed municipalities and most in need of revival. The City has a strong manufacturing and

industrial heritage, and we experienced our heyday in the mid '60s and '70s. Like many of the Commonwealth's older core communities, the industries that once fueled the City's economic engine, steel, heavy manufacturing, fabrication, are no longer present or limited in the City. And the decline of the City's core industries has led to a corresponding decline in housing stock, residency, home ownership and the resources available to fund basic needs, such as education, public works and infrastructure improvements, all challenges that we have daily in the City. This lack of resources is visible in the deteriorating condition of much of the City's housing and commercial stock.

Not much new construction has occurred in the City for many decades. There's been some --- some projects through the City in the last ten years or so, but very limited. Similarly, redevelopment of the City's existing buildings and properties is stagnant. One may look at the City's present physical and social conditions and write off the future as hopeless.

However, there are other city blight --- however, where others see blight as decline, I see opportunity for revival, reinvestment and revitalization. Coatesville is the only city in Chester County, one of the county's --- most affluent counties in the country. We are surrounded by some of the wealthiest individuals and communities in the Commonwealth

and in the nation. With some careful planning, bold vision and outside investment, Coatesville can revive its productive past and once again and become an important link in the chain of redevelopment in Chester County. Our city offers a great opportunity to showcase the commitment of the county, the state in reinvesting in this hidden gem. By putting legislative and financial tools into the hands of the City and its leadership that can be used to rebuild the City's infrastructure, create jobs and help Coatesville become self-sustaining and vibrant again.

Another comment about the City, our city has great bones. That statement is a common thread through discussions I have with many people in many sectors. The industrial history, architectural character, building scale and construction materials were built to last. Coatesville is a textbook walkable community. The grid streets and connectivity to all portions of the City is a great advantage for complementary mixed uses, service businesses and residential development. Utility services exist, very --- very important in redevelopment and are in close proximity to --- to the properties that they service, resulting in low cost --- low cost in connections and construction.

The City has created a system of public parks and facilities and public pools, which are now uncommon in many other municipalities of our size. We have density of 7,300

persons per square mile, and these facilities are important and the City feels it is important to maintain and expand to serve our residents. This also prevents an obvious first wave of reinvestment opportunities that will help retain existing residents and attract new residents to invest, live, work and play in our community. Coatesville is very fortunate to be located directly in the Keystone Corridor.

Some of our problems. As mentioned before, the blight has resulted from deferred maintenance through lack of human and capital resources, overburdening and inconsistent building and development controls that have happened over the --- over the years. Filling the gap with local matching requirements for programs like Community Development Block Grant money, it's very difficult for the City to match the required funds to do projects. Therefore, we usually have a shortfall and it's difficult in finding either development entities or other sources of public money to fill those gaps.

Some of the things we've done in the City and what's on the horizon, the projects that are to your left, my right, along the side wall of the room indicate --- are projects that are currently underway either in planning or starting planning. Third Street and Train Station project, which is the major PennDOT project that we witnessed in our tour yesterday between third and fourth avenues, just south of the existing trolley tracks. That will be an \$85 million investment ultimately by

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the State and the City to provide a new train station, a 600-car parking structure and various opportunities for development, either through private sector or possible institutional uses.

The DEPG/Legend Properties was mentioned earlier in the introduction. This is the \$25 million re-investment by Legend Properties at the intersection of Route 82 and Lincoln That is augmented by a \$1.2 million public project to Highway. reconstruct the intersection at First and Lincoln. So that's a significant public investment that the City has --- has committed to for the project. The project will create about a hundred new jobs, raise the City's tax base and demonstrate a visible sign of faith in the City's revitalization. project would not be possible without the infusion of state funding, due to the large gap in market rate versus rent --rent versus the cost of redevelopment. Projects like this are not possible without public/private partnerships and public subsidies, unfortunately. The City participating in through involvement of the Redevelopment Authority to its own --- to its own conveyed properties, through eminent domain proceedings that enable the intersection and parking structures to be built on time and with the support of grant applications, a true public/private partnership.

There's also opportunities with the City

Redevelopment Authority. The RDA owns and manages a land --- a

land and building portfolio and continues to market sites, including the former GO Carlson sites commonly known as the flats, which is a northwest intersection of Route --- of 1st Avenue and Lincoln Highway. This site has the largest land area and is identified as our biggest potential opportunity for major economic impact. There has been a series of projects proposed that, due to the economic conditions of the mid 2000s, were unable to move forward. The City has considered a series of potential uses, which require stacking of public resources. About 45,000 square feet of downtown commercial space which provide a level of stability for the market and the opportunity for the local businesses to grow are also managed by the Redevelopment Authority. Through local economic development and marketing programs expanding the City, the City is spearheaded by the 2nd Century Alliance.

Out-of-the-box revenue, which are things that the City is looking at to augment other ways to be entrepreneurial, including more activity and revenue to the City. Using our currently-owned assets and sharing services could be a win/win for the City. An example is the relocation of the Coatesville Magisterial District Justice Court to City Hall, hopefully within this year, which will provide a foundation for needed capital improvements not only for the District Court facility but also the City Hall and allow some new means of revenue production for the City, the 30-year-old City Hall Building and

developing an up-to-date efficient court facility, implementing innovation and inter-municipal cooperation in energy programming and green sustainable projects. It was mentioned earlier the importance of energy projects. The City has entered into an agreement with a company which will be developing energy for one of our properties. So that's --- that's in process.

Expansion of recreation and cultural activities to attract interest and become a magnet to the urban live, work and play lifestyles. Concerts, parades and a proposed Coatesville Vintage Auto Grand Prix are an example of these programs unfolding in the City. So the City is working hard to market themselves and to provide an opening --- and open opportunity for new business.

What we have implemented. We sort of coined the term called green tape. No more red tape in approvals process, green tape. In fact, I heard someone today describing no tape. But we do regular outreach just to represent the real estate management groups, developers and businesses to keep organizations updated through ongoing outreach and meeting processes. There's local organizations such as the Housing Association that we do meet with and others on an as-needed basis. We started regular staff plan/development review meetings with developers and entities looking to redevelop in this City. And that's one of the cases where we're turning red

tape into green tape.

We've upgraded and enhanced code enforcement management, including the analysis and cataloging of vacant and dilapidated structures. That's where our next stage of implementing hopefully these programs to either acquire, demolish or find better use of those properties. We streamlined our land development and zoning process to identify and prevent unknown roadblocks to projects. I think Representative Santora mentioned that. That's been a case where properties could go to closing, there could be a permit or an issue with DEP or another reason to come in and stop the project.

What we need. I lost my last page here.

Legislative actions to revise programs like CRIZ regulations that serve our population level, and allow Coatesville to participate and leverage its future tax revenues to accelerate redevelopment. I think that's a population issue and we very much appreciate that that be looked at. Streamlined agency communication, expedite permitting and construction in areas with PennDOT, with DEP and DCED, where coordination or communication between those agencies and the City would be expedited would be very helpful. This would be --- would provide realistic funding limits. As I mentioned earlier, it would provide realistic funding limits to allow for actual construction costs without shortfalls, to match local match

funds, things like that.

A quick clearinghouse process for state and local legislative enforcement of blight remediation and condemnation support for the City and the RDA, which many --- many of the programs have been daylighted today.

Align state building codes to meet current year standards under the UCC Act. Currently --- currently the regulations are inconsistent and not cycled together, so we have inconsistencies with permits and folks who come into the City and want to do redevelopment. Renovation of buildings have issues with code enforcement consistency.

So with all that said, in conclusion, distressed municipalities, such as Coatesville, have all the ingredients of success at their fingertips, a solid infrastructure base, a population ready to be trained to work, access to public transportation, proximity to major markets. What we need are tools to enable us to leverage our assets in the most flexible way possible. That may mean relaxing regulations or opening up programs like CRIZ to more municipalities, streamlining onerous regulations and reviews, and allowing expedited reviews at DEP and other agencies, where many projects bog down and languish for months and years, slowing the --- slowing development, additional funding programs that can be directed towards improving infrastructure in our downtowns, such as funding H2O, PennWorks and the IFIP program, funding Keystone Communities,

which was mentioned earlier, to its maximum level, to do the most good for the most communities. A mouthful, but I think that the City is very appreciative of the work of the Committee. And thank you for being here today and thank you. Any questions, I'd be happy to answer at this time.

CHAIRMAN PETRI: Ms. Huntzinger, did you have --- are there comments you wanted to make before we get to questions?

MS. HUNTZINGER: Yes.

CHAIRMAN PETRI: Why don't we do that? Go ahead.

MS. HUNTZINGER: Mr. Chairman, community members, thank you for the opportunity to talk to you this morning about investment in blighted properties in generally depressed communities. My name is Sonia Huntzinger, and I'm the economic development administrator for Chester County's Department of Community Development.

My focused area is the City of Coatesville, and I speak on behalf of the Coatesville 2nd Century Alliance, a group of community stakeholders representing both the public and private sectors, all deeply committed to enhancing and encouraging investment in the City of Coatesville. And I'm before you today to discuss some of the advantages that come from investment in blighted properties in a distressed community.

As you're keenly aware, abandoned properties in both

residential and commercial neighborhoods have significantly negative effects on not just adjacent properties but entire neighborhoods as the broken window theory takes hold.

Vacant and abandoned properties present overwhelming challenges to small financially strapped communities like

Coatesville. Vacant buildings dampen local economies, depress property values, set the stage for criminal and vagrant activity, and place significant cost burdens on the local government. However, vacant properties can actually become opportunities, potential assets in neighborhood stabilization, downtown revitalization and community growth initiatives as they become renovated and reoccupied.

As members of this Committee, you already know that real estate development and investment is trending back toward our urban cores. Developers may not recognize the monikers Smart Growth, New Urbanism or Sustainable Development, but they do recognize the national trends that are primarily driven by the millennial generation are shafting back to our walkable, urban communities, environments where homes, jobs and social networks are all in close proximity.

In fact, AAA, the National Auto Association, reports a 23-percent decline in miles driven per year by drivers aged 16 to 34. This is a clear indicator that this generation prefers car-optional environments where public transit is available and alternative transportation can be supported and

encouraged.

This tees up an incredible opportunity for developers to invest in urban centers like Coatesville, where the public transit infrastructure is already in place and easily accessible. And it's these communities like Coatesville that are home to a concentration of vacant and abandoned properties, an inventory of potential sites ripe for redevelopment. Often owned by the municipal --- municipality's Redevelopment Authority, these vacant and abandoned buildings offer more affordable acquisition costs to the developer along with a willingness on the part of neighbors and local officials to support the private investment in improvements, thereby creating the public/private partnerships that support community development and neighborhood improvement.

Equally attractive is the established infrastructure. Existing roads, sidewalks and utility access significantly reduce development costs. And as mentioned before, the public transportation systems are well established in urban communities.

Developers that invest in blighted properties can find themselves on the ground floor of a community's revitalization, and in some cases, be the catalyst for a neighborhood's renaissance, spurring more development and ultimately increasing property values and the tax base in improving the overall quality of life. But even given the

potential benefits of investing in the rehabilitation of these properties, the reality is that they don't always pencil out. Blighted properties can require extensive resources to bring them into code compliance. At the local level, municipalities can employ tax incentive programs, such as LERTA and RETAP to encourage private development of these blighted properties. And the counties have tools at their disposal as well.

Coatesville currently has a project, which you've seen yesterday, the DEPG Legend property. In the pipeline it is benefiting from true public/private collaboration with the City, the county and the developer, all working to ensure the project comes to fruition. It is, however, still reliant on other sources of capital and applications have been made to the Commonwealth for assistance through the RACP program. This is just one example of the importance of the programs that Harrisburg can offer to ensure that our small urban centers throughout the Commonwealth have the tools, such as Keystone Opportunities Zone, Tax Increment Financing, Historic Tax Credits and CRIZ, to leverage with the private sector to ensure --- encourage the redevelopment of these vacant and abandoned buildings.

These tools combined with programs like Keystone

Communities will give us the resources we need at the local

level to address blight, enhance our communities and ensure a

prosperous future and improved quality of life for our

residents. Thank you for your time and your interest.

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CHAIRMAN PETRI: Representative Knowles is recognized for some questions.

REPRESENTATIVE KNOWLES: Thank you, Mr. Chairman. didn't really --- I didn't really get into --- I don't even know that I mentioned the district that I represent. I represent the 124th Legislative District, which is a portion of Schuylkill, Berks and Carbon County. When I was assigned to the Urban Affairs Committee, I kind of scratched my head because the largest community that I represent is the Borough That's 7,000 people. The smallest community that of Tamaqua. I represent is the Borough of Lenhartsville, which is 166 people. But --- and the reason I say that is, as I'm looking through --- I'm looking at Parkesburg, which is somewhere less than 3,600, Coatesville --- I don't have any cities where I come from, but the City of Coatesville is 13,000-plus. And Coal Township is somewhere around 14,000. My point is that I quickly recognize that blight is not just a Philadelphia program, and it's not just a Reading program, it's not just a Hazleton problem. It is a problem to many of these small communities that I represent. But I just --- maybe everybody knew that, but I just wanted to get it onto the record.

In terms of a question, Jamie had mentioned about District Justices. We have made an effort --- and by the way, the Senator --- my Senator, Senator Dave Argall, is like the

champion of blight. This has been something that he has been focusing on for many, many years. And one of the things that we did is we met with the local DJs, with the local District Magistrates to impress upon them how bad this is. You know, this is not just something we can sweep under the rug.

I talk about the fact that I was a cop back in the '70s and I remember in those days people used to drive cars and they would drive them into the ground, and then when they were done, they would just let them park and then we would tow them away and we would junk them. Well, that's what people are doing with houses today. That's what they're doing with houses. They get every buck that they can out of that property, and then they just let it go, and then we, as taxpayers, end up picking up the tab. And that's not fair. We need to hold property owners more accountable.

Now, my question is have you guys done anything in terms of meeting with the local DJs and, without mentioning any names, what is their attitude in terms of the problem? Do they recognize the seriousness of this problem and do --- I know we're doing some things in terms of legislation of blight, but do we need to do more and are they doing as much as they can?

Boy, I really put you on the spot.

MR. TRIO: Well, I've been here since August,
Representative, and we've done --- we started in-house. We
really started in-house with our Code Enforcement Department.

There was issues that had to be addressed that were ongoing, and that's on our list to do, to go to the Magistrate. And he'll be in-house with us here next year and to impress on him to, you know, make our fines stick, because as you mentioned, we could have a property owner that has multiple --- dozens of violations they'll pile them up and wait until they have a single hearing and then the District Justice may --- you know, the goal is compliance always, as you know. You want to get them to be in compliance. And if they can do that and not issue fines, it's well and good, but I think --- but I think that we have to be able to cover our expenses, because we do have staff.

We do have properties that have to be maintained.

And you know, people say --- we have comments from certain constituents. Well, you know, let it go. You know, we have --- but that --- that retards our --- our ability to bring new business in and new people because if we don't keep our city in good shape and enforce these regulatory requirements, then it's not going to be a good face. So we're trying to do a balancing act where we meet with --- with the groups that are in control, basically rental properties outside of our commercial district.

But you know, homeowners the same thing and try to impress upon them that, you know, we take pride in the City and when we have to bring the hammer, per se, we could work with the Magistrate and make sure it gets --- it's in there. So you

know, it's an ongoing process. We have two DJs that serves the City and, you know, it's --- it's --- you can't deal with the same personnel the same way, and I think that that's something you have to feel as you go through that process. I hope I didn't --- I hope I didn't create more questions than I answered.

REPRESENTATIVE KNOWLES: No. If I may, Mr.

Chairman, the point that I would make is the group that we've put together in terms of every District Justice in Schuylkill

County, as well as some members --- you know, some local officials in smaller communities, we met with them. And quite honestly, they're pretty busy guys and they're dealing in many cases with much more serious things than blight. And I think sometimes it can kind of get lost in the shuffle, but I will tell that it was advantageous to everybody concerned that we sat down with them and we got feedback from them. And they told us, hey, look, you may need to do this for us. And we would say to them, you need to take this a little more serious. But there's been a group put together and it works very well, and they've at least recognized the seriousness in terms of blight. Thank you, Mr. Chairman.

CHAIRMAN PETRI: And just to add to Representative Knowles before we move off that topic, a novel approach I saw in one of my own communities, the District --- local District Justice imposed a maximum fine and said, but if you make these

corrections within 30 days and show me proof, I'll reduce it to the minimum amount. So going to your point that a property owner has money for one of the two, paying the fines or fixing the property, and this was a way to encourage it. I recognize Representative Santora.

REPRESENTATIVE SANTORA: Thank you, Mr. Chairman. Thank you for your testimony. Mike, this town sounds a lot like the town we walked into many years ago, Conshohocken, a lot of blight, didn't know where they were going to go, worried about money, didn't have the resources. And now Conshohocken is thriving. And the secret to Conshohocken was they allowed the developers to think outside the box. And that is key here as well. You've got to let your real estate developers --- they're the experts --- think outside the box. It may not fit within what you're used to. And I say this in --- you know, with all care and love on it. It's what made Conshohocken successful.

Conshohocken is plentiful with money at this point. They've got a lot of good development, a lot of new, young families moving in. And in fact, they're now looking for more affordable housing because the values of what I would call little 1,100 square foot, 900 square foot row homes are now in the high twos, high threes, and even in the \$400,000 marks. It's a good thing, and they're adjusting.

They didn't lose sight on who they were, a mill town

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on the --- on a hill. They still have that, a lot of old
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  families still there. But if there's anything I can say is let
  the developers do what they do. Let them think outside the
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  box. And you've got to get your zoning team and everybody else
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  to think outside the box. It's extremely important because
  they'll bring it to the table for you. They'll bring things
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  that you're not expecting and --- you know, walking trails and
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  little things that don't cost a ton of money but really make a
  difference.
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And I got to --- I drove through town this morning.

I got here about an hour and a half early, and I just took a ride around to understand it a little better. And you do, you've got a deep history, and you can sell that history. So I know you can do it, Mike. And your entire team I'm sure is ---.

MR. TRIO: Appreciate that. So thank you.

CHAIRMAN PETRI: Representative Corbin?

REPRESENTATIVE CORBIN: Thank you, Mr. Chairman.

Mike, one of the things you mentioned was filling the gap for local match requirements for Community Development Block Grants and other grant opportunities. Can you comment on any status of what available funds there are and any progress that you're having in Coatesville for meeting some of those demands?

 $\underline{\text{MR. TRIO:}}$ The two major --- thank you for the questions. The two major issues we have with --- with matching

funds, our projects right now at First and Lincoln, is the intersection improvement. There's a CRB Grant that was issued from the county of about \$700,000. That project is about a \$1.2, \$1.3 million project. So we have to identify follow-up money either through CRP, which we have applied for, or other opportunities either through --- from the City's standpoint, it's just from our general fund. We don't have any other opportunities in matches.

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For the other public project that we're doing is the garage and will support the redevelopment of the business district. Once again, there's a CRB Grant for that. Once again, it's short. It's a \$500,000 grant. We're applying for a second grant. But the cost of that construction could be as high as over \$2 million. So besides the infusion of private money --- but as was mentioned earlier, the stacking of funds because the investment level and the risk that needs to be taken by the private sector, there's always a gap. And we have to find a way through our legislation, I think, to really be realistic or target. Unfortunately, some municipalities, cities need it more than others. You know, I think there may be some better sliding scale that will allow additional lesser matched amounts for some of the more needy areas. And that's a big problem. That's a big problem, but ---.

You know, block grant money, same thing. There's very high matching requirements, up to 50 percent in some

cases. And to attract development, people want a clean, easily navigated city, well lit. You know, our sidewalk systems are in need. So those are the kind of things that you don't --- you have to provide good public works --- good public works and repair those. The funding is not there at this time, so we're trying to find ways to get these programs.

And people --- many times you get a comment, why don't you just go get the grant money. Well, the grant money is not free money. It's got a significant local match. So it's hard to say, well, we can't get the grant money because we can't get the grant. Well, people don't want to hear that, so it's very --- for a constituency to hear that, they don't realize that there's a significant amount of general fund money or other tax money needed to either be raised in their taxes or somehow moved around in the budget to allow for that. So that's where I see a big gap in the matching funds. There's two examples I can think of off the top of my head.

REPRESENTATIVE CORBIN: I appreciate that. What I'm hearing is more think outside the box as far as matching grants

MR. TRIO: Yeah.

REPRESENTATIVE CORBIN: --- and the financial considerations or levels that need to be obtained for you to be able to use the grant money.

MR. TRIO: Exactly.

REPRESENTATIVE CORBIN: Thank you.

MR. TRIO: And what we have done --- that's why one of the reasons we are looking to do a project with the county, because there's an --- there's a --- where we have a public works project, where we have shared facilities for a win/win in county and a city operation and there's infusion of revenue that will help, you know, augment not only our building, but we have a city-wide energy program where we're replacing all of our --- all of our street lamps. So from a health, safety and welfare, that's all tied into that one project. And we were able to do a project with Johnson controls to integrate building, street lighting, some additional video systems to support our police department. So we sort of brought all those entities together to --- for a win/win on that. So there's --- there's certainly innovative ways and out-of-the box ways I think the City's trying to --- trying to move forward.

REPRESENTATIVE CORBIN: Get around that. Thank you.

CHAIRMAN PETRI: Representative Lewis?

REPRESENTATIVE LEWIS: Thank you, Mr. Chairman. I just want to make a comment. And just listening and knowing what I know and just looking at you, Ms. Huntzinger and Mike, you're creating a powerful team here with the 2nd Century Alliance and the City of Coatesville. And I see you as expediting some of these programs that we're trying to implement. And I've heard CRIZ mentioned a couple of times and

this type of thing. And we really have to talk about that, but it seems as though with collaboration --- I'm very proud that we have the two of you working together to sort of expedite some of the issues that we are talking about currently today. And we would like to continue the dialogue with the City and helping you. We're doing what we can to help, but I see a strong revitalization and unity in this community. I just wanted to make that statement, Mr. Chairman. Thank you.

CHAIRMAN PETRI: Okay. Staff?

 $\underline{\text{MR. BELLMAN:}}$ I'm very interested in the programs that you're talking about for upgrading the train station.

MR. TRIO: Yes.

MR. BELLMAN: As a daily Keystone Service commuter, I'm keenly aware that far too many Amtrak trains pass right through Coatesville and don't stop. Are you getting any sort of commitment for some help between PennDOT and Amtrak to increase the frequency of stops as you upgrade this station?

MR. TRIO: Well, as part of the overall package, the study, that's part of the analysis that's being provided by DVRPC, the ridership. They're doing ridership studies, freight studies, in order to determine --- of course, we want additional stops, want to make sure that happens. But as part of the overall package and comparatively to the design and development stage, they're doing ridership surveys. So that's really the mechanism that we understand that will augment

additional stops and additional service.

MR. BELLMAN: Okay. This will be an incentive to them to look favorably upon adding stops?

MR. TRIO: Yes.

MS. HUNTZINGER: There are also some initiatives under way currently to improve the existing train station building and to get some signage out on the Lincoln Highway that there is, indeed, a train station and some additional marketing locally that the train station is there and it is running.

CHAIRMAN PETRI: I'm going to take the opportunity as Chairman, take a little prerogative to have --- to have some comments, some questions and maybe even just a little bit of discussion or comments to my fellow members. First question on CRIZ. As city manager, how important do you think that is? And I'm going to preface it with something that you need to know.

MR. TRIO: Okay.

CHAIRMAN PETRI: Many times in Harrisburg we hear comments about programs, and this is one that we always have opinions. And there is an opinion that exists in Harrisburg that this program maybe shouldn't even be funded, but certainly shouldn't be expanded. So give us some help on that. Why is that important to you?

MR. TRIO: Well, I think that they've done a great

--- the skinny, or in the vernacular, on the project is how well it has done in Lehigh Valley and how it's helped the Allentown and Bethlehem area. And it would be, you know, transferrable to other urban areas like Coatesville. I know Harrisburg had discussed it one time, but I think that it would be a great incentive program to help fill our business base and bring business back in. We could have utilization of what we have. And I'm not an expert like on CRIZ, but I think that would be another mechanism based on population we could It seemed to be --- I don't want to say a quick fix, but an expedited rebirth of that region, and I thought it would be helpful as an opportunity here. I know Sonia has worked with that program in the past, and you know, that's really one of the key discussions. Whenever we talked about our redevelopment ideas, that's --- that's something that's really come up in the forefront.

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MS. HUNTZINGER: Sure. I think that, yes, we did have --- the neighborhood improvement zone did have a significant impact in Allentown. And I am from York. I just spent about six and a half years in York on an application for the CRIZ, which is a little bit different than the NIZ legislation.

I think what it does is it affords us just one more tool in the arsenal that we have at our disposal to encourage and incentivize development. And I think the more tools you

have, the more developers have the confidence to come in and get your city in a different --- a different light.

CHAIRMAN PETRI: Thank you. And moving on to the next topic, but for my colleagues, you know, the purpose of an informational hearing is to carry information both ways. And I think we just heard at least from this city's point of view how important that program would be, and maybe we can all stomp out that fire when we hear people say, oh, you know, it's not a good program or whatever.

Just interesting comment that you made in your presentation, Mr. Manager, about the need for cultural aspects of this city. What has been the reaction of the community and council to the idea of carrying the cost of some of those programs on the City --- you know, you're struggling. You've got fixed dollars. One tendency would be we're getting down to the bare bone of our budget. We're not going to do any of these. But to me, you seem to imply at least, if not actually state, that you thought that that would accelerate the problems you were having instead of trying to stave them off. So has the community embraced that as an important part of your budget?

MR. TRIO: Well, yeah. It's also a stressed part of our budget. It's an important part we need to find a way to fund. As I mentioned in my presentation, we have, you know, pools in the City, which, for a population this size, is very

unusual. They don't have any. They just stopped creating municipal facilities. But through the years it's been a very important facility in the City. Council has been very hands on, on recreational and programs for the City's youth. So that's integral. We've carried that for some years with, you know, very poor equipment, which caused us many extra dollars because of the maintenance. But we're looking at it as part of our out-of-the-box process to try to find some partnerships to go ahead and move forward to get some of these facilities up and going quickly. So it's not just a tax requirement that we're trying to work with these, you know, other agencies and entities to help us fund those things. So I mean, it's discussed, you know, foundation work. We have slash pads that we want to get up and going. We need them for this --- right away. These are emergency situations for us and we're working to find that ---.

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CHAIRMAN PETRI: The final comment I would make based upon the tour I took yesterday, the information we saw, I think those two rail projects for Downingtown and for Coatesville are key. And I hope there's a reporter in the room because this message is going to be for reporters. You know, the story can't always be about the bad. It's got to be --- and Representative Lewis made this comment yesterday. He's very confident about what can be, and he wants to talk about the positive. That was the comment he made and it struck me

last night as I was relaxing and about to fall asleep, how important that is.

I remember traveling through Downingtown frequently with the paper mill. Now, to me, as a young man of 16 or 17, that paper mill was already an eyesore. But from a city revenue point of view, you know, obviously jobs, a tax base, now it's a real eyesore and --- and it's a danger. You had --- you made the same comments yesterday about the danger of all these vacant buildings to public health and safety and the burden on the tax rolls.

So what we have to do is be very collective and confident in our message that the project in Coatesville, the project in Downingtown will be successful. They are the right locations. It's exactly what young people want. They don't want them out in the middle of some --- nowhere, where I think --- maybe it was you, Ms. Huntzinger, talked about getting in the car and driving. They want to be able to walk to that facility and how logical that is. We got to be singing out of one choir book about the confidence we have that this project will go forward. That's the only way this is going to go.

So thank you for your passion and your testimony. I know from that signal we're behind schedule. I hope that hasn't ---.

REPRESENTATIVE NEILSON: Mr. Chairman, if I may?

CHAIRMAN PETRI: Yes. Go ahead. Mr. Neilson?

REPRESENTATIVE NEILSON: Thank you, Mr. Chairman. One quick question.

CHAIRMAN PETRI: Sure.

REPRESENTATIVE NEILSON: And I want to use my previous experience with working with government on codes and implementing the UCC that was passed in '99. It took us four years to get it up and running. And I heard you mention it, and as the Chairman indicated, a lot of us are on different committees. I'd like to know how that's impacting you, because it's something that we hear a lot? And just real quick, because I don't want to get off the subject ---.

MR. TRIO: I'll give you a real quick example. We have a fire regulation, for instance, that when conversions occur in residential properties, if there's a third floor, there has to be egress. I believe there's a discrepancy in the UCC. And hopefully --- I don't know it by heart, but I believe that there's a discrepancy in egress that one year, I believe, one of the earlier years allows for a drop ladder, for instance. And another year requires actually the installation of a fire escape. Now, I may be getting it backwards. I apologize.

REPRESENTATIVE NEILSON: Yeah. It happens a lot.

MR. TRIO: The problem is, is you implement --- the implementation years aren't the same year, so we have --- we generally have arguments with landowners that that's not the

current code. This is the current code. I'm going to fight you in some form or another. So I think it's just whether the state is behind --- I understand the state doesn't adopt it.

If it's a 2013 code. It takes some time for the state to catch up. Where if it was --- if it was more expeditedly adopted ----.

REPRESENTATIVE NEILSON: Yeah. Well, what they do is they actually give everybody time to get certified and up their certifications. Even if they change it one day, you can't be changing it the next because you don't give the people that have to enforce it and your local enforcement. So you usually run from two to three years behind, depending upon the municipality. But as the municipality, I just wanted to let you know that you can make local ordinances and strengthen your code. They just have to be approved by the Department of Labor and Industry. So you can make the code more stringent. You just can't take regulation off it. I think that's a tool that people don't really have in their box.

MR. TRIO: Right.

REPRESENTATIVE NEILSON: And it goes up through the UCC Committee, and they --- they're usually pretty good at expediting that. So you can make your local codes stronger through regulations that you adopt locally, something the City of Philadelphia does quite often. We have some areas we're a little stronger than others, and we try to adopt it. That's

something that you can do. And thank you for your testimony. Thanks for coming today.

MR. TRIO: Thanks for your questions.

REPRESENTATIVE NEILSON: And thanks, Mr. Chairman.

CHAIRMAN PETRI: We'll next recognize the Caln
Township Panel, which is Joshua Young, a Commissioner, and
Kristin Camp, the township solicitor. Any time you wish, you
may proceed.

MR. YOUNG: Good morning, Mr. Chairman, members of the Committee, fellow citizens and City Council. My name is Josh Young, and for the last 11 years I've been honored to serve as Commissioner for Caln Township. I was asked to give testimony on one aspect of Caln Township's revitalization.

Over the past few years, fellow Commissioners, business leaders and citizens have complained about the boarded-up and vacant buildings on Lincoln Highway as it passes through our township. And for years of blaming it on recession and other issues, myself and Commissioner Cruz said let's stop complaining and let's actually do something about it. So we established the Lincoln Highway Redevelopment Task Force.

The Task Force included members of business --- of the business community, Planning Commission, Board of Commissioner and fellow citizens. Our approach was threefold. First we set out to fix our zoning codes, which our Solicitor Camp will inform you about in a minute. Second was to

establish a tax incentive program, which I will testify on in a second. And our last approach has been to use the existing zoning laws to force property owners into fixing up their buildings. One example of that, in the last year, to my left, Harry Lewis's Chief of Staff is also our Board President. We --- when she was first elected, we --- we were complaining that people would just board up the buildings and walk away. So we said we were no longer going to tolerate that. We began posting those buildings for demolition and which, in the Code, we would have to wait one year to then go to Court and ask for that.

Now, along Lincoln Highway in Caln Township, much of that is in the flood plain. So if those buildings were demolished, there would be no ability for the property owner to then rebuild those buildings the way they existed today. So once we did that, we've had many people actively list those properties and actively try to sell them so that we didn't get to the process where --- where they would be demolished. So our three --- three-prong approach has begun to really start to work.

Today I'll focus on our use of the Local Economic

Revitalization Tax Assistant program, or LERTA. Our task force

looked at multiple different tax incentive programs and settled

on LERTA for several different reasons. First, LERTA only

abates taxes on increase --- on the increase in assessment

value after construction. For example, if a building has a building assessed at \$1 million and after expansion or renovations the building is then assessed at \$2 million, the taxing authorities would abate the additional \$1 million. So the existing taxing authorities would continue to get the tax under the existing million but would be abating the new construction and renovation.

LERTA also gives us the flexibility to choose the length of the program, a five or ten-year abatement program, along with the percentage of abatement. So if you chose the five --- five-year, you could go with a higher percentage that the abatement would knock off every year. In <u>Caln Township's</u> case, we took a ten-year approach with a ten-year abatement that faces additional assessment in ten percent a year.

Following --- if you follow my previous example, that property owner would see their first year tax bill based on \$1 million and could expect about a \$100,000 increase to the assessed value over that ten-year period, saving the property owner about 50 percent in taxes on the increased value over the ten years, which I have included our fact sheet as Exhibit A.

The second reason we chose LERTA is that it only required the municipality to pass a --- pass a resolution declaring the selected area as a deteriorated area and would --- would require no state approval. If you look at Exhibit B, that has that included. Our task force felt this would be the

quickest way to implement an incentive program. Each taxing authority would then be required to pass an ordinance or resolution --- resolution adopting the municipality's LERTA boundaries and abatement schedules, which are Exhibits C, D and E. And that actually has a list of every single tax parcel included in the LERTA district. But this is really where we began to run into trouble and our speedy proceed really hit --- hit the brakes.

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Township administration had met with the county and school district staff and administration to discuss our thoughts and their thoughts on LERTA. The county was extremely helpful and excited with efforts. The Coatesville Area School District Administration was also interested in our proposal, which would increase rateables and revitalize the area. our task force and the Chester County Economic Development Council, who had been assessing --- assisting us with the process, presented the proposal to the Finance Committee of the Coatesville School District, we were met with heavy opposition from just one member. Over the next year, we attended meeting after meeting after meeting after meeting where this one board member refused to believe our numbers on growth, that tax incentive programs attract businesses, and his direct quote was, no business ever locates because of tax --- taxes. Our efforts --- or that our efforts were even --- even worthy of --- of this program. The school board at the time refused to

put the proposal up for a vote until we could satisfy this one member's request.

After a year of trying, it became evident that we would never ever satisfy this member's concerns because he just didn't believe in the premise of tax abatement. And in the end, we began to lobby at single board members to try to force a vote so that we could move forward. And after a year of delaying our process, that board member ended up voting for the thing anyway.

And the third reason we chose LERTA was the ease for the property owner to apply. It's simply an application, which is Exhibit F, to be included with your building permit, which is Exhibit G. And that application is sent off to the County Assessment Office for approval. And that's the only requirement necessary to receive the abatement, which makes it very attractive to the --- to the property.

Caln Township has received --- has received great press about our efforts to proactively address the commercial corridor, which is Exhibit H. The Delaware Valley Regional Planning Commission has also developed a document. And they actually had a bus tour where they gave this document out and they brought people with the Chester County Economic Development Council and drove up and down Lincoln Highway showing them the properties.

And I guess I want to stress how important

revitalization to Lincoln Highway is. So Coatesville School
District is nine municipalities. Caln Township is one-third
that total assessed value. So if our business district begins
to sputter and isn't moving forward, our --- our school
district continues to suffer even more.

To date we have --- in my testimony I said three.

We now have four completed LERTA projects. We have three projects that will either receive approval tomorrow night, two of them, or --- and one has already received approval. We have two other projects that just were in the vicinity and decided to reinvest but were not eligible for LERTA. And I think that was based on the aggressive stance that we took in posting those buildings for demolition. And I was briefed last night, there's possibly four to five other people talking about different projects in Caln Township as well.

So before I put this together, I asked our task force members if they had any recommendations that this committee could propose to improve the LERTA law, and everyone agreed that giving the taxing authorities a set time limit to act so that future municipalities do not have to wait a year or more for approvals. A 90 to 180 days for the taxing authorities, once they receive the application, to act would be, we believe, more than fair enough for them to carefully study the proposal and make changes and act on that proposal.

The proposal came from --- the other proposal came

from the school district itself, which was to --- we did incorporate into our ordinance. Under --- in Exhibit C, you'll see under Section 2, subsection (e), that if a property was demolished after the effective date of the ordinance, the abatement would only begin on the portion of the pre-demolition assessed value. So you can't then --- after the Act was passed, you can't just go demo a building and then get the vacant ground assessed value. And we thought that that was fair and we ended up incorporating that into our ordinance so that people don't try to game the system.

I understand that you did drive down Lincoln Highway yesterday and you've seen some of the successes and some of the struggles we've continued to have and know that many men and women over the past several years have put in hundreds, if not thousands, of hours to make our community better. As my Representative, Representative Lewis, said earlier, this is a proud area. We helped build the 20th Century. I think we can help build the 21st Century, but we need both Harrisburg and Washington to help us do that.

Mr. Chairman and members of the Committee, I thank you for your time and for coming to our region. And I'll be happy to answer any questions.

CHAIRMAN PETRI: Ms. Camp, would you like to add
anything?

MS. CAMP: Sure. I am a municipal solicitor for

Caln Township. I also serve about ten other municipalities in Chester County, the Borough of West Chester. I have done some work for Spring City. I also have been fortunate enough to work with the Coatesville Redevelopment Authority on the train station project, and our firm was instrumental in acquiring --- there's 21 properties and 18 or 19 of them have been acquired. And two had to go through the condemnation process. We're still waiting for the results of that. So I am familiar very much with the City of Coatesville.

As far as the LERTA statute, I was --- until Caln brought it to my attention, I didn't know it existed. I've been practicing municipal law for 20 years and none of the municipalities that I represent or that I'm familiar with really take advantage of LERTA. I think a lot of --- it's difficult sometimes to get the school district onboard. And as Commissioner Young indicated, it was a marketing effort and a lobbying effort. The Caln Commissioners just wouldn't take no for an answer from the one School Board member they're talking about. Something to take back, you know, to your constituents and your municipalities that you're representing is to really look into what benefits LERTA can provide.

It's a very easy statute to administer. Quite honestly, and some of my testimony I was going to talk about the nuts and bolts of it. You know, it's an ordinance. It's not very difficult. You pass a resolution designating the

blighted area. You pass an ordinance that is almost verbatim from the State's statute. There's not a lot of changes that you need to make. You get the County Commissioners and the School District on board and it's --- you know, luckily, Chester County has a great tax assessment department that's been assisting with the implementation of the program. I'm not aware of any hiccups or hurdles along the way. And I think it has incentivized some property owners, if all things being equal, you come to a municipality that has LERTA, you may choose to locate your business or to redevelop your property in that district, as opposed to somewhere else that doesn't offer that tax incentive.

One of the things I do want to speak about, though, and it was mentioned before, is thinking an open --- or having --- the city manager talked about, you know, being open --- having open ideas as far as zoning regulations. And that's something else that this Lincoln Highway Task Force, in addition to LERTA, another piece of the --- another part of what they worked on was the zoning ordinance. So you're probably familiar with the state law, the municipalities' planning code, that authorizes municipalities to create a general interest.

I think municipalities that have blight within their communities need to open that zoning ordinance. Some of the ordinances were written in 1980. Zoning ordinances have to be

able to evolve with the time and with the market conditions. And Caln Township's task force looked at the zoning ordinance and realized that it was serving as a detriment and not an incentive tool for properties that were blighted and properties that maybe were smaller that were up against the railroad corridor here and needed to have flexibility in how they could be redeveloped either with what uses would be allowed or how the area involved standards or design regulations could be implemented.

People don't realize how expensive going through a zoning process can be. If your property can't meet the rules for that particular district and you have to go with a zoning variance, typically the application is \$1,500 to \$2,000.

Typically you have to hire somebody like myself to go and represent you to, you know, carry the burden. So I think just keeping, you know, in the back of your mind that if you change the zoning to incentivize blighted properties to have more flexibility and to allow the governing body to grant that flexibility within the ordinance rather than having to go through a zoning hearing process. And that's what Caln did.

I mean, he gave as one of the exhibits to my testimony the ordinance that they passed. They created a Lincoln Highway overlay district. The underlying zoning stayed the same, but the overlay district gave additional use opportunities and more flexibility with lot areas, setbacks,

also gave the Board of Commissioners the ability to change parking regulations. Parking is very expensive and sometimes developers can meet everything in the code, but they just can't provide sufficient parking. So this ordinance allows the board to modify the parking regulations if, for example, public transit's available, which it is in Caln Township. If they can have --- partner with their neighbor in terms of providing shared parking. And those are the types of incentives that the ordinance providers.

And I think it has. As Mr. --- Commissioner King --- Young, excuse me, referenced, there have been four successful properties that have been developed using both LERTA as well as the change in the zoning ordinance. They will be considering two tomorrow for a new recreational center along Lincoln Highway, for an indoor training facility for softball and baseball, which is going to be a great asset to the community. And that gentleman --- that property owner has a business owner in Caln for 20, 30 years and has really never had the incentive or the encouragement to redevelop a vacant piece of land. And these statutes definitely --- if you speak to him, his name is Mr. Rudy --- he will tell you that this incentivized him to do that.

And so again, I encourage municipalities. I don't think there's any legislation that has to be enacted. The zoning ordinances are already authorized through the

municipalities' planning code, but the local leaders need to understand that that zoning ordinance could be dusted off and modified to allow some flexibility and incentives. So I'm happy to answer any questions.

CHAIRMAN PETRI: Any questions. Representative Neilson?

REPRESENTATIVE NEILSON: Thank you, Mr. Chairman. Thank you today for your testimony. I want to talk a little bit more about --- you said there were some hiccups and you said to implement a 90-day period because of the one person, and we don't want to mention his or her name. It shouldn't be just one person. But what would that 90-day do to ---?

MR. YOUNG: So a 90-day or 180 days would give a municipality, you know, a deadline. Under the LERTA Law right now there is no deadline and the taxing authority can either --- there's no requirement to even hear the proposal. So they could just receive it and say thank you very much and never --- never even hear the proposal from the municipality.

They did let us talk at several meetings. We had several private meetings to try to win over that board member. The Chester County Economic Development Council had several meetings with board members. But there is no requirement that the school district or the county even consider our proposal. So a --- you know, just like a land development application. You know, there are time frames. There are, you know --- there

are things that a municipality has to do once an application is received. I think under LERTA, it would be nice to have one even be heard because they didn't ---.

REPRESENTATIVE NEILSON: So that's the team you'll be looking for, for us to make it mandated that if it's brought up by a municipality authority, that the county itself would at least consider the project within 90 days and respond in writing or something like that?

MR. YOUNG: Well, I would say that more it's usually the school districts that are more reluctant to take up the taxing. The school district ---.

REPRESENTATIVE NEILSON: So LERTA mandates that? I don't want to cut you off here, I'm sorry, but LERTA mandates that the school district approves this as well? Is that what I'm hearing here?

MR. YOUNG: Correct. So each taxing authority has to pass an either ordinance or resolution, depending on the code. So the school district had to pass a resolution. The county and the township had to pass an ordinance approving those LERTA. Now, a municipality could do it on their own and just abate a municipality's taxes or just abate the municipality and the county. But being that a school district is 80 percent of that property tax, it doesn't make sense to just do two of the tax ---. But the problem is we --- for a year we just spun our wheels and, you know, there was nothing

we could do to force them to hold a vote. And we believed the entire time the majority of the School Board would vote for this, but they were trying to make it seem like they were letting this member vet this process, and they yielded the floor to him for almost a year.

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REPRESENTATIVE NEILSON: So you talk about your relationship and Representative Lewis being your Rep. And I'd be glad to co-sponsor something like that with Representative Lewis to move this forward. This way we can work together because, coming out of the City of Philadelphia we have a tax abatement plan. And as a former City Councilman, I was ready to expand it. Because what we heard in the news --- years ago we saw how the tree went broke, and now the tree is flourishing because of a plan like this and doing --- they probably went up to 20-year tax abatements with the percentage breakdown, as you The City of Philadelphia, we do a ten-year tax abatement. And everybody --- you're selling the property because it's jumping. And I introduced legislation just like you did here with the 90 percent --- 80 percent. It's a great tool to utilize it, and I wanted to make that clear, that everybody should utilize that percentage and bring them back on the tax rolls as fast as possible. But these are properties that are sitting dormant and not collecting nothing, and I think that's what your school district officials and all need to know. They're not getting nothing out of these. And pretty soon

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we'll be taking them to court to try and collect the taxes.
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  And then there's --- that corporation will be behind four other
  corporations, we can't even find them no more. But I would be
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  grateful if Representative Lewis and I can work on something
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  like that. And I thank you for your testimony. Thank you, Mr.
  Chairman. And Mr. Chairman, as you stated beforehand, some of
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  us will be leaving. And I'd like to apologize to the future
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  testifiers that I'm unable to stay. Representative Santora and
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  I have to vacate here right now.
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CHAIRMAN PETRI: Understand. Don't apologize.

REPRESENTATIVE NEILSON: In ten minutes, right.

CHAIRMAN PETRI: We are a little bit behind schedule. I personally won't care. I'm going to stay as long as it takes. I did want to, before we recognize Representative Lewis for a question, I wanted to acknowledge the presence of a gentleman who's been very helpful with the Urban Affairs Committee, John Kromer.

The other thing I'd like to note for the audience and for the members, don't forget House Bill 613,

Representative Ward is over in the Senate. That would expand LERTA to a mixed-use development project, which will be extremely helpful. So representative, go ahead.

REPRESENTATIVE LEWIS: Thank you, Mr. Chairman. And thank you, Representative Neilson for those comments. That was kind of where I was going with that, but I just have one

question. I don't mean to put anyone on the spot. Has the improvement with --- the Coatesville School District and that relationship between the township, has that improved any at all or with any of the other municipalities that you know of?

MR. YOUNG: So that's a loaded question. There's many different answers to that. As far as economic development-wise, I believe the Coatesville School District realizes now that things aren't just going to get better on their own. And just sitting there, like Representative Neilson said, just vacant buildings sitting there, they're not going to just automatically move on their own and that they have to take an active approach in making sure that they are a partner in revitalization, too, because like I said, 80 percent of their property tax value is the school district. And that's for 80 percent of their buildings. So I think they've finally begun to realize that, you know, this --- that revitalization isn't just going to happen. And it's not just the municipalities' issue to deal with it. It's also that they can be a partner.

REPRESENTATIVE LEWIS: Thank you for that comment. Thank you, Mr. Chairman.

CHAIRMAN PETRI: Sure. Representative Santora, I know you want one question before you have to roll.

REPRESENTATIVE SANTORA: Yeah. Thank you for your testimony today. Actually, I'm happy to report a good friend of mine and client and constituent of mine just got approved in

Caln this past week for one of his projects, so that's good news.

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I think the LERTA program has a lot of good benefits to it. And I agree by putting a time frame on there when it can be approved, it sets it forth in motion. Is it 90 days?

Is it six months? Whatever it is, that's got to be worked out.

I think there is improvement. Do you have --- I think you said --- do you have a log of people ready to go if they can get this done or do you think this is something that you're going to go out and promote in order to bring more development?

MR. YOUNG: So through the Chester County Economic Development Council we have worked with property owners to try to bring different types of groups. I'll give you an example of where this program had a stalled project. So Del Toyota, which you may have passed yesterday, Sloane Toyota moved into their territory and they were not going to upgrade their facility. They had an approved plan and they were just going to kind of walk away from that. Once we passed --- once LERTA passed and we all adopted it, that essentially took 50 percent off of their taxes for the new development. The bank then said, okay, this is now a viable project because your tax abatement will also help with your loan payment. That project went forward. There was no investment. And between part time and full time, there are now 50 more employees working in that facility.

So there were --- there are new projects, you know, that people were waiting, like Ms. Camp said, that needed change to the zoning. Then we also put on top of it, you know, a sweetener to abate the taxes. And I think we have multiple different types of projects now on the books. We have some that were stalled and just not moving forward that now are moving --- they already had approved plans. But because of the economy and because of new banking regulations, whatever it was, they just couldn't move forward and now are.

And we're actually beginning to see talk, whispers and actually sometimes plans coming forward on new development, which will take some time to flush out through conditional use or a land development process. But the ones that were --- that are already done, they were plans that were just sitting there. They were approved and had been approved for years and just never ---.

REPRESENTATIVE SANTORA: So you're willing to do it
on spec, not necessarily an identified tenant?

MR. YOUNG: Correct.

REPRESENTATIVE SANTORA: That's good.

MR. YOUNG: So we had --- so we had taken an approach before. Like Ms. Camp said, we were kind of rigid in the old plan. We weren't willing to deviate from the old zoning. The last two boards that I have served on, we have taken a completely different approach. Bring us something. We

are going to --- we'll evaluate it, you know, and whatever we need to do to make sure that you get this approved, as long as it's something that the community feels is of value, then we're going to lift mountains to make sure that these projects get approved.

REPRESENTATIVE SANTORA: Excellent. Thank you.

CHAIRMAN PETRI: Representative Knowles, do you still have a question?

may be better off not asking it. I'm going to wait on it.

CHAIRMAN PETRI: Okay. I get it. We're going to take a two-minute break, but I did want to make a comment to you. You are correct, Mr. Young. In my own community they passed a LERTA provision. There was an added benefit. The community had, among the business community, the perception of being unreasonable so that it came to be that in the business community nobody would make any change to their building, any improvement, because they were afraid the book was going to be thrown at them. And usually it was. I'm talking about a quarter of a million dollars to comply with fire and panic and ADA if you made some little change. That's not good for a community. So I compliment you on both the attitude change and then the passage of the statute, because when you pass that statute you're telling the business community we expect you to keep your buildings up to code and we want to make it available

for you. Let's just take a two-minute break, not longer, so that our court reporter can rest her fingers.

SHORT BREAK TAKEN

CHAIRMAN PETRI: The Parkesburg Borough, Jack
Assetto, Parkesburg Business Association member, and James
Thomas, the borough manager. I notice a little dinge in the back, but if you want to come in and we can start.

MR. ASSETTO: Thank you, Mr. Chairman, for allowing us to testify today on behalf of the Borough of Parkesburg.

Parkesburg, as we know it today, is the first community comprised of about 3,500 residents. It's a settled community dating back to the 1700s. Our town is seeing the ups and downs of modern times. In the pre-Depression era, we had a thriving ironworks business that supplied boiler tubes to the railroad, monitored mines during the Depression. Most of the local residents left to seek work in other communities.

In more recent economic times, we've seen massive foreclosures in the borough with many houses falling into blighted conditions, with some becoming completely abandoned. Following the foreclosure process, many banks sold these homes off to companies and individuals mostly from out of the area to turn them into rental units. These rental units comprise over 38 percent of individual borough residences, an extremely high number. That is more than one-third of the total number of residential dwellings in Parkesburg.

For the most part, these rental units are owned by absentee landlords who only care about the monthly rent check, who rarely see the properties, let alone keep them in a repaired state. On the other hand, we have local landlords who pride themselves on the condition of their property. Granted, there are some properties that are over 100 years old in our borough. Preservation of them is somewhat of a challenge.

Our business district has also come into disrepair. Several commercial properties are owned by out-of-state companies who choose not to rent them in order to obtain a tax write-off, leaving us with many vacant storefronts, as we witnessed yesterday on our tour. These properties are prominent when you first enter the borough. People visiting our town draw the opinion Parkesburg is not a desirable community to live in.

Infrastructure blight is another issues that faces our community. Our infrastructure, including state roads, are rapidly deteriorating to the point of collapse. Our main thoroughfare of State Route 372, which is crowned so badly that the center point of the road is almost a foot higher than the sidewalk curb line, which no longer exists because of the deterioration of the sidewalks. This causes numerous vehicle accidents involving parked cars in the business district.

Because of this, the sidewalks have crumbled and are a true safety hazard. There would not be a day go by --- goes by in

front of my business that somebody doesn't trip. It would be a total waste of time and money to replace the sidewalks until the roads are regraded. PennDOT has been made aware of this on numerous occasions but to no avail.

The State has recently put into place a gas tax, which is supposed to address road issues. Currently, State Route 10, which runs through the borough, is being repaved while Route 372, which is not being repaved. Route 372 should also be repaired and repaved and widened as it handles a large volume of truck traffic going to the industries west of Parkesburg. Many visitors also travel this route to go to the new Victory Brewing Company in nearby West Sadsbury Township. This facility could be the Cadillac to resurrect --- catalyst to resurrect a good business client in Parkesburg.

Another issue is the replacement of the West Street Bridge --- West Bridge Street Bridge. This has been in limbo for close to 20 years and only recently has gone into a design stage. The loss of this bridge has cost the borough a grocery store and several smaller shops in the West End. The loss of this bridge also limits the accessibility of emergency vehicles into the western part of Parkesburg.

Towns the size of Parkesburg were once attractive to families as they provided the means to survive with a mercantile climate that provided food and clothing at affordable prices from local merchants. With the invasion of

the shopping malls and big-box stores, the local merchant has pretty much gone by the wayside, their stores now boarded up and left to deteriorate.

There is currently an effort in the Borough of Parkesburg to create revitalization in both our business and residential district. This effort is being led by the Borough Council along with a consultant and a committee comprised of business and professional leaders. We know that we have a challenging mission, but it is our desire to see it through to its implementation. Thank you.

CHAIRMAN PETRI: Mr. Thomas?

units as well as rental property --- rental units.

Representatives. My name is James Thomas and I presently serve Parkesburg Borough as their borough manager. Parkesburg Borough is about 1.9 miles square with a population of 3,593 persons. Our housing units consist of 883 owner-occupied homes with 575 rental units. At present, a total of 149 housing units are vacant. Now, this consists both of the single-family

MR. THOMAS: Thank you, Mr. Chairman,

In 2007, with the downturn of the economy beginning and causing job losses and the ballooning of mortgage rates on the rise, foreclosures and sheriff's --- sheriff sales became frequent. Many individuals learning of foreclosures and sheriff sales just walked away from their properties before any actual court action could take place. Many who abandoned their

properties felt no longer responsible because of the bills and/or moneys owed did not want to be found. In most cases, the actual foreclosures of the properties could take two or three years to pass through our court systems before the mortgagee could take possession. Homes listed for sale through real estate agencies also needed to be maintained if the owner would not. Property maintenance of abandoned properties were being done by borough employees, with the costs entered against that property as a municipal lien, until the person responsible could be located.

In 2012, Borough Ordinance 505 was signed into law by the Borough. This ordinance required a mortgagee, prior to issuance of a Notice of Default by the mortgager, to inspect the property that is secured by the mortgage. Upon completion of the inspection, the mortgagee has ten days to register the property with the borough, whether or not it's occupied or vacant. If the property is found to be occupied but remains in default, the mortgagee shall inspect the property promptly monthly until the default is satisfied or the property is found to be vacant. Within ten days of finding the property vacant, the mortgagee must notify the borough and update the status of the property. The mortgagee then becomes responsible for the maintenance to the property as well as maintaining security to that property.

The downfall of the economy also required many

individuals to place their homes up for sale because of a variety of reasons. This opened the door for investors to purchase property at a low cost and convert owner-occupied homes into rental units. Parkesburg's rental properties, which increased dramatically in numbers, also became serious problems to many neighborhoods, with an increase in property maintenance issues, increased infestation of insects and vermin and an increase in crime. An outdated rental inspection mortgage program was replaced with a more restrictive property maintenance and rental space requirement, Ordinance #492, in 2011. A five-year inspection program was replaced with a rental unit inspection requiring an inspection every two years or with the change of tenant.

Absentee owners living outside of a 25-mile radius of Parkesburg were required to have a property manager or agent who resides within that 25-mile radius and responsible for the property. Each rental unit is inspected separately and is issued a rental permit, or an occupancy permit, and valid for a two-year period or change of tenant. All common areas where the rental unit is located, both inside and out, must comply with the International Property Maintenance Code. Any failures to comply with the Property Maintenance Code within a specified time period could result in the withdrawal of rental permits and eviction of tenants.

A section was also added to our ordinance regarding

three police actions at the same rental unit within a year. This would result in the eviction of the occupants. One problem area discovered was when violations of the ordinance required loss of permits or eviction of tenants is the time it takes between the filing of documents in the court system to actually evict the tenant.

So in an effort to control blight and return business to our borough, the borough has rewritten the Subdivision and Land Development Ordinance in 2014, rewritten the Zoning Ordinance in 2015. We have hired a full-time property maintenance and rental inspector this year and we've done away with contract employees.

Currently the borough is in the process of formulating a new revitalization plan with the help of a professional planner. The borough is also in the final stages of replacement of a vehicle and pedestrian bridge over Amtrak. Now, this bridge carries pedestrians as well as vehicle traffic and the addition of high-level platforms and parking upgrades to our railroad station, of which we have point of ridership and there are nine stops a day in the Borough of Parkesburg going east and nine stops a day going west on the Keystone Line. We are presently --- they are presently installing turnarounds for SEPTA in the Atglen area and have been doing that --- that turnaround's already installed. So with that, ladies and gentlemen and all the Representatives, I submit that

as my report on the Borough of Parkesburg.

CHAIRMAN PETRI: Representative Corbin?

REPRESENTATIVE CORBIN: Thank you, Mr. Chairman.

I'd like to thank both of you for the tour through Parkesburg

yesterday. It's an area I drive through quite often. But when

you see it from a vehicle and you see it when you're out

walking on the sidewalk, it gives you a whole new perspective,

especially the part you mentioned, Jack, about the level of the

street being a foot higher than the sidewalks.

Your comment, Jack, about route 372, is there any plan for improvement of 372 either on the 12-year plan or has DVRPC or the County Planning Commission looked at it?

MR. ASSETTO: We've had PennDOT in town numerous times when the stream that runs under 372, which goes back to the 1920s, collapses, and they come in and they fill the hole up, and that's about the extent of it. The solution to the problem on 372 is the fact that there's a railroad track going over it. It's a trolley line that used to run from Coatesville to Atglen. And the rails are still there and they impede the road up and that has caused the crowning. And the only way to solve it is --- and it's primarily in the business district --- is to come in and tear the road up, pull the tracks out, regrade the road, put a new road in and then replace the sidewalks.

REPRESENTATIVE CORBIN: Who owns the rails?

MR. ASSETTO: Whoever owned the trolley company. 1 2 They just abandoned --- the trolley line was abandoned and they 3 were just left to stay. Thank you. 4 REPRESENTATIVE CORBIN: 5 CHAIRMAN PETRI: Christine Goldbeck has a question. MS. GOLDBECK: Thank you, Mr. Chairman. Regarding 6 7 the ordinances, which you know fascinate me, did you get pushback from bankers or landlords as you started to enact

these or an entity put them in play?

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MR. THOMAS: Not at all. Education was the --- was the main thing. Once the ordinance was explained, and I explained it to one bank in Lancaster and one bank --- another bank yesterday, two banks, that what was required of the ordinance, we did not get much pushback other than one bank said, well, we just may walk away from it, too. I said, well, before you do, please put me in touch with your --- with your legal department, and I will get you to sign that over to us before you walk away. Well, then things kind of changed and they were in compliance with what we needed at the time.

MS. GOLDBECK: And generally compliance is successful? You get a lot of compliance with it?

MR. THOMAS: We have so far been able to get almost a hundred-percent compliance from the lending institutions. And we stay in line with counsel, of course, to make sure that compliance has been --- but yes, we've had good success with

it.

MS. GOLDBECK: Thank you. Thank you, Mr. Chairman.

CHAIRMAN PETRI: I have a couple --- I have a couple

questions for you on those. You mentioned the bridge project

has been stalled for a long time and then you also mentioned,

well, I saw yesterday the road. I get what you're talking

about. It is a real problem. Let's start with the road. I

assume the road issue is not a normal PennDOT maintenance. It

requires some sort of design of a big project by itself.

MR. THOMAS: If I can speak to that issue?

PennDOT's feeling on the road issue is anything below the surface of the road belongs to the municipality. This is true with stormwater inlets, with almost anything that's done.

Route 10 is being repayed from Cochranville to Route 30, is in the process of milling now. In the inspection before the milling, I had to replace new stormwater inlets on Route 10 prior to their going about. So yeah, PennDOT says we do the road and all the air above it. The rest of it's yours.

CHAIRMAN PETRI: Which, of course, places a tremendous burden of you, having to foot that cost. On the bridge project, is that on the county tip?

MR. THOMAS: It's number one on the county tip.

CHAIRMAN PETRI: It just took that long?

MR. THOMAS: It took that long. We're in the final stages now of final design. We just now signed another

extension on the contract with our engineers in Philadelphia,
Parsons Brinckerhoff, so we are still working on that. Of
course, it's a long, drawn-out process, unfortunately, and just
takes a tremendous amount of time.

<u>CHAIRMAN PETRI:</u> Any other questions? Yep. Representative Knowles?

REPRESENTATIVE KNOWLES: Thank you, Mr. Chairman. This is more a --- the more involved and the more I hear about the problems that we're dealing with, with blight, the more important I realize it is that somehow or another communities need to share information. I'm not sure that's --- that's happening in a lot of situations.

I'll give you an example. A little community in the district that I represent, so Joe Schmo, an absentee landlord, owns a home. The house burns down. So Joe decides that he's going to take the insurance dollars and he's going to go to Vegas and have a hell of a good time. Well, in the meantime, when he walks away from that house, he stops paying taxes. He simply walks away. The neighbors then have to deal with the burned-out property. The grass grows. Nobody shovels the snow. The bank doesn't want it. They don't want it because it's just not worth enough to them. And they try to do a judicial sale and nobody wants it even for a few hundred dollars. One of the communities that I represent is --- they passed an ordinance that allows the borough to hold insurance

money to ensure that that property is taken care of, to be sure that that property is demolished.

Now, some would say it's illegal. I don't know whether it is or it isn't. But guess what, they're doing it and it's working. They're doing it and it's working because they were just so frustrated. They were so frustrated with having to deal with absentee landlords. Where I live, they're everywhere. And this has really held people accountable in terms of their property. So just another --- you know, just another bit of information that I think is good to share. And I'll let you know if it catches up with them.

MR. THOMAS: Representative, there's a copy of that ordinance on my desk for my approval, and we're talking with our solicitor now about implementation of that ordinance. Yes, it is a workable tool.

CHAIRMAN PETRI: Representative Knowles, would you like to share the name of the community that has that ordinance?

CHAIRMAN PETRI: There you go. Thank you. Seeing no other questions, I think we're going to hear from the Airport Board Authority.

MR. PLAUGHER: Borough Council would like me to express their thanks for your interest in our borough and

communities.

CHAIRMAN PETRI: It's a beautiful borough. We are?
Who do we have next?

CHAIRMAN PETRI: Okay. Mr. Plaugher, would you mind switching? The Airport Authority apparently has to rush out.

My apologies. I know everybody --- you guys can wrestle later.

There's a beautiful jet on the runway with a 4:30 flight going somewhere. I was tempted to jump onboard.

DR. KOENIG: After a two and a half-hour stress test this morning, I thank you for the opportunity to continue it.

Good morning, Mr. Chairman and Committee. Thank you for allowing the Airport Authority to speak to you today on our expansion efforts. This is going to be somewhat informational but it's also connected to blight.

So somebody asked why the airport's expansion project is part of a hearing on blight. And what has already been mentioned, revitalization is a positive response to blight. When an airport is situated near manufacturing companies or corporate offices, it is a benefit to those companies. Oftentimes industries choose to relocate to open offices over manufacturing operations close to an airport, such as Chester County Airport, because they're able to easily get their products and their key personnel where they need to be.

Chester County Airport is situated in Valley
Township, along Route 30, just west of Coatesville. The
airport serves the greater Chester County businesses, such as
QVC, Vanguard, and for that matter, 115 corporations in and
around Chester County use that airport annually. And these are
dedicated flights through NetJets and ExecJets to destinations
around the U.S. There are currently 19 corporate hangars and
60 individual tee hangars on the field. The public is welcomed
at the terminal building, where Signature Aviation, the
fixed-base operation and the Flying Machine Cafe reside.

Adjacent to the airport is Sikorsky's Coatesville facilities, which manufactures the \$20 million S-92 helicopter and a smaller version. Sikorsky actually requires access to the airport for their flight testing prior to sale and turnover of the aircraft. To accomplish that, you know, they do a through-the-fence operation. And I'll talk about that shortly.

The airport is overseen by the Authority, composed of a seven-member board appointed by the County Commissioners who serve a five-year term. The board is supported by an airport manager, Gary Hudson, a solicitor, by an accountant, by an airport engineer, Delta Consulting Engineers, and a secretary. And annually, the airport books are audited for incorporation into the county, into its county audit in the June time period.

Recently, the Authority, which I represent,

submitted two multi-modal proposals for transportation improvements, one to DCED and the other to PennDOT. These proposals, as we see it, are critical to the initiation of our long-range plan to make Chester County Airport a safer and more user-friendly environment for air travel. The proposed land development plans include a control tower, west-end corporate hangars, expansion of the terminal building and other improvements on the field.

The airport submitted an application to the FAA for a contract tower. The airport has 50,000 operations annually, consisting of a mix of jet service, helicopter flights and smaller propeller aircraft. There are more corporate flights into and out of this airport than Reading and Lancaster put together. This is a significant airport in Chester County. The sheer complexity of these operations, as well as the volume, mandate tower operations. Right now planes talk to one another using UNICOM, which is an antiquated system, 122.7. It requires you to be, let's say, within five miles of the airport so that you don't have interference with other airports that use the same frequency. So it's very important that this be updated and we approve our opportunities to enhance safety.

Now, the fact that Sikorsky's outside the airport fence means that they must truck over or hover taxi from their heliplex to the airport, which impacts the local traffic and reduces efficiency. They have to shut down Washington Lane in

order to get this over and across. The control tower is the solution. As Sikorsky sees it, that is the solution to them. They can actually fly under control right into our airspace right from the heliplex. At issue, however, is the FAA review process, which is changing the evaluation criteria and has placed a moratorium on decisions despite safety concerns. So we have written to our Senators and Representatives who can hopefully influence the FAA in getting that decision made in a more expeditious fashion.

The airport is currently out of space to house additional corporate jets, which limits growth and rental income to the Authority. For this reason, the Authority has targeted additional hangar construction at the west-end of the field. The plan is to develop the land for an additional 11 large or 22 smaller corporate hangars. The need is based on monthly inquiries received by our airport manager from corporate representatives seeking space.

Finally, the terminal building expansion plan is based on a preliminary design by Bernardon & Associates. This incorporates an additional 6,000 square feet of FBO, fixed-based operation, and public space to better serve these needs. With that comes additional parking and better access to the terminal. We see this as Chester County. And this terminal building needs to be welcoming and professional in its appearance, consistent with the planned growth of this airport.

1 Thank you. 2 CHAIRMAN PETRI: Any questions? Comments? 3 Representative Corbin? REPRESENTATIVE CORBIN: Thank you, Mr. Chairman. 4 5 think he's a little surprised. I came in here this morning 6 saying I just --- I can't think of any questions to ask, and 7 they just keep popping up. You mentioned Washington Lane with regards to Sikorsky. What happened to the plan, and correct me if I'm wrong, to build a roadway, almost a tunnel, under ---9 10 put Washington Lane under a tunnel so that there would be no 11 interruption from Sikorsky over to the airport. Was that plan abandoned? 12 13 MR. KOENIG: For all practical reasons I'd say, yes, 14 it has --- discussions were had at Chester County Economic 15 Development Council with all parties, including Sadsbury, and Sadsbury's engineer, who suggested the tunnel. Sikorsky no 16 17 longer sees this as an appropriate solution. That's the 18 answer. 19 REPRESENTATIVE CORBIN: Thank you. 20 CHAIRMAN PETRI: Representative Knowles? 21 REPRESENTATIVE KNOWLES: Thank you, Mr. Chairman. Just curious, how many runways? 22 MR. KOENIG: There's only one runway that goes 23 24 basically east to west.

REPRESENTATIVE KNOWLES: And what's the length of

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the runway?

MR. KOENIG: 5,500 feet. I mean, eventually there are long range --- and when I say long range, over like, you know, I won't be around, to provide a 6,100-foot runway which would provide additional safety space for that jet service. So right now, jets are kind of limited to full fuel and part passengers or full passengers and lesser amounts of fuel in order to ensure the safety along takeoff.

REPRESENTATIVE KNOWLES: Minimum length for a jet to land is --- a non-commercial jet, but a jet is somewhere around 5,000?

DR. KOENIG: Yes.

REPRESENTATIVE KNOWLES: I just have never --- well, I'm glad to know that because I had a discussion with one of our airport guys about that. Economic development directors, people who work in that field, have told me when I was a County Commissioner that we needed a good go-around on the airport. And my question to him was where does an airport rank in terms of importance for a business to locate. And I had two different answers. The one guy said to me, well, you know, location, location, location in terms of access to interstate highways and byways. The second, availability of a good workforce. He said, you know, airport, in terms of --- maybe ranks in the top five. I just would like to hear your reaction to that statement.

MR. KOENIG: I can only make a comment that I see relative to Chester County Airport, so ---. I know for a fact that there has been studies by AOPA, Aircraft Owners and Pilots Association, regarding economic impact of an airport. And it basically comes to a three to one impact to the surrounding community. So whatever investment goes on in that airport, there's a threefold return to the surrounding community. That's a value.

The attraction, as I see it, of this airport is that right now we have 115 corporations that are using that field now. Eventually, people --- you know, we don't want this to be an old boys field. You know what I mean? We want this to be a professional field and a safe field. We want to give it a proper air that it should have. And by doing that, we will begin to attract more corporate impact within that area. Right now we have 19 corporations. Nineteen (19) corporations have jets on that field. And you'll find at some point that they'll want to move --- perhaps move some of their operations a little closer. We'll have to see.

REPRESENTATIVE KNOWLES: Thank you, sir. Thank you, Mr. Chairman.

CHAIRMAN PETRI: Anybody else? Okay. You actually answered the question I was interested in and that was the economic impact of an airport. So thank you for that. And the sense I got from yesterday's tour was that the airport fit in

perfectly with the other two projects, because we're talking about transportation where in the end you're trying to move employees from one place to another where they can earn a good wage. And what I'm hearing out of this project is that the rail line provides opportunities for young --- young people to relocate small towns where they want to be and still get to workplaces. Obviously, an airport has that benefit.

The other side of it, of course, is I know for a fact that mechanics, aircraft mechanics, are hard to find and the starting salary is about \$60,000. So that's a --- that's a good-paying job.

Next panel, and I must have --- oh, I'm sorry, Harry.

REPRESENTATIVE LEWIS: That's okay, Mr. Chairman.

Thank you. I just have one question. And would you voice briefly the significance of the Chester County Airport in comparison to the usage at the Philadelphia International Airport, how significant is this location?

MR. KOENIG: Well, clearly, these 115 corporations I mentioned are in or around the Chester County Airport. They're carrying to come to our airport to fly from there as opposed to going to Philadelphia, slogging through all the traffic, waiting in line for TSA. You know, when they arrive at our airport, that plane is ready to go. It's ready to go when they're at the airport. So the efficiency is one of the prime

benefits that these corporations see. So we also will attract planes that are housed presently in northeast Philadelphia. So we'll be stealing some of their hangars --- jets, rather, in coming to Chester County because of proximity again. It's better for the corporation. So this will be opportunities for us to grow.

CHAIRMAN PETRI: Fantastic. Thank you. Next we're going to hear from Steve Plaugher, President and CEO of Main Street Association. My apologies to you that we're running behind. I hope we're not creating any problems back home.

MR. PLAUGHER: We're fine. Thank you. I guess we're afternoon now. Good afternoon, Mr. Chairman, Committee, Urban Affairs Committee. Thanks very much for entertaining us. We enjoyed your visit yesterday to Downingtown. Didn't know it was going to be a home game for the Chairman, so that's a win for us. So thank you for that and we appreciate that. So let me just give you my report here. So on behalf of the Downingtown Main Street Association, I want to thank the Urban Affairs Committee for visiting our borough and touring our most blighted property, the old Sonoco Paper Mill, on Route 322. Borough and state officials have been working hard and are close to bringing in new development, including a new train station.

Downingtown Main Street Association is an economic development arm of the Borough of Downingtown. We are a

501c(3) corporation comprised of citizens, property owners and businesses who share a common interest in the Borough of Downingtown's growth and economic development.

Established in 1993, Downingtown Main Street
Association's mission is to take a lead role in the
revitalization efforts in the Main Street District in order to
develop and enhance economic opportunities in the borough. Our
organization spearheads streetscape beautification projects,
building rehabs and community-based events in order to increase
property values, decrease commercial vacancy rates, and to
bring vitality and vigor to the borough while preserving
history that make Downingtown a special place to work and live.

Downingtown Main Street Association is a member of the Pennsylvania Downtown Center and National Main Street

Center. We follow National Main Street's guiding framework four-point approach with established committees consisting of Organization, Promotion, Design and Economic Vitality.

Downingtown Main Street is governed by an elected Board of Directors who hire a President/CEO to manage daily operations. We are funded by a public/partner privateship --- partnership, with a contribution from the Borough of Downingtown and donations from the business community.

The borough is fortunate not to be overwhelmed by urban blight. However, there are properties in our business district that have been neglected for years. Our organization,

along with borough officials and code enforcement, partner to address these conditions. Owners are notified of property maintenance violations, given a time period to comply. And for those who don't comply, fines are issued.

Our organization has been successful with a straight
--- with a state grant used for facade improvement at the
center of town. Paint and other supplies were provided and our
Board of Directors did the volunteer labor. The property owner
then became motivated and paid to put on a new roof. Following
this project, a nearby business painted the front of their
building. A new Facade Improvement Program for 2016 should
keep this ball rolling.

We have a \$108,000 Greenways, Trails and Recreation Program (GTRP) state grant pending approval at the GFA's next meeting, whenever that may come, we've been waiting, and this is for the Armor Alley Pocket Plaza located in our business district. If approved, the funds will be used to restore the plaza with new pavers, benches, plantings, general lighting, painting, an overhead canopy of lighting and a mid-block pedestrian crosswalk along with signage. The restored plaza will be a great asset to bring shoppers to our downtown and provide a site for community events and outdoor concerts. We are grateful to our state leaders, both Representative Lewis and Senator Andy D., for their tireless efforts in support of this project.

Downingtown Main Street Association recently completed a 16-month parking management project, which brought new state-of-the-art Kiosk Pay-Stations to municipal parking lots in the borough and a \$115,000 investment in parking

improvements.

One of our most rewarding accomplishments was to lead recovery and relocation efforts to 11 businesses displaced by a devastating fire last May. Downingtown Main Street Association coordinated a town meeting with impacted businesses and brought in resources, lenders, realtors, state, county and local officials, to assist with getting these businesses back open and remaining in the borough. Downingtown Main Street Association received local and regional recognition for our recovery efforts and have provided training to other municipalities.

And signature Downingtown Main Street events that bring thousands of people to Downingtown area, We Love Downingtown Valentine's Day Hearts Campaign, where we go into the business district and we sell hearts. They, you know, put their name and we put them on one of our central businesses that has a large storefront showroom. And that's a fundraiser, also instills pride in our community. We have the Downingtown Fine Arts Festival, which is coming up later this month, Downingtown Summer Jam, which is the last Friday in June, July and August. We have food vendors, bands, craft vendors. It

brings a ton of people out. And then in the fall we have a Zombie Run and Halloween Parade. Again, they're all --- all these are kind of a part of the tool to bring economic development --- bring people into our community.

And in conclusion I would like to thank the

Pennsylvania House of Representatives Urban Affairs Committee

for visiting our community and inviting Downingtown Main Street

Association to speak on urban blight in our downtown. We are

proud to share our challenges and success stories. I'll be

happy to answer questions that you have.

CHAIRMAN PETRI: I'm interested in your comments of how you rank the importance of the new train station, its location and dealing with, you know, the issue. And maybe you can just talk a little bit about the stumbling blocks you think that exist to get it done.

MR. PLAUGHER: Yes, Mr. Chairman. Thank you. The train station moved just, you know, a few hundred feet down the tracks within the area of 322 and Boot Road, where the community visited yesterday. For those of you who were not there, it's in the Borough. Representative Corbin is well aware of it, having represented the Borough for many years. It's an ongoing project, probably about four or five years in the works. Our goal is to move the train station to this new area and also to bring in development.

The original developer was not able to follow

through. They ran into financial difficulties. We also had the 2008 Recession. The property now is in bank foreclosure with several different property --- property owners, paper mills. Sonoco Paper Mill is the former owner. They have some of the parcels and the bank now controls some of the others. We have a new developer that wants to come in and wants to buy the property, has actually begun the process, and we're allowed to put in a mixed-use development along with parking for the train commuters.

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Our organization and borough officials were up in Harrisburg three weeks ago and we met with the state transportation secretary and her high-level staff, along with the developers, to show that we would like to develop this in an economic development fashion to bring in high --- high value apartments along with mixed-use and train parking. That's our That would enhance our downtown. We find that the preference. number of people who are young professionals, if they can have, you know, a residence near the train station, they can walk to the train, they come home, they can walk to our downtown, they can dine in our restaurants, dine in our shops. So the importance of a mixed-use development is --- it's critical to part of our main street mission to develop our downtown as opposed to the PennDOT perhaps wanting to build a sea of asphalt and just put in a parking. That's not something we want to see. We made it clear to PennDOT, and we believe that

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the Governor is in favor of economic development, too. So mixed-use development with parking provided, thinking out of the box, as we mentioned earlier, we feel will be a benefit for us as well as PennDOT, for the train station development.

CHAIRMAN PETRI: Representative Knowles?

REPRESENTATIVE KNOWLES: Thanks, Mr. Chairman. Ι commend you for what you are doing because I think we all realize the downtowns of small communities in terms of how they struggle. It seems to me that a downtown that is going to survive or that is going to prosper has to have a niche. It has to have a niche. By that I mean --- it's not located in my district, but the Borough of Jim Thorpe in Carbon County. that was at one time was a dying community. Because of the architecture, because of some of the historic buildings, because of their closeness to the Lehigh River that runs right through their community, because of the rail excursions, it has become a very popular tourist promotion place in Carbon County. I guess I'd like you to talk a little bit about --- more about your niche. What is your niche? What separates you from the other communities? I know you talked a little bit about it, but if you could just expound a little bit.

MR. PLAUGHER: Yes. Thank you. What we found over the years of doing this, surveys, modern technology with Survey Monkey, those type of things, where we survey our general population, what do they want to see, why would they come to

our downtown, why would they come to events, and it seems to me, you know, shopping and dining are key events. Food, beer is important. So with that in mind, our borough council has been very proactive, very pro business over the years. We have an excellent borough manager as well. So they have gone out of their way to bring in new business, to be creative.

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We have a Keystone Opportunity Zone. We have different programs for tax incentive. So we have done it, but I think our niche is that people want to come to dine, they want to come to shop, and we were able to open a couple of new restaurants. One opened and closed. We have a new owner. I think that's coming back. But our feelings and experiences that people are kind of tired of the mall thing and, you know, they want to come downtown. They want to go and walk around, a couple different shops. We have an excellent park system. We have a safe community with a quality --- quality police department. So it seems like the niche that we --- we have found, what we're hearing, is that they want to come out, they want to be able to dine. And if there's multiple places, that's a good thing because then they visit one one night and one the other. So the competition will not necessarily drive a similar business out but would bring in new business.

REPRESENTATIVE KNOWLES: Thank you, Mr. --- thank you, Mr. Chairman.

CHAIRMAN PETRI: And just to share with you,

Representative, I have the benefit of 36 years of experience in that when we moved here in 1975, and for the people in the audience will say it might be hard to believe, you had to go to Paoli in order to get a train to go into Philadelphia. That was where the train stopped. And it took a couple years before it came to Downingtown and then into Thorndale. And that was a big thing for commuters. So one of the other attractions, of course, is if you're --- if you don't want to take the Schuylkill, which nobody really wants to, or you don't want to take 95 to get into town, the train is the way. So I can see this as being very attractive for young people to move back into the borough, raise their families, great school system, fantastic school system, and be able to commute for their job into Philadelphia relatively easy.

The other thing we see, and we know it because of Uber, young people don't want to --- don't want to drive at night. They're getting smarter about the DUI laws. They want to go out and have a --- have a social event, they take Uber's and leave the car behind. Representative Corbin, I think you had a question.

REPRESENTATIVE CORBIN: I do. Thank you, Steve. I heard yesterday something about parking spaces for the train station being numbered at a thousand parking spaces. And is that something that PennDOT's requiring? Is it something that could be built --- does it have to be built all at once so you

have a thousand spaces, or could it be something where you build maybe 500 and then add to it as necessary or as needed? And a follow-up to that is the Chairman had mentioned about adding stops for SEPTA with Downingtown to Thorndale. Would there be any additional Keystone Line stops that would be done with the new train station? There are times I want to go to Harrisburg a little bit earlier than what Downingtown has to offer and there's no train available unless you go to Exton. And you can't park your car at Exton because all the spaces are filled up. So a lot of questions. Thank you.

MR. PLAUGHER: Thank you. I'll address them. So the first question as far as how --- how many --- how many parking spaces would --- would they need --- would PennDOT want to have with the train station. And that's where we're kind of at now with the developer. The developer is the Hankin Group. So the Hankin Group has --- has provided a plan, which would --- which would provide close to 400 parking spaces on the east side, near the tracks. And then with the reserve parking or expansion parking available on the west side, further down in the east Caln part of the development.

So as far as the number that's required, so it's kind of up in the air now. It depends. I mean, the borough had talked about --- what about a parking garage going up that would provide close-by parking without having a sea of asphalt. But you know, of course, that is a huge expense for a parking

garage. So we say, well, what about if we, you know, just did a smaller surface and had the ability to perhaps address a parking garage at the end of the road. So those are things that are all on the table and that was a presentation to PennDOT that would they --- you know, the Hankin Group would like them to consider their --- their plan to allow the parking as they laid out. So I believe that is something that's open to talks and that's the way we left it, the borough and Hankin Group and PennDOT. They were going to talk. The Hankin Group was going to submit further plans for the --- for the development, to see if it is feasible and it could be a win/win. I think PennDOT's original plans were just to put, you know, a parking lot up against the tracks, where we showed you yesterday. And this goes to the needs for economic development, to have a mixed-use plan there and still have plenty of parking for the community.

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And the other question, as far as the additional stops, I'm not aware that we've had any type of discussions about that. Perhaps maybe when final plans are made, then maybe, you know, SEPTA will be able to judge based on the demand and the availability of parking that it could be that. We're thinking that this new location would be a better draw of commuters from West Chester, West Bradford, that whole area, because now if you're going you have to come up 322, through the tunnel. Traffic backs up along Business Route 30. With

this new train station, you're coming up Route 322, you're barely touching the entrance to the borough, and so it's going to be much easier in and out. So we think the ridership will increase as well. So for the general Downingtown area and beyond, it's going to really be a great area.

REPRESENTATIVE CORBIN: Thank you.

CHAIRMAN PETRI: Our next panel will be Unruh,
Turner, Burke & Frees, Kimberly Venzie, Attorney at Law. Go
ahead. We're anxious to hear from you.

ATTORNEY VENZIE: Thank you very much. As the Chairman stated, my name is Kim Venzie. I'm with the law firm of Unruh, Turner, Burke & Frees. We're based out of West Chester.

Just to give you a little background about me, I've been in Chester County for four decades. So this is definitely my hometown. And I live in West Bradford. West Bradford Township is located essentially between Downingtown Borough and the City of Coatesville. My kids will eventually go to Downingtown West, which we're excited about. And I used to walk across the cornfields to get to the Exton Mall, back when I lived in Exton.

So our firm essentially does --- a department in our firm does all municipal work, so we represent many municipalities across Chester County. Currently I am Solicitor to West Caln Township, which is right nearby, and also a

Solicitor to Honey Brook Borough and also to Avondale Borough.

But we also represent various other townships and boroughs

across Chester County.

So I was asked to speak a little bit about the Borough of Phoenixville, which has really benefited from the Blight Act. My role as the municipal solicitor is really --- I see my role as the ground forces. So we had these great acts and statutes that we're hoping will help our townships and our boroughs. And then what I do is I try to actually take those acts and empower my zoning officer or my borough manager or my township manager to actually make that work for his township or his borough.

In the Borough of Phoenixville, especially, we --there was a couple comments or --- that were made today that I
kind of caught onto a little bit. There were things like
what's your niche. If a borough has a niche, that's helpful,
or thinking outside the box. And those are two things the
Borough of Phoenixville did really well. Our firm was
solicitor to the Borough of Phoenixville for about a period of
ten years. We no longer are. There were some political
shifts. But while we were there, we were --- we were really
successful.

We had a zoning ordinance in the Borough of

Phoenixville that really was this big (indicating), a huge

document. You had to open it up and developers would come in

and they wouldn't even know where to start with --- with those many provisions in that borough. So we worked with a land planner and myself, we took a borough ordinance that was this big (indicating) and currently it's about this big (indicating), so --- and I've been told in the State of Pennsylvania there's not a zoning ordinance like it for any borough or any township, because it's that thin, but it's also very effective.

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Now that I'm not Solicitor for the Borough of Phoenixville, I'll have a developer come to me and say I'm looking at the zoning ordinance and it seems like I can do pretty much anything I want with this piece. And I say, well, that's fairly accurate, but there are certain controls. the Borough of Phoenixville really wanted to give the developer the ability to think outside the box. So that's been --that's been very helpful in the Borough of Phoenixville. you've been up there, you've seen how it's change and adapted. But one of the things that they've utilized very well in the Borough of Phoenixville is the Blight Act. The Blight Act has been a huge help in the Borough of Phoenixville. And what we did with that, we knew the Blight Act, so we did --- we knew it was this great empowerment tool coming down from on high. what happened if we took that act and we actually put it into the ordinance. A lot of times I think what happens is there's these acts or these statutes that are out there and

municipalities don't even know that they can use those. So we took that ordinance and --- that act and we put it into actual code book so that the zoning officers and the borough manager knew that's a tool they could use in the borough.

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And the borough, it was --- it was --- I guess one of the --- I'll explain to you a couple of reasons it was really help in the borough and why it's helpful in the townships and then why it's helpful and how it could be more helpful to us.

In the Borough of Phoenixville it was helpful. had large --- some large projects come in. So we have a large --- a developer comes in with a lot of money doing a huge product in the borough. What happened is, that developer would get behind on water or sewer or permit fees. And you know, we wanted to encourage that development but we would be able to say to him, look, you're really behind on these fees. You've got to get --- we've got this Blight Act and we can enforce this. So although this building is not a blighted building, it's actually a great building, he would say, all right, I really need to get up to speed, so he would pay those fees. And when you let a developer get that behind on those permitting fees and water and sewer fees, it starts to affect your budget in the borough. So we use --- we used the Blight Act to help us with those larger developers. Small projects, you know, we have a couple of developers in the borough that

has a small --- a small house and maybe he's let that house go to shambles or it's a lot of apartments in the house, and then he would come to us and ask for a permit for another property. Well, of course the Blight Act was very useful in that way because we could say, well, we can't give you a permit for that property because you've got another property you got to fix up first. So that's a very easy way to use that tool.

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What also happened is we've had a developer or a real estate owner that would have maybe ten pieces of property in the borough and he would want to sell one of the pieces. Well, we'd have liens in place on all his properties, so then he would try to sell this one piece. And the property owner who's going to buy the piece from him would say, you've got all these liens, what am I going to do. Well, we would actually be able to negotiate and settle up with those liens on that property to get that property in the hands of a property owner who's actually going to do something with that property. So you know, we could have taken a hard line and say, no, you got to clean up all your liens on all your properties before we start letting you transfer properties, but the borough is smart enough and will negotiate and say we're going to work with that develop --- that property owner to get that property in the hands of somebody who's actually going to do some good with that property. So the Blight Act's been very useful in that way. And I just think in general the Blight Act is just a good negotiating tool to be able to tell a developer that we have this Blight Act, you can't get these permits until you settle up with the borough or the township. So that it's been helpful in that way.

It's also --- we represent boroughs but we also represent some townships, and the Blight Act, it doesn't just help boroughs or cities, it also helps townships. You know, we have lots of properties and townships where property owners aren't paying their sewer or water fees. There's some townships in Chester County that when you drive through them look very wealthy and look --- have spectacular homes. You would be surprised the number of people who are not paying their sewer, water and taxes in Chester County. Well, that impacts --- that impacts the municipality. It impacts their budget. So what we do is file liens against those properties.

And one of the challenges the Blight Act has not helped us with is when we file the liens, we know eventually if that property sells to a new property owner, they'll have to settle those liens. But a lot of times those liens will sit on a property for ten years. And unless a municipality wants to move forward with some kind of sheriff's sale, that type of action, they really can't do much with those --- with that money or how to collect it. One of the frustrating parts of that has been if a bank forecloses upon a property. We'll have liens in place against the property. The bank forecloses, but

not all banks will settle up with the municipality. You have to be very persistent. So I've had --- I have had luck with certain banks. When I find out they've got a property, I'll hunt down and you have to be very persistent. And you finally get through to the right person at the bank, and they'll say, fine, we'll settle up with the township or the borough and pay off those liens so the property is clear of those liens. But that's one of the frustrating things about the Act, you can get those liens in place, but then they sit there until the property changes hands.

The Blight Act does have a provision in it that talks about you can attach to the property owners, the assets --- the assets they have. But I haven't seen anyone really using that in Chester County as far as us municipal lawyers that I'm aware of. So it seems like it's going to be a useful tool, but according to the Act, you actually have to get a judgment in the Court of Common Pleas before you can actually attach the assets. And that's a process, and it's a costly process. So I think the Blight Act has mostly been useful as far as denying permits or getting liens in place, but I haven't seen it used as far as attaching the assets.

One of the helpful things in the Blight act, if there would be some way that we can have the banks actually settle up on those liens as part of that Act would really be helpful because there are a lot of foreclosures and a lot of banks just sit on those liens until they transfer it to a new
--- a new property owner. So I think that's --- I had actually
a whole written information that I provided to you, but I
figured after I heard everybody testify, I would testify about
what would be of interest.

CHAIRMAN PETRI: Any questions from members? I know staff has a question. Go ahead, Representative Corbin.

REPRESENTATIVE CORBIN: Thank you, Kim. As you know, Phoenixville is part of my district. And I'm curious, was Franklin Commons one of the developments that was related to the Blight Act or anything in that on the North Side? It's been a tremendous success story. And just, you know, to follow up on what you said about Phoenixville, I mean, the borough is just a model for what can happen to an old steel town when it's rundown and what can happen when people pay attention to it and live there. It's really a wonderful place.

ATTORNEY VENZIE: I don't think it was part --- the Blight Act was part of that, but certainly the zoning ordinance was much more welcoming to Franklin Commons, which is a multi-use tenant building that the new zoning ordinance encouraged that kind of development in that area. So thank you.

CHAIRMAN PETRI: Christine?

MS. GOLDBECK: Thank you, Mr. Chairman. And thank you very much. As one of the staffers on the Bicameral,

Bipartisan Blight Task Force, I was one of the authors of Senate Bill 100, which became the Blight Act.

ATTORNEY VENZIE: Thank you.

MS. GOLDBECK: And I can tell you --- no, thank you.

I can tell you that it was much more stringent. But through negotiations with stakeholders, you have what you have at this point.

We have talked about going back in and doing some changes as a result of people like you who come out and tell us this is what we really need. This is what we'd like to see.

Naturally, we can't promise you that the votes are going to do it through the stakeholders, but if you would please suggest some language to me since you seem to have expert writing ability with zoning codes as well, which I'll be picking your brain about. I would be thrilled. And I will send you an e-mail so we can initiate contact. And I will take it before the members of the Bicameral and Bipartisan Blight Task Force.

ATTORNEY VENZIE: Great. Thank you very much.

MS. GOLDBECK: So anything, any suggestive language about changes for us to consider, I would be thrilled. And thank you for talking about it and its use. We're always curious to see these statutes that we put in place and for people locally to talk about them, because we can --- you know, these ladies and gentlemen can make all the laws in the world at the state level, but if they're not being used by all of you

at the local level, it's kind of fruitless. Thanks for using it.

ATTORNEY VENZIE: Thank you.

CHAIRMAN PETRI: I wanted to recognize Representative Lewis for closing comments.

REPRESENTATIVE LEWIS: Thank you, Mr. Chairman. And I'd like to thank you, too, Kimberly. And ladies and gentlemen, this is a move that has been official to our communities. We hope to continue the dialogue. We hope to maintain a contact with all of you and all the stakeholders involved so we can do our part to continue this process. This is a part of the total process, and your connection with us is most important.

I've heard the word tools earlier. We're trying to get all of these tools together. And my analogy, just comparing it to a brand new auto mechanic, and he's put in this garage with all these tools that does everything to make the automobile synchronize smoothly. This is what we're trying to do, learning what all the tools are so we can move forward and have our communities operate smoothly. Mr. Chairman, I thank you very much.

CHAIRMAN PETRI: Thank you. I'm going to make a couple brief comments. My perception is that generally Commonwealth is probably the most difficult form of government. We rely on local control, not a county-based government.

There's really no other model left in the United States that operates like this. But it still is the best. It's what people like the most. They want to be able to go see their city council member and talk to her right across the table and say, hey, this is what's going on in my neighborhood. How can you help? The farther you are up in the chain, the harder it is to reach. You know, it's harder to reach your Congressman. It's harder to reach your State Representative --- or State Senator --- or U.S. Senators.

At the state level, we're still very local and approachable. Some people think we have too many State Representatives, but other people think that's okay because they can find their local State Representative. I know now exactly where your office is, Representative Lewis. So in order to be successful then we have to be communicating and we have to be educating. Today we learned that there are a lot of tools and there are a lot of skill sets that can be used. And this we learned from other municipalities. We learned that there's certain state statutes that have been recently enacted and can be tried in communities. But most importantly we heard from you and we understand that you have a vision. And the vision between the community seems to me to be pretty common. It's this idea of let's have a transportation of where you can get from one place to the other and hopefully bring people back into the boroughs and the communities. I think you'll be

successful. And I thought --- I forget who said it, it was one of the testifiers, but basically the example they gave was don't take no for an example. That's right, it was the township --- the township representative, the supervisor. He said I wasn't willing to take no. He didn't put it in those words, but I wasn't going to have the School Board stop this program and just kept being persistent. And that's what we're going to do.

The last thing I would share with the local elected officials in the audience, we have started a relationship. We have fantastic staff. Call upon us. Use us to provide resources and education back to you about how you may be able to deal with things. And let's be united in our approach. In Bucks County, what we hope to do as State Representatives is get together with our Senators and work together. I'm sure that's happening in Chester County, but we can always do better in every community. And so let's --- let's meet together. Let's talk together on our common issues and --- because collectively we're very, very strong. Individually, not so much. So thank you. I'm going to adjourn the hearing, and thank you for your testimony today. This meeting is adjourned.

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MEETING ADJOURNED AT 1:06 P.M.

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CERTIFICATE

I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stenographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.

Beth Strauss,