



**Senate Finance Committee Testimony
Hearing on SB 282**

Presented by:

Jay Sukerne, Acting Director, Vice President and Chief Financial Officer, Riverlife

Chairman Eichelberger, Chairman Blake and members of the Committee, thank you for inviting me to testify today. My name is Jay Sukerne and I am the Acting Director, Vice President and Chief Executive Officer of Riverlife. We strongly support this legislation and want to thank Senator Vulakovich, the prime sponsor, and Senator Costa for their vision and leadership.

As you may know, in 1999, a group of Pittsburgh community leaders, property and business owners, environmentalists, urban planners, elected officials and others saw the need to develop a master plan for Pittsburgh's most valuable asset: its rivers and their miles of shorelines. Their vision led to the formation of Riverlife (then known as Riverlife Task Force) to create a masterplan for the future of Pittsburgh's riverfronts. Through a public planning process that gathered the input of thousands of Pittsburghers and southwestern Pennsylvania regional leaders, Riverlife published a comprehensive Vision Plan and implementation strategy in 2001 as the blueprint to transform miles of riverfront on all three rivers located in the prime study area.

Today, more than 15 years later, Riverlife is still carrying out our publicly supported mission and working to execute that vision, with stewardship that extends up the Allegheny River to the 31st Street Bridge, up the Monongahela River to the Hot Metal Bridge, and along the Ohio River to the West End Bridge.

Riverlife has been party to more than a dozen public-private partnerships, resulting in publically accessible waterfront projects that are changing the face of Pittsburgh and boosting our local economy. These include the revitalization of Point State Park, which now sees over 2 million visitors annually; the conversion of the Mon Wharf Landing, and riverfront enhancements at the North and South Shore Riverfront Parks, The Convention Center Riverfront Plaza, Allegheny Landing, Station Square Marina, and the Rivers Casino Riverfront Park.

And Riverlife has been a voice for high quality design and environmental preservation, working to meet design guidelines for dozens of riverfront buildings; advocating to help preserve famous views from the Fort Pitt Bridge, and supporting the restoration of the historic 16th and 31st Street Bridges. Riverlife also worked with PennDOT to preserve

Troy Hill during proposed expansion of Route 28 and with the City to create a riverfront lighting master plan and electronic signage legislation.

Through partnerships like these that integrate the efforts of the public and private sectors, Riverlife has seen first-hand the benefits of waterfront development. These projects have:

- Created jobs and catalyzed ongoing financial investment and return to the community in the form of increased tax revenue (i.e. sales tax, income tax, real estate tax, etc...)
- Overcome industrial barriers and limited access to reconnect neighborhoods to the rivers and maximize the value of underutilized waterfront properties,
- Provided over 60 acres of public amenities and environmental solutions that add to overall quality of life for Pittsburgh's residents and
- Served to attract visitors, employees and residents and to rebrand Pittsburgh as a model twenty first century city and southwestern Pennsylvania as a vibrant regional cornerstone of the state.

Since Pittsburgh was in the international spotlight for the G20 Conference in 2009, over three dozen Chambers of Commerce throughout the United States and Canada have visited Pittsburgh to learn from the successes of our waterfront redevelopment story.

The Waterfront Development Tax Credit will make it possible for towns and cities all over Pennsylvania to replicate the type of job creation, improved quality of life and increased economic development that we have seen in Pittsburgh over the past decade and a half.

Pennsylvania is uniquely advantaged as a water rich region comprised of six major river basins; the Delaware, the Susquehanna, the Genesee, the Potomac, the Ohio, and Lake Erie; with an estimated 86,000 streams and river miles and 161,455 lake acres. In the East there are seventeen square miles of Delaware Estuary and 512 acres of tidal wetlands. In the northwest, there are 63 miles of Lake Erie shoreline. And scattered throughout the state are 403,924 freshwater wetlands.

In fact, of the 67 counties in Pennsylvania, 64 have significant creeks, rivers or lakes.

The Waterfront Development Tax Credit would provide a vehicle for corporations to invest in waterfront projects that will exact benefits for citizens, for the economy and for investors.

Non-profit organizations, like Riverlife, with experience in catalyzing waterfront development will be eligible to assist in the implementation of projects that will have a substantial impact throughout the Commonwealth.

The funds that would be made available through this credit would be used on amenities that benefit the public; amenities that have been shown to attract residents and visitors to waterfront cities and towns but too often are left out of projects because there is no room for them in the development budget.

Consider the following examples of items that these funds could be used for:

- Accessible bicycle and pedestrian pathway connections with public trails and rights of way that increase public access and connect neighborhoods to the water and assist in the implementation of continuous trail systems along waterfronts;
- Green and energy efficient streets, ecologically landscaped waterfront parks and gardens and open space extensions from the neighborhoods that capture rainwater, restore tree canopy and/or create native habitat to serve as a setting and benefit for new buildings;
- Bank stabilization to promote erosion control, storm water management and aquatic habitat;
- Or, for amenities that draw people and companies to the water and provide improved safety conditions for people who are already there; items like boardwalks, seating, drinking fountains, emergency call boxes, mileage markers, bicycle storage, water landings and marinas, maps and signage, and energy efficient lighting.

Today, Pittsburgh stands as a model for the benefits of investing in waterfront development projects and we believe that the lessons we have learned here over the past 15 years can be used to help other communities across Pennsylvania. Well-planned waterfronts benefit local economies, catalyze development and create jobs.

Consider the results of the “Three Rivers Park Economic Impact Analysis” that we are releasing today and have provided to you. This independent report, prepared by Sasaki Associates, assessed the demonstrated impact of public realm investments in Three Rivers Park and other comparable projects from around the country chosen because of their similarity in scale, context and physical features.

We know that the approximately \$130 million invested in Three Rivers Park over the past 15 years has helped to catalyze nearly \$2.6 billion in riverfront development activity and nearly \$4.1 billion in total riverfront and adjacent development in the form of corporate headquarters and office buildings, hotels, sports and entertainment complexes and residences. What we now know is that this return on investment in the form of adjacent development exists in other cities that have made the same type of public realm investments.

In studying the other public realm investments, Sasaki noticed a trend of a significant increase in the property values adjacent to the projects. Sasaki then tested this in

Pittsburgh by looking at the increase in value of property between the two most recent assessments.

Studying changes in property value since 2001, the data shows a 60% property value increase within the vicinity of riverfront investment projects compared with a 32% property value increase citywide outside the riverfront zone of influence (ZOI).

The area with the highest property value increase is in the area around the South Side Works. From the Birmingham Bridge to the Hot Metal Bridge and back past Carson Street, a new riverfront neighborhood has developed over the past 15 years and property values have increased on average by 117%.

Sasaki reports that the findings strongly indicate that a well-planned investment can have a multiplier effect on economic value creation that definitively justifies its cost. The benefits of these kinds of investment, however, go far beyond the economy. They enhance a region's cultural trust, perception, public health, physical environment, and mobility options, among other benefits. A holistic consideration of all of these factors is essential for an accurate cost-benefit analysis of public realm investment options.

The pattern in Pittsburgh and in other cities across the country is clear: properties with close proximity to high quality park infrastructure increase in value more than properties that do not and all of the metrics indicate that the value created by each of these projects far exceeds their costs, suggesting significant opportunity for comparable returns throughout Pennsylvania.

We believe that the Waterfront Development Tax Credit would be the catalyst to replicate this type of return state-wide. The proposed legislation, which we believe to be the first of its kind in the nation, provides the opportunity for Pennsylvania to set a nation-wide standard of how to capitalize on the potential of waterfront sites to attract investment into the state to generate long term value through public private partnerships.

Again, thank you Chairman Eichelberger, Chairman Blake, and members of the Committee for this opportunity to comment on SB 282.