Marcus Hook Transit Revitalization Investment District Financing Plan

Prepared for the Borough of Marcus Hook, PA

By:
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1 Introduction

Transit Oriented Development (TOD) is a concept that has flourished in many metropolitan areas of the United States during the last decade. Simply put, TOD is development that orients itself to transit hubs, stations, or stops along rail, light rail, and/or bus lines. TOD ensures safe and convenient connections between development and transit through innovative design and pedestrian amenities such as sidewalks, lighting, and signage. The Philadelphia region was at the forefront of developing walkable and transit-friendly neighborhoods and suburban communities in the late 19th and early 20th centuries with the construction of its subway, trolley, and regional rail lines. However, this type of sustainable growth began to wane as focus turned to the automobile and the accompanying sprawling development patterns. Despite these changes in growth patterns over the last half century, the Philadelphia region exemplifies some of the best transit-oriented communities in the country while many more recently-settled regions are now attempting to create them from scratch. This nation-wide recognition of the importance of TOD has returned full circle to Philadelphia, sparking a renewed interest in revitalizing its transit system and the communities that are served by it.

In the spirit of facilitating transit oriented development throughout the Commonwealth of Pennsylvania, the Pennsylvania Legislature passed the Transit Revitalization Investment District Act on December 8, 2004. The Act empowers municipalities, counties, school districts, and public transportation agencies across the Commonwealth to work cooperatively to establish Transit Revitalization Investment Districts (TRID) and the appropriate mechanisms to capture the real estate taxation and other values added by development activities for reinvestment in the transit system and local communities. TRID also offers the prospect of state support for planning and implementation funding through the Department of Community and Economic Development.

The Borough of Marcus Hook is one of the first communities in Pennsylvania to take advantage of the opportunities offered by the TRID legislation. The Borough has struggled with a loss of residents and businesses over the last few decades and is now seeking to redevelop underutilized properties around its train station to increase its tax base and reverse decline. At the same time, the Borough hopes to provide new housing opportunities to its residents, support its existing retailers, provide new retail opportunities, fund needed infrastructure improvements, and improve the community’s quality of life. All of these are key objectives of TOD and TRID.

2 Background

Situated on the SEPTA R2 rail line, the Borough of Marcus Hook is conveniently accessible to Philadelphia and Wilmington by transit. Before TRID legislation even existed, the Borough began examining the potential of its train station and nearby land as a development opportunity. The Borough’s 2002 Comprehensive Plan called for improving connections between its built environment and open space amenities to improve economic development while encouraging pedestrian mobility, access to recreation, and job opportunities. The Plan highlighted the large Borough-owned vacant parcel adjacent to the rail line on the east side of Market Street as a key parcel for a TOD that could take advantage of its proximity to the rail station. This led to the Borough’s partnership with the Pennsylvania Environmental Council (PEC) to create a TOD plan for the site.
In 2004, the Borough received a planning grant from the Delaware Valley Regional Planning Commission (DVRPC) to hire a consultant team led by the firm Kise Straw & Kolodner to undertake a market, design, and planning analysis for the TOD site. The study created a vision for the site that would connect the train station to the existing commercial district and residential areas through a new mixed-use pedestrian-friendly development. The TOD plan made several recommendations for the site, including a new rail station; new pedestrian amenities such as sidewalks, lighting, and trees; two new parks; rental and sale housing in a variety of styles; mixed-use commercial development; and new streets and parking to accommodate the development.

Following the completion of the well-received TOD plan, the Borough continued to work with PEC to keep the project moving. PEC assisted the Borough with hiring a consultant to complete a Phase 1 environmental analysis and land appraisal, and preparing an RFP to attract a developer for the site. They also solicited and retained a potential developer who prepared preliminary plans for the site and remains interested in carrying out the development.

3 TRID Process

With the background studies completed, the Borough was well situated to continue advancing the project. The TRID legislation outlines a three-phase process which includes 16 steps necessary to successfully complete a TRID project. Specifically, these steps are include:

Planning Phase (completed)
- Step 1 – Municipality and Transit Agency agree to work cooperatively to create TRID
- Step 2 – Municipality undertakes TRID planning study
- Step 3 – Municipality and Transit Agency conduct community public meetings on planning study
- Step 4 – Planning study is revised and completed
- Step 5 – Municipality and Transit Agency accept study findings and recommendations

Program Management Phase (current plan)
- Step 6 – Municipality forms Management Entity to administer TRID implementation
- Step 7 – Municipality and Transit Agency prepare list of public sector infrastructure improvements, including costs
- Step 8 – Municipality and Transit Agency coordinate with school district and county on value capture shares, schedule, and TRID financial plan
- Step 9 – Municipality and Transit Agency hold public meeting on TRID implementation program
- Step 10 – Municipality and Transit Agency execute agreement on roles, responsibilities, financial commitments, management entity, and defined improvements

Implementation Phase (next steps)
- Step 11 – TRID Management Entity solicits developer interest
- Step 12 – Development proposal accepted by TRID Management Entity and Municipality
- Step 13 – TRID Management Entity executes development agreement with successful developer, including public sector improvements and private sector financial/project commitments
- Step 14 – Project construction and completion
• Step 15 – TRID Management Entity administers value capture revenues and expenditures
• Step 16 – TRID Management Entity makes amendments to TRID plan as required

By the time the legislature passed the TRID legislation in 2004, the Borough already had accomplished Steps 1 through 5 of the process with the completion of the TOD plan. The next phase, the Program Management Phase, includes Steps 6 – 10. To carry these Program Management steps forward, the Borough again teamed with PEC to hire the consulting team of Urban Partners, Brown & Keener, and IBI Group. The team was charged with creating a TRID Financing Plan to determine the economic feasibility of the TOD. This Plan incorporates Steps 6 through 10 of the TRID process and simultaneously establishes a physical plan for the TRID that can be fiscally sustained and supported.

Management Entity – Step 6

Step 6 of the TRID process requires the developers to determine the entity that will manage the TRID development process and administer implementation of the project. The entity can take on a variety of forms, including authorities, agencies, or jurisdictions. As the primary land owner in its TRID, the Borough of Marcus Hook has agreed to be the management entity for the Marcus Hook TRID project. In this capacity, the Borough will oversee the remainder of the Program Management Phase and manage the Implementation Phase. This will involve continuing to negotiate with other land owners in the TRID, soliciting prospective developers and contractors, executing contracts, managing construction, and administering value capture revenues and expenditures.

Infrastructure Costs – Step 7

Step 7 of the TRID process requires identifying public infrastructure improvements and costs associated with the TRID development. This is important because these costs determine the amount of public financing and grant money that will be necessary to pay for them and effectively attract the desired private development to the TRID. Such public improvements associated with the TRID include transit station infrastructure, traffic and pedestrian infrastructure (including curbs, sidewalks, lighting, etc.), utility infrastructure (including water and sewer), any environmental remediation, land acquisition, and park development. The specific public infrastructure improvements and costs associated with the Marcus Hook TRID are outlined in detail below in Section 7 – TRID Infrastructure Costs.

Value Capture – Step 8

A key component and Step 8 of the TRID Program Management Phase is determining value capture of the Marcus Hook TRID area. TRID financing involves the approval of the three parties impacted financially by the development: the Borough of Marcus Hook, the Chichester School District, and Delaware County. SEPTA, the transit agency, must also approve. The degree of TRID financing received for the project depends on the agreed-upon increment of value captured from the development.

According to the TRID legislation, value capture is defined as incremental tax revenue resulting from increased property values within the designated TRID area as a result of new public and private investments. Upon formation of a TRID and establishment of its boundary, the portion of that tax increment revenue determined by the three impacted governing bodies can only finance public improvements and development projects within the TRID boundary. The assumption is that future
development, investment, and assessments will translate into additional tax revenue, which can be leveraged for additional improvements to the TRID. Thus TRID, and its associated value capture, has the potential to be a powerful tool for financing transit oriented developments. The potential value capture of the Marcus Hook TRID is described in detail in Section 8 as part of the TRID fiscal feasibility analysis.

4 Community Engagement and Education

A required and necessary component of the entire TRID process is community engagement. Community engagement was critical to the success of the TOD plan, as it gave citizens the opportunity to understand the development concepts proposed for the site. It also began the process of creating developer interest. The Borough intends to continue public involvement in the TRID process to explain its purpose and components as well as the alternate implementation approaches. Such involvement will provide an opportunity for the community to offer feedback regarding the alternatives.

As part of the community engagement process, the consultant team recognized an opportunity to offer an educational component to the elected officials voting on TRID-related resolutions, including Marcus Hook Borough Council, the Chichester School District, and Delaware County Council. For far-reaching fiscal decisions to be made effectively, each of these voting bodies must clearly understand the nuances of TRID development and financing.

To provide this educational component, the consultant team assisted PEC with organizing a public workshop to which Council, School District Board, and County and State elected officials were invited. The workshop, held on February 5, 2009, provided a recap of the TOD Plan, an overview of the current TRID plan, and estimated costs associated with the proposed development. The potential fiscal impacts were discussed as well. The crowd of approximately 75 people provided positive feedback about the proposal. In addition to the workshop, the consultant team held meetings with various developers and landowners to gauge their interest in participating in the project.

Also, the Borough formed a Marcus Hook TRID Project Committee, which held regular meetings. This group consisted of representatives of the Borough administration, Borough Council, the Marcus Hook business community, SEPTA, the Chichester School District, the Delaware County Planning Department, PEC, and the consultant team. The Committee was instrumental in providing feedback to the consultants, ideas for improving the plan, and momentum to keep the project moving forward.

5 TRID Study Area Boundary

Establishing a TRID study area boundary is a key first step in the Program Management Phase of TRID planning. The TRID Project Committee must establish boundaries for a study area early to focus on strategic properties to include in the development process. As development schemes evolve, and the potential impacts of alternate boundaries on value capture are identified, it is likely that several boundary options will be considered.

Such is the case with the Marcus Hook TRID. Map 1 on the next page shows the endorsed TRID boundary. The boundary changed from the original location as various development schemes and the
associated fiscal impacts were considered. Ultimately the selected boundary captures the optimum value for each of the three parties involved in TRID financing.

As Map 1 shows in red outline, the TRID boundary is a combination of publicly-owned and privately-owned parcels. It also includes various corridors to capture public infrastructure, namely streetscape improvements to tie all of the TRID areas together while connecting each to the train station. Area 1 (in red) includes the Borough-owned property along Market Street, which is the largest developable parcel in the TRID, as well as the Amtrak property along the railroad tracks. Area 1 (in black) also includes the SEPTA station and parking lot, a portion of Maiden Lane along the Market Street bridge, and the portion of Market Street between the bridge and the intersection with 10th Street. These additional segments are included in Area 1 to provide infrastructure improvements to the SEPTA station area, provide additional parking, and improve the Market Street streetscape as part of the development. All privately-owned properties and structures in Area 1 are excluded from the TRID.

Area 2 (in red) consists of several large privately-owned vacant parcels, mostly by BDB Properties, adjacent to Area 1. Small properties containing buildings are not part of Area 2. Area 2 (in black) also includes the portion of 10th Street from Green Street north to the crossing of the railroad spur near Church Street.
Finally, Area 3 (in red) is the former American Viscose Company property along 10th Street, currently owned by Keystone Community Alliance, which contains three large former factory and office buildings and a stack chimney. It also includes undeveloped open space across Penn Avenue along the Borough line with Trainer. The TRID does not include the fire company. Area 3 (in black) also includes the portion of 10th Street from the railroad spur to the Borough line with Trainer as well as Robert Haebel Plaza across from the original American Viscose Company administrative building.

6 TRID Development Program

The recommended Marcus Hook TRID development program consists of a variety of residential unit types to fit a variety of lifestyles, consistent with the market analysis performed as part of the original TOD Plan. That study also recommended a small amount of commercial space, which this TRID development program suggests only for Area 3. Because of its proximity to the existing Marcus Hook business district, the TRID development program encourages revitalization and occupation of existing commercial space while providing new housing choices for Borough residents and connecting them to each other. The consultant team determined that a variety of housing stock has been successful in other communities in terms of sales, and that it would be appropriate for the Marcus Hook community in terms of size and price point. The characteristics of the proposed development program are depicted on Map 2 and Table 1.

Map 2. Marcus Hook TRID Development Program
Table 1. Marcus Hook TRID Development Program Summary

<table>
<thead>
<tr>
<th>Areas</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Program (# and Type of Units)</td>
<td>32 Loft Units 24 Manor Home Units 36 Back to Back Units</td>
<td>4 Live/Work Units 11 Townhomes</td>
<td>? Housing Units ? Retail Space ? Flex Space</td>
</tr>
</tbody>
</table>

Area 1

The bulk of the proposed new development lies in Area 1, as indicated on the map and in Table 1. We recommend the following development program to maximize the potential value capture of the TRID. Specifically, Area 1 involves the construction of a loft building containing 32 units, 24 manor home units, and 36 back-to-back units. We suggest a loft building with approximately four stories with an elevator and eight units per floor, for a total of 32 units. Unit sizes could be 800, 1,000, 1,200, and 1,400 square feet for a total of 40,000 square feet. See Figure 1 for a graphic depiction of what a loft building in Area 1 could look like.

Figure 1. An example of a loft building appropriate for the Marcus Hook TRID
Manor home-style housing units are becoming increasingly popular. This style consists of a large single multi-story building of approximately 4,500 square feet, which is typically divided into three separate living units of 1,250, 1,400, and 1,600 square feet each. The manor home resembles one very large home, yet it contains several units. Area 1 of the TRID plan calls for a total of eight manor homes. Lantern Village in Doylestown, PA is an existing community containing manor homes. See Figure 2 for an image of those units.

![Figure 2. An example of manor home units in Lantern Village](image)

Back-to-back units are contiguous units that back against one another so each has a separate front entrance but no rear entrance. Usually back-to-back units are built in “pods” consisting of about six to eight units per building. This layout provides design flexibility for unit sizes and configurations, allowing for both flats and multi-story units as well. This development program assumes that units of this type are 1,000 square feet or 1,250 square feet. Area 1 is proposed to contain 18 units of each size, for a total of 36 back-to-back units. The very successful Palmyra Harbor development in Palmyra, NJ, contains back-to-back units. See Figure 3 for an image of those units.
Area 2

Area 2 has less developable land than Area 1, so it contains fewer proposed housing units (see Map 1 and Table 2 above). Nonetheless, Area 2 involves the construction of totally different types of units than in Area 1. Proposed are four live/work units and eleven town homes. Live/work units are generally geared toward artists, combining affordable living with studio or work space. However they can easily be used as a home office. Units of this type are assumed to be approximately 1,500 square feet for the TRID.

Town homes are perhaps the most traditional housing style proposed for the Marcus Hook TRID, all in Area 2. Town homes are contiguous multi-story fee-simple homes that have separate front doors to the street as well as a back door opening to a back yard. For Area 2 we are also proposing separate garages for each unit. Like the live/work units, we are assuming a town home size of 1,500 square feet. Examples of town homes similar to those proposed for Marcus Hook can also be found in Lantern Village (see Figure 4).
Area 3

Because of its existing building stock, Area 3 offers a much different development opportunity than Areas 1 and 2. New housing in Area 3 is proposed entirely in existing rehabilitated buildings – former office buildings of the Viscose Company. This portion of the site consists of three separate buildings that could be adapted for use as housing. There is additional land for parking and open space (see Figure 5). Proposed housing for this site includes age-restricted/senior housing units as well as non-age-restricted loft units. The largest of the three buildings could also incorporate approximately 45,000 square feet of ground-floor retail along 10th Street, as well as 100,000 square feet of flex space on floors above.
7 TRID Capital Improvement Infrastructure Costs

As mentioned above in Section 3 and shown in Table 1, there are a variety of infrastructure components required to encourage, facilitate, and provide a foundation for constructing the TRID development program. These range from paving streets to installing pedestrian-oriented lighting to adding public water and sewer infrastructure. Each Area of the TRID will require its own set of public infrastructure, each with its own price tag. This section will outline those costs in detail.

Area 1

The TRID capital improvements for Area 1 fall into a variety of sections, including the primary Borough-owned parcel; the Amtrak-owned parcel to the immediate west of the Borough-owned parcel; the area at and around the SEPTA station; and Market Street from the base of the bridge (11th Street) to 10th Street. Together, these sections make up Area 1 in its entirety. Each of these sections has its own set of recommended capital improvements and associated costs (see Table 2).
Table 2. Total Infrastructure Cost Estimates for Area 1

<table>
<thead>
<tr>
<th>Borough-Owned Land</th>
<th>Units</th>
<th>Unit Cost</th>
<th>Total</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Remediation</td>
<td>20,000 Cu. Yd.</td>
<td>$35</td>
<td>$700,000</td>
<td>Removal of 3 feet of topsoil of Borough-owned property and replacement with 1.5 feet</td>
</tr>
<tr>
<td>New Street Construction</td>
<td>4,120 Sq. Yd.</td>
<td>$40</td>
<td>$164,800</td>
<td>Includes 11th Street from Market to Church and the &quot;L&quot; from 11th to Market with a 36 foot pavement</td>
</tr>
<tr>
<td>Water Lines</td>
<td>450 L. Ft.</td>
<td>$50</td>
<td>$22,500</td>
<td>11th Street from Market to Church. All other water and sewer is internal.</td>
</tr>
<tr>
<td>Sewer Lines</td>
<td>450 L. Ft.</td>
<td>$45</td>
<td>$20,250</td>
<td>11th Street from Market to Church. All other water and sewer is internal.</td>
</tr>
<tr>
<td>Trenching</td>
<td>333 Cu. Yd.</td>
<td>$30</td>
<td>$10,000</td>
<td>11th Street from Market to Church. All other water and sewer is internal.</td>
</tr>
<tr>
<td>New Sidewalks</td>
<td>1,973 Sq. Yd.</td>
<td>$30</td>
<td>$59,190</td>
<td>Includes 11th Street from Market to Church, the &quot;L&quot; from 11th to Market, and Market from 11th to the Amtrak ROW with a 6 foot sidewalk</td>
</tr>
<tr>
<td>New Curbs</td>
<td>2,960 L. Ft.</td>
<td>$30</td>
<td>$88,800</td>
<td>Includes 11th Street from Market to Church, the &quot;L&quot; from 11th to Market, and Market from 11th to the Amtrak ROW with a 6 foot sidewalk</td>
</tr>
<tr>
<td>Pedestrian Lights</td>
<td>49 Each</td>
<td>$3,000</td>
<td>$147,000</td>
<td>Every 60 feet along new sidewalks</td>
</tr>
<tr>
<td>Street Trees</td>
<td>99 Each</td>
<td>$630</td>
<td>$62,370</td>
<td>Every 30 feet along new sidewalks</td>
</tr>
<tr>
<td>Textured Crosswalks</td>
<td>3 Each</td>
<td>$3,000</td>
<td>$9,000</td>
<td>On 11th at Market, parking lot and where the &quot;L&quot; meets 11th.</td>
</tr>
<tr>
<td>Paving, Parking Lots</td>
<td>4,261 Sq. Yd.</td>
<td>$40</td>
<td>$170,440</td>
<td>118 spaces internal to development project</td>
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<tr>
<td>Striping, Parking Lots</td>
<td>2,124 L. Ft.</td>
<td>$1</td>
<td>$2,124</td>
<td>118 spaces internal to development project</td>
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<tr>
<td>Design and Contingency (22%)</td>
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<td></td>
<td>$320,424</td>
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| Subtotal | $1,780,000 |

<table>
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<tr>
<th>Park Facility</th>
<th>Units</th>
<th>Unit Cost</th>
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<th>Comments</th>
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<tr>
<td>Land Acquisition for Park</td>
<td>2.5 Acres</td>
<td>Lump</td>
<td>$235,000</td>
<td>Market value of park property to acquire from Amtrak</td>
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<tr>
<td>Environmental Remediation</td>
<td>12,150 Cu. Yd.</td>
<td>$35</td>
<td>$425,250</td>
<td>Removal of 3 feet of topsoil of park property</td>
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<td>Park Construction/Boardwalks</td>
<td>2.5 Acres</td>
<td>$79,000</td>
<td>$277,500</td>
<td>Approximate size 550 x 165 with 250 x 50 extension; cost includes $80,000 for boardwalk</td>
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<tr>
<td>Fencing</td>
<td>1,270 L. Ft.</td>
<td>$24</td>
<td>$30,480</td>
<td>6-ft aluminum; along Amtrak ROW and freight spur ROW from Market Street to PECO property</td>
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<tr>
<td>Shrubs</td>
<td>110 Each</td>
<td>$50</td>
<td>$5,500</td>
<td>Every 5 feet along Amtrak ROW</td>
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<td>Design and Contingency (22%)</td>
<td></td>
<td></td>
<td>$68,965</td>
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| Subtotal | $1,050,000 |

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<th>SEPTA Station Area Improvements</th>
<th>Units</th>
<th>Unit Cost</th>
<th>Total</th>
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<tbody>
<tr>
<td>New Sidewalks</td>
<td>1,293 Sq. Yd.</td>
<td>$30</td>
<td>$38,790</td>
<td>Both sides of 12th Street along SEPTA parking lot, 6 feet wide.</td>
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<tr>
<td>New Curbs</td>
<td>1,940 L. Ft.</td>
<td>$30</td>
<td>$58,200</td>
<td>Both sides of 12th Street along SEPTA parking lot.</td>
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<tr>
<td>Pedestrian Lights</td>
<td>32</td>
<td>$3,000</td>
<td>$96,000</td>
<td>Both sides of 12th Street along SEPTA parking lot, every 60 feet.</td>
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<tr>
<td>Street Trees</td>
<td>65</td>
<td>$630</td>
<td>$40,950</td>
<td>Both sides of 12th Street along SEPTA parking lot, every 30 feet.</td>
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<tr>
<td>Paving, Parking Lots</td>
<td>578 Sq. Yd.</td>
<td>$40</td>
<td>$23,120</td>
<td>16 parking spaces under Market Street bridge</td>
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<tr>
<td>Striping, Parking Lots</td>
<td>288 L. Ft.</td>
<td>$1</td>
<td>$288</td>
<td>16 parking spaces under Market Street bridge</td>
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<td>Design and Contingency (22%)</td>
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| Subtotal | $315,000 |

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<tr>
<th>Market Street Streetscape Improvements</th>
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<td>New Sidewalks</td>
<td>480 Sq. Yd.</td>
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<td>$14,400</td>
<td>Both sides of Market 11th to 10th</td>
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<td>New Curbs</td>
<td>720 L. Ft.</td>
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<td>$21,600</td>
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<tr>
<td>Pedestrian Lights</td>
<td>12</td>
<td>$3,000</td>
<td>$36,000</td>
<td>Both sides of Market 11th to 10th, every 60 feet</td>
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<tr>
<td>Street Trees</td>
<td>24</td>
<td>$630</td>
<td>$15,120</td>
<td>Both sides of Market 11th to 10th, every 30 feet</td>
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<td>Design and Contingency (22%)</td>
<td></td>
<td></td>
<td>$19,166</td>
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</tbody>
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| Subtotal | $110,000 |

| Total Area 1 | | | $3,255,000 |
As Table 2 shows, the Borough-owned parcel likely will constitute the highest infrastructure costs in Area 1 due to its size and the fact that it will contain the highest density of development in the TRID. The highest infrastructure cost for this section is environmental remediation, at $700,000, to mitigate any potential contamination from the properties former use as a rail depot site. This would involve removing approximately three feet of topsoil and replacing it with approximately 1.5 feet. Parking lots and streets to serve the new housing are the next most expensive infrastructure items for a total of about $335,000, followed by pedestrian lighting throughout the development at $147,000. Because engineers must design this infrastructure and set aside funding for cost overruns, design and contingency costs will be a significant part of the estimates for each area. This item is often one of the costliest, in this case $320,000. In total, we estimate the infrastructure costs for the Borough-owned property associated with the on-site TRID development to approximate $1.79 million.

The Amtrak-owned property is believed to contain wetlands and is accordingly programmed as a park. The proposed park facility would serve the residents of the new housing on the Borough-owned property. The same environmental remediation would be required and would be the highest cost infrastructure item at about $425,000. Other expenses associated with the park would be the construction of park amenities, such as the boardwalks throughout the wetland area, for an estimated total of approximately $278,000. The park property must also be acquired from the current owner – Amtrak – estimated to be about $235,000. With design and contingency, the park facility infrastructure costs are estimated to approach just over $1 million.

The SEPTA station area and Market Street improvements are far less costly than the other two sections of Area 1 primarily due to their size and scope. The SEPTA station infrastructure upgrades are intended to create a better experience for riders and better connect the station to the proposed TRID development on the other side of the Market Street bridge. These improvements include new curbs, sidewalks, and trees amounting to approximately $140,000. It also involves pedestrian lighting which we expect to be about $96,000. Approximately 16 spaces of additional parking are proposed as overflow for the SEPTA station to be located under the new bridge near 12th Street and Maiden Lane. Approximately $25,000 worth of paving and striping would be required to provide these parking spaces. With design and contingency, the SEPTA station area infrastructure improvements are expected to approach about $315,000.

As with the SEPTA station, the purpose of the Market Street infrastructure improvements between the bridge and 10th Street is to improve pedestrian access and to better connect the new TRID development to Marcus Hook’s existing commercial district. To accomplish this, proposed improvements include sidewalks, curbs, trees, and pedestrian lighting amounting to approximately $85,000. Combined with design and contingency, we anticipated a total infrastructure cost for Market Street to approximate $110,000.

In total, the Area 1 infrastructure costs are estimated to be approximately $3,255,000.

Area 2

The TRID capital improvements for Area 2 fall into two different sections - the privately-owned parcels between the Borough-owned property and 10th Street, and streetscape improvements along 10th Street. Each of these components has their own set of capital costs (see Table 3).
As shown in Table 3, the largest cost for this segment is anticipated to be property acquisition and paving for 138 new public parking to serve the commercial district, estimated at about $300,000. The construction of Church Street is expected to approach $216,000, not including associated utilities. This new street will extend Church Street from 10th Street into the development along the PECO property line, providing access to the new housing, and will involve acquiring a vacant property opposite the existing Church Street to accommodate the new street. Other infrastructure costs will include sidewalks, curbs, trees, and pedestrian lighting. In addition, design and contingency is expected to be about $145,000. Therefore, the subtotal for infrastructure improvements for this section of Area 2 is approximately $805,000.

Area 2 also includes the 10th Street streetscape, from Borough Hall to the railroad spur near Church Street. As with the Market Street streetscape, street infrastructure improvements are intended to enhance the commercial district access and appearance, and effectively connect it to the new development taking place on the TRID parcels. Unlike Market Street, however, 10th Street is part of the East Coast Greenway, which when complete will be a contiguous on- and off-street bicycle and pedestrian facility from Maine to Florida. As a result, 10th Street is slated for a variety of improvements as part of the Greenway, including trees and striping. Lighting is not included as part of this package. Therefore, we are adding lighting to 10th Street as part of the TRID infrastructure improvements to enhance the improvements already proposed. We expect this lighting to cost approximately $90,000 for this stretch of 10th Street.

Together, Area 2 infrastructure costs are expected to be approximately $895,000.

**Area 3**

Similar to Area 2, the TRID capital improvements for Area 3 also fall into two different sections - the Viscose Property and vicinity, and continued streetscape improvements along 10th Street. Each of these components has their own set of capital costs (see Table 4).
Table 4. Total Infrastructure Cost Estimates for Area 3

<table>
<thead>
<tr>
<th>Viscose Property and Vicinity</th>
<th>17,333 Sq. Yd.</th>
<th>$ 693,320</th>
<th>480 spaces behind Viscose Building at 325 SF/space.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paving, Parking Lots</td>
<td>2,077 L. Ft.</td>
<td>$ 2,077</td>
<td>480 spaces behind Viscose Building</td>
</tr>
<tr>
<td>Robert Haebel Park Rehabilitation</td>
<td>1.0 Acres</td>
<td>$ 50,000</td>
<td>Rehabilitation to circular park in Viscose Village</td>
</tr>
<tr>
<td>Greenway Acquisition/Improvements</td>
<td>7.5 Acres</td>
<td>$ 165,000</td>
<td>Creation of new park/greenway along Penn Avenue</td>
</tr>
<tr>
<td>Design and Contingency (22%)</td>
<td></td>
<td>$ 436,237</td>
<td></td>
</tr>
<tr>
<td>Pedestrian Lights</td>
<td>36</td>
<td>$ 3,000</td>
<td>Both sides of street every 60 feet.</td>
</tr>
<tr>
<td>Design and Contingency (22%)</td>
<td></td>
<td>$ 23,760</td>
<td></td>
</tr>
<tr>
<td>Total Area 3</td>
<td></td>
<td>$ 2,530,000</td>
<td></td>
</tr>
</tbody>
</table>

Not unlike the other Areas, parking will be a major infrastructure expense in Area 3, as shown in the table. We anticipate the need for approximately 480 parking spaces to serve residents of the new housing units and users of the commercial space and greenway at the Viscose site. These spaces will cost approximately $700,000. The current owner of the property is interested in developing a greenway or public open space between Penn Avenue and Marcus Hook Creek. We approximate the cost of this to be about $1.2 million, including the cost of property acquisition. Infrastructure improvements in the Viscose building area would also include rehabilitating Robert Haebel Plaza across from the American Viscose Company administrative building. With design and contingency, infrastructure improvements to the Viscose property could approach $2.4 million. We also suggest extending 10th Street pedestrian lighting from the railroad spur near Church Street to the Trainer Borough line to supplement the East Coast Greenway improvements like in Area 2. With contingency, this lighting is expected to cost about $130,000.

Together, Area 3 infrastructure costs are expected to be approximately $2,530,000.

Combined, we estimate a total infrastructure cost for the Marcus Hook TRID to be approximately $6.68 million (see Table 5).

Table 5. Total Infrastructure Cost Estimates for the Marcus Hook TRID

<table>
<thead>
<tr>
<th>Area</th>
<th>Sections</th>
<th>Sub-totals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area 1</td>
<td>Borough-owned Land</td>
<td>$ 1,780,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Park Facility</td>
<td>$ 1,050,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SEPTA Station Area Improvements</td>
<td>$ 315,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Market Street Streetscape Improvements</td>
<td>$ 110,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>$ 3,255,000</strong></td>
<td></td>
</tr>
<tr>
<td>Area 2</td>
<td>Privately-owned Land</td>
<td>$ 805,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10th Street Streetscape Improvements</td>
<td>$ 90,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>$ 895,000</strong></td>
<td></td>
</tr>
<tr>
<td>Area 3</td>
<td>Viscose Property and Vicinity</td>
<td>$ 2,400,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10th Street Streetscape Improvements</td>
<td>$ 130,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td><strong>$ 2,530,000</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>$ 6,680,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
8 TRID Economic/Fiscal Analysis

The level of detail involved in calculating the economic feasibility of the Marcus Hook TRID project differs by Area of the site. Area 1 is under control of the Borough (except for the Amtrak-owned portion), which facilitates the parcel acquisition process, and it is closest to the SEPTA station. Furthermore, for several years the Borough has been seeking developers for Area 1 to create a program consistent with their objectives. The Borough considers Area 1 to be the logical place to develop first. Therefore we have performed a detailed economic analysis of how to carry out development in this Area.

Area 1

A summary of the anticipated fiscal impacts of the proposed development is shown in Table 6.

Table 6. Area 1 Economic/Financing Program - Marcus Hook TRID Project

<table>
<thead>
<tr>
<th>Projected Development Program Characteristics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>92 Sales Housing Units</td>
<td>$16,620,000</td>
</tr>
<tr>
<td>Estimated Market Value</td>
<td></td>
</tr>
<tr>
<td>Projected Increased Population</td>
<td>192</td>
</tr>
<tr>
<td>Projected Increased Public School Enrollment</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated Local Tax Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Tax</td>
</tr>
<tr>
<td>Borough of Marcus Hook</td>
</tr>
<tr>
<td>Chichester School District</td>
</tr>
<tr>
<td>Delaware County</td>
</tr>
<tr>
<td>Earned Income Tax</td>
</tr>
<tr>
<td>Borough of Marcus Hook</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improvements Financing Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants Funding</td>
</tr>
<tr>
<td>TRID Financing</td>
</tr>
<tr>
<td>Total Financing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TRID Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TRID Improvements</td>
</tr>
<tr>
<td>Cost of Issuance (4%)</td>
</tr>
<tr>
<td>Targeted TRID Borrowing</td>
</tr>
<tr>
<td>Annual Debt Service (4%/ 20 Years)</td>
</tr>
<tr>
<td>Required Tax Increment Allocation to TRID (29.9%)</td>
</tr>
<tr>
<td>Borough of Marcus Hook</td>
</tr>
<tr>
<td>Chichester School District</td>
</tr>
<tr>
<td>Delaware County</td>
</tr>
</tbody>
</table>
As calculated in the TRID Development Program in Section 6 above (and as shown in Table 6), there are a total of 92 housing units proposed for Area 1. Based on this program, we estimate the value of the new housing (at sales prices) to be approximately $16 million. To determine the potential impact of school-age children on the Chichester School District, we referred to the publication, “Who Lives in New Jersey Housing?” which is a reliable source for housing-related calculations in this region of Pennsylvania as well. We also examined a Rutgers University model for comparison. Applying the models from these sources to the Area 1 development program, we arrived at an estimated population of 192 in these 92 new housing units, with a projected increased public school enrollment of 18 children. Both models projected the same number of school children associated with the development.

Using the real estate tax rates of the three jurisdictions impacted by the proposed development – Marcus Hook Borough, Chichester School District, and Delaware County at 8.35%, 35.09%, and 4.82% respectively -- we calculate that the programming for Area 1 shows development likely to yield approximately $462,000 in annual real estate taxes for local and county governments. These tax yields include $80,000 for the Borough of Marcus Hook; $336,000 for the Chichester School District; and $46,000 for Delaware County. The earned income tax for Area 1 was calculated as 1% of the estimated average income of home purchasers of the development. In total, we estimate this to be approximately $39,000 for the 192 residents who would occupy the new units. Therefore the potential combined tax increment from Area 1 development is approximately $501,000.

The financial model for this analysis assumes that 40% of required investment is provided through state and federal grant sources and 60% is funded from TRID sources. Items that could be targeted for grant monies could include environmental remediation for both the Borough-owned and Amtrak parcels, infrastructure for the park on the Amtrak parcel, and streetscape improvements along Market Street. At this 60% level, funds to support $1.955 million of public investment for Area 1 would need to be reserved from the tax increment within the proposed TRID area. Combined with costs of issuance (closing and legal costs, etc.), this level of investment would require debt service of about $150,000 annually for 20 years—an amount equal to approximately 30% of the anticipated tax increment, or value capture, from the development program of Area 1.

There are two potential issues associated with this public investment – the timing of the tax amortization period for the value capture, and the upfront gap in financing the public infrastructure necessary to attract desired private development. According to Tax Increment Financing (TIF) legislation, from which TRID legislation is based, a 20-year amortization period begins once construction of the project is completed. It is not clear, however, if the TRID legislation allows a local government to amend the TRID to add newly development property to the TRID over time so that the 20-year period would restart each time new development is added. This is important because construction is likely to be completed at different times for different properties in the TRID over several years.

The other public investment issue is the need for bridge financing for the local government. The collection of the value capture from the TRID will not begin until the development is complete, which could take several years. In the case of Marcus Hook, several million dollars worth of infrastructure improvements need to be constructed prior to the generation of any tax revenues in the TRID. Therefore, there is a need for an interim financing tool to bridge the gap between the time that the local government invests in the necessary TRID infrastructure and the point when the local government is collecting sufficient value capture to float a bond that will pay for the infrastructure.
The Borough has prepared a memorandum to the Pennsylvania Department of Community and Economic Development soliciting the Department's opinion and assistance regarding these two issues, and awaits a response. The memo is attached as Appendix A.

Areas 2 and 3

Areas 2 and 3 will need to be further refined with specific property owners and developers as they come forward with more specific development suggestions. Therefore, we have not attempted to quantify this investment and the associated impacts on the tax base in detail as in Area 1. It is anticipated that the analysis for these two areas will be similar to that of Area 1. However, these areas are not likely to require any commitment of TRID value capture above 30% because the necessary public infrastructure improvements are more modest.

Value Capture Phasing

Having determined an approximate value capture rate of 30% for the TRID district, we can estimate the tax revenue generated over the entire TRID development period for Areas 1, 2, and 3. As mentioned above, a critical issue to TRID financing is the timing of the tax amortization period for the value captured. While TRID legislation calls for a 20-year amortization period that begins once construction of the development is completed, we suggest that this period will be much longer due to the necessity of phasing the development process because of market conditions. A more likely amortization period is 35 to 40 years by the time all phases are complete in each of the three Areas. Therefore, we have estimated the TRID value capture over a period of 37 years, when we estimate the TRID tax increment will have successfully financed the development infrastructure in its entirety (see Figure 6 on the next page).

As Figure 6 shows, there are three primary tax yields that will be generated within the TRID as a result of the new development: current taxes being generated on all properties being developed in the TRID; the 30% value capture of the tax increment being generated by the new development to finance the public infrastructure of for project; and the remaining taxes being generated by the development that go to the Borough, school district, and County as they normally would. We estimate that TRID area taxes currently being generated amount to approximately $5,000 annually (in 2009 dollars). This will continue over the 37 year amortization period. The potential tax increment and value capture from the TRID development will begin as a modest amount once phased construction commences. By about year 17, we anticipate full build-out of the TRID causing the total tax revenue generated to cap. At the same time, the value capture from the development will peak. We estimate this peak will continue for three more years to about year 20, when the value capture will begin to decline. This decline will occur because increased value capture will no longer be necessary as the completed public infrastructure will continue to be paid off. Simultaneously, the Borough, school district, and County will begin to recover more of the tax increment as the value capture decreases until approximately year 37 when the value capture amortization period ends. At that time, the three taxing bodies will start recovering all of the taxes generated by the TRID development on an annual basis.
Figure 6. Total Estimated Tax Revenue over Life of TRID Project (2009 Dollars) for Areas 1, 2, and 3
9 TRID Resolutions

The final element of determining the value capture (as part of Step 8 of the TRID Program Management phase) is ensuring that the local taxable entities and transit authority understand the financial implications of the TRID and are prepared to officially endorse the plan. Following the establishment of the Marcus Hook TRID development program, associated infrastructure costs, and likely financing scenario, members of the TRID Project Committee met with elected officials of the Borough of Marcus Hook and Chichester School District, and Delaware County staff to present the potential economic and financial impacts of Area 1 of the TRID project. Understanding and accepting these potential impacts, the three taxing bodies signed resolutions of support with the caveat that the commitment of tax increment financing for the TRID is in principle. These resolutions are not binding until specific development agreements are made with one or more approved developers and the commitment of tax increment is specifically approved by the elected body. The resolutions contained the following components:

1. The specific TRID-area boundaries as shown on Map 1.
2. Development programs for the TRID area substantially consistent with those shown on Map 2, noting that these may change once developers are selected and specific programs negotiated.
3. The use of TRID funding to support public improvements similar to those detailed on the preliminary schedule (see Table 2).
4. The preliminary designation of Marcus Hook Borough as the TRID management entity.
5. The dedication of approximately 30% of tax increment (incremental tax revenues resulting from increased property values within the TRID area defined as “value capture” in TRID Act) to finance the improvements of the type detailed in Table 2. This financing of improvements anticipates potential state and federal grants to contribute to the funding of project costs for Market Street streetscape improvements, environmental remediation for the Borough-owned and Amtrak parcels, and infrastructure for the park on the Amtrak parcel.

The Marcus Hook Borough Council unanimously approved the resolution on May 4, 2009 (see Appendix B). On May 18, 2009, the Chichester School District also unanimously approved the resolution (see Appendix C). A similar resolution or letter of support is anticipated from the Delaware County Council in June 2009 (see Appendix D).

10 Next Steps

The completion of this report concludes Steps 6 through 10, or the Program Management phase of the TRID process. This phase is finalized once the agreement between Marcus Hook and SEPTA has been executed regarding roles, responsibilities, and commitments of the TRID (see Appendix E for the letter of endorsement).

The next and final steps in the TRID process fall under the last phase – the Implementation Phase. The responsibility of these steps falls on the TRID Management Entity, which is the Borough of Marcus Hook. The Borough may wish to seek further assistance from PEC or consultants to carry out the Implementation Phase. The steps of this phase are as follows:
• Step 11 – TRID Management Entity solicits developer interest. This should include the developer generating a site plan, costing out the proposed development, and creating a development schedule.

• Step 12 – Development proposal accepted by TRID Management Entity and Municipality.

• Step 13 – TRID Management Entity executes development agreement with successful developer, including property acquisition and public sector improvements. The Management Entity must secure public sector gap financing commitments, state and federal grant commitments, and private sector financial/project commitments.

• Step 14 – Project construction and completion. This should include the new Market Street bridge and a rebuilt SEPTA station to compliment the TRID development.

• Step 15 – TRID Management Entity administers value capture revenues and expenditures

• Step 16 – TRID Management Entity makes amendments to TRID plan as required
Appendix A:

Marcus Hook TRID Financing Memorandum to DCED
RE: Marcus Hook TRID Project – Need for Bridge Financing

Dear Ron:

As you are aware, the Borough of Marcus Hook, in cooperation with the Chichester School District and Delaware County, has recently taken major steps toward creating a Transit Revitalization Improvement District (TRID) at the Marcus Hook SEPTA station and elsewhere within Downtown Marcus Hook. This progress has included the unanimous adoption of resolutions by the Borough Council and the School Board supporting in principle the creation of this TRID district and the dedication of a portion of the tax increment within the district to support needed infrastructure investment.

The most critical portion of the designated TRID district is property owned by the Borough where the community has expressed the desire to expand homeownership opportunities. Market research supports the potential for new housing, but at sales prices that make community investment in infrastructure necessary to reduce the cost of development.

The public improvements necessary to attract the desired private residential development include transit station improvements, roadways and sidewalks, park facilities, and water and sewer utility lines. In the Draft Marcus Hook TRID Financing Plan of June 2009 we have identified the costs associated with the TRID’s public infrastructure improvements for this area, which amount to approximately $3,255,000. It is this infrastructure investment that has been targeted for a major portion of TRID funds.

Understanding that owner-occupied sales housing development is a multi-year process, we have discovered two timing issues as a result of completing the TRID Financing Plan for Marcus Hook for which we would like your feedback.
1. According to the TRID Act, and similar to the Tax Increment Financing (TIF) Act, local municipalities, school districts, and counties shall establish a trust fund and amortization schedule for the receipt, investment, and expenditure of any TRID tax revenues not to exceed a 20-year period. Due to the complex nature of real estate development, construction is likely to be completed at different times for different properties in the TRID over several years.

As a result, we are requesting clarity of the TRID legislation regarding the commencement of the 20-year amortization period. Specifically, does the TRID legislation allow local government to amend the TRID to add newly development property to the TRID over time so that the 20-year period would restart each time new development is added? We are concerned that a policy not permitting this amendment procedure would hinder the local government from participating in TRID. We would like to get the opinion of DCED or another department to assure local government that restarting the amortization period is permissible so they we move forward with the development process.

2. The TRID Act, similar to TIF, dedicates a portion of the tax increment, or value capture, associated with the development to the TRID. However, the collection of the value capture from the TRID will not begin until the development is complete, which could take several years. In the case of Marcus Hook, several million dollars worth of infrastructure improvements need to be constructed prior to the generation of any tax revenues in the TRID. Therefore, there is a need for an interim financing tool to bridge the gap between the time that the local government invests in the necessary TRID infrastructure and the point when the local government is collecting sufficient value capture to float a bond that will pay for the infrastructure. We estimate this financing period would last approximately four to six years. Are there sources available from the Commonwealth, such as through the Commonwealth Financing Authority, to assist local governments with interim financing for TRID-related infrastructure improvements?

On behalf of the Borough of Marcus Hook, I appreciate your attention to this matter.

Very truly yours,

Bruce A. Dorbian
Borough Manager
Appendix B:

Adopted Borough of Marcus Hook TRID Resolution
BOROUGH OF MARCUS HOOK
DELAWARE COUNTY, PA
RESOLUTION NO. R-09-8

ADOPTING AN ENDORSEMENT OF SUPPORT TO PARTICIPATE IN THE PROPOSED
MARCUS HOOK TRANSIT REINVESTMENT DISTRICT (TRID)

WHEREAS, the Transit Revitalization Investment District Act, Act of December 8, 2004, P.L.
1801, No. 238, empowers municipalities, counties, school districts, and public
transportation agencies across the Commonwealth of Pennsylvania to work cooperatively
to establish Transit Revitalization Investment Districts (TRID) and the appropriate
mechanisms to capture the real estate taxation and other values added by development
activities for reinvestment in the transit system and local communities; and

WHEREAS, the TRID act allows local governments to dedicate a portion of tax increment deriving
from the defined TRID area to the retirement of bonds utilized to support specified public
improvements within the TRID area; and

WHEREAS, Marcus Hook Borough Council has previously approved the Marcus Hook Transit
Oriented Development Plan of 2004, which incorporates a portion of the TRID area; and

WHEREAS, Marcus Hook Borough Council understands that this commitment in principle of tax
increment financing for the TRID is not binding until specific development agreements are
made with one or more approved developers and the commitment of tax increment is
specifically approved by the Council.

NOW, THEREFORE, BE IT RESOLVED that the Marcus Hook Borough Council hereby supports
in principle the Borough’s participation, together with the County of Delaware and Chichester
School District, in the Transit Reinvestment District program, including the following anticipated
components of the TRID program:

1. The specific TRID-area boundaries as shown on Attachment 1.

2. Development programs for the TRID area substantially consistent with those shown
on the attached schematics (see Attachment 2), noting that these may change once
developers are selected and specific programs negotiated.

3. The use of TRID funding to support public improvements similar to those detailed
on the preliminary schedule (see Attachment 3).

4. The preliminary designation of Marcus Hook Borough as the TRID management
entity.

5. The dedication of approximately 30% of the tax increment (incremental tax
revenues resulting from increased property values within the TRID area defined as
“value capture” in TRID Act) to finance the improvements of the type detailed on
Attachment 3. This financing of improvements anticipates potential state and
federal grants to contribute to the funding of project costs.

ADOPTED this 4th day of May, 2009.
ATTEST:  
Bruce A. Dorbian  
Borough Secretary  

Robert L. Kersey  
Council President  

APPROVED this 4th day of May 2009.  

George A. McClure  
Mayor
Attachment 3

Schedule of Potential TRID Tax Increment Financed Improvements

On-Site Infrastructure Costs

Environmental Remediation & Fill
Streets, Sidewalks, Utility Mains
Pedestrian Lighting
Parking Areas

Park Facility At Current AMTRAK Parcel

Acquisition
Remediation
Park Construction & Plantings
Boardwalks
Fencing

SEPTA Station Area Improvements

Sidewalks & Curbs
Pedestrian Lighting
Parking Areas Construction

Market Street Improvements

Pedestrian Lighting
Sidewalks & Curbs; Street Trees

10th Street Improvements

Pedestrian Lighting–Borough Hall to Viscose
Shopper/Business Parking Areas
Plaza Street Park Rehabilitation

Greenway Improvements On Penn Avenue

Greenway Acquisition
Greenway Park Improvements

Design & Contingency Related to Above Improvements
Appendix C:

Adopted Chichester School District TRID Resolution
CHICHESTER SCHOOL DISTRICT
DELaware COUNTY, PA
Resolutions
ADOPTING AN ENDORSEMENT OF SUPPORT TO PARTICIPATE IN THE PROPOSED MARCUS HOOK TRANSIT REINVESTMENT DISTRICT (TRID)

WHEREAS, the Transit Revitalization Investment District Act of December 8, 2004, P.L. 1801, No. 238, empowers municipalities, counties, school districts, and public transportation agencies across the Commonwealth of Pennsylvania to work cooperatively to establish Transit Revitalization Investment Districts (TRID) and the appropriate mechanisms to capture the real estate taxation and other values added by development activities for reinvestment in the transit system and local communities; and

WHEREAS, the TRID act allows local governments to dedicate a portion of tax increment deriving from the defined TRID area to the retirement of bonds utilized to support specified public improvements within the TRID area; and

WHEREAS, Marcus Hook Borough Council has previously approved the Marcus Hook Transit Oriented Development Plan of 2004, which incorporates a portion of the TRID area; and

WHEREAS, the Chichester School District Board of School Directors understands that this commitment in principle of tax increment financing for the TRID is not binding until specific development agreements are made with one or more approved developers and the commitment of tax increment is specifically approved by the Board.

NOW, THEREFORE, BE IT RESOLVED that the Chichester School District support in principle the District's participation, together with the County of Delaware and Marcus Hook Borough, in the Transit Reinvestment District program, including the following anticipated components of the TRID program:

1. The specific TRID-area boundaries as shown on Attachment 1.
2. Development programs for the TRID area substantially consistent with those shown on the attached schematics (Attachment 2), noting that these may change once developers are selected and specific programs negotiated.
3. The use of TRID funding to support public improvements similar to those detailed on the preliminary schedule (Attachment 3).
4. The preliminary designation of Marcus Hook Borough as the TRID management entity.
5. The dedication of approximately 30% of tax increment (incremental tax revenues resulting from increased property values within the TRID area defined as "value capture" in TRID Act) to finance the improvements of the type detailed on Attachment 3. This financing of improvements anticipates potential state and federal grants to contribute to the funding of project costs.

ADOPTED this 18th day of May 2009.

Chichester School District

ATTEST:

William J. Lawler, III
Secretary

Howard E. Adams
Board President

APPROVED this 18th day of May 2009

Barbara A. DiMarino
Superintendent
Attachment 3

Schedule of Potential TRID Tax Increment Financed Improvements

On-Site Infrastructure Costs

Environmental Remediation & Fill
Streets, Sidewalks, Utility Mains
Pedestrian Lighting
Parking Areas

Park Facility At Current AMTRAK Parcel

Acquisition
Remediation
Park Construction & Plantings
Boardwalks
Fencing

SEPTA Station Area Improvements

Sidewalks & Curbs
Pedestrian Lighting
Parking Areas Construction

Market Street Improvements

Pedestrian Lighting
Sidewalks & Curbs; Street Trees

10th Street Improvements

Pedestrian Lighting–Borough Hall to Viscose
Shopper/Business Parking Areas
Plaza Street Park Rehabilitation

Greenway Improvements On Penn Avenue

Greenway Acquisition
Greenway Park Improvements

Design & Contingency Related to Above Improvements
Appendix D:

Adopted Delaware County TRID Letter of Endorsement
RESOLUTION OF DELAWARE COUNTY COUNCIL
WITH RESPECT TO THE PROPOSED
TRANSIT REVITALIZATION INVESTMENT DISTRICT (TRID)
in Marcus Hook Borough

WHEREAS, the Transit Revitalization Investment District Act (P.L. 1801, No. 2004-238) ("TRID Act") empowers municipalities, counties, school districts, and public transportation agencies in Pennsylvania to work cooperatively to establish Transit Revitalization Investment Districts (TRIDs) and the appropriate mechanisms to capture the real estate taxation and other values added by development activities within these districts; and

WHEREAS, the TRID Act allows local governments to dedicate a portion of the tax increment deriving from the defined TRID area to the retirement of bonds utilized to support specified public improvements within the TRID area; and

WHEREAS, Marcus Hook Borough Council and the Chichester School District have approved in principle the use of tax increment financing for the proposed TRID project in Marcus Hook; and

WHEREAS, Delaware County Council wishes to go on record in support of this project.

NOW, THEREFORE, BE IT RESOLVED by Delaware County Council:

1. That County Council supports in principle participating with Marcus Hook Borough and the Chichester School District in development of the Marcus Hook TRID project.

2. That the TRID area boundaries will be substantially as shown on Attachment 1.

3. That the TRID development activities will be substantially as shown on Attachment 2.

4. That TRID funding to support public improvements will be similar to the preliminary schedule shown on Attachment 3.

5. That approximately 30% of the tax increment will be captured to finance the public improvements identified in Attachment 3, to be supplemented by state and federal grants.

6. That Marcus Hook Borough will be designated as the TRID management entity.

Adopted by Delaware County Council on October 27th, 2009.

Linda A. Carisano
Chairman

Attest:

Anne M. Coogan
County Clerk
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Appendix E:

Adopted SEPTA TRID Letter of Endorsement