

Senate Transportation Committee Hearing Testimony on TRID – Transit Revitalization Investment Districts

April 22, 2014

*Denny Puko, Planning Program Manager
Center for Local Government Services
Department of Community and Economic Development*

Good morning Chairman Rafferty and members of the Senate Transportation Committee. My name is Denny Puko and I am the Planning Program Manager in the Center for Local Government Services, Department of Community and Economic Development (DCED). Thank you for the opportunity to present testimony on TRID – Transit Revitalization Investment District(s) – and Senate Bill 1210.

I have been involved with TRID for DCED since it was created in 2004. I served as an instructor in TRID training courses and I have participated in every TRID planning study in Western Pennsylvania. I also manage the program that now provides DCED funding for TRID planning studies.

Act 238 of 2004 (Act) provides statutory authority for municipalities and counties to create and designate Transit Revitalization Investment Districts. A TRID may include area within a radius of one-eighth to one-half mile from a stop or station on a mass transit system. The Act authorizes municipalities, counties, and school districts to use incremental tax revenues generated by new real estate investment within the TRID for completion and maintenance of infrastructure improvements supporting the TRID. TRIDs have a life span of 20 years.

TRID is a tool to spur community development and economic growth. Incremental tax revenues can be used to make transit station improvements; sidewalk, bikeway, and road connections into the community; and other infrastructure enhancements. These types of transit improvements spark business and residential development by providing the convenience of an enhanced transit system within the community. The market for this kind of development – Transit Oriented Development (TOD) – is growing. Two major market segments – Millennials and aging Baby Boomers – prefer the lifestyle typically found around transit stations – walkable and vibrant with convenient connection via transit to jobs, entertainment, arts and culture.

There are three steps to creating a TRID:

1. Conduct a TRID planning study to identify market conditions, development opportunities, needed infrastructure and transit improvements, and a financing plan. (DCED is directed in the Act to provide 75 percent of the study cost, up to \$75,000.)
2. Designate a management entity to administer the TRID.
3. Designate the TRID.

To date there are 14 TRID planning studies completed and one underway. DCED funded 13 of the 15 planning studies. Eight studies are in the Pittsburgh metro area and 7 are in the Philadelphia metro area. One study resulted in creation of a TRID, in October 2013, in the East

Liberty neighborhood of the City of Pittsburgh adjacent to the Port Authority of Allegheny County East Busway. The East Liberty TRID will generate incremental revenues of \$13 million to help finance \$58 million in busway station and infrastructure improvements. The improvements are projected to leverage \$345 million in private investment for mixed business and residential development projects. Later you will hear testimony from the Pittsburgh Urban Redevelopment Authority providing more information about the East Liberty TRID and its community and economic impact.

To date, no additional TRIDs have been created. There are two explanations. First, after TRID was enacted and many planning studies were completed, there was a national recession that stifled development. Without accompanying real estate development projects, establishment of a TRID is not feasible. Second, there are provisions in the current law which cause discomfort with local officials, including lack of clarity on adding new area for additional phases of development with a full 20-year life span, lack of authority for municipal and county taxing bodies to use some percentage of local TRID revenues for general, non-TRID use, and unclear provisions on management entities and value capture.

However, there is still interest in TRID. On the Port Authority light rail "T" line in the Pittsburgh South Hills, there are development proposals being nurtured at some stations and growing potential at others. TRID is being considered in Pittsburgh for an improved Downtown-Oakland- East End transit corridor. And, TRID planning studies have provided valuable information and project ideas that have been implemented with other financing, a notable example being the Rochester Roundabout.

It is my hope that you will find the TRID status update report helpful. I will be happy to answer any questions at this time. Thank you.