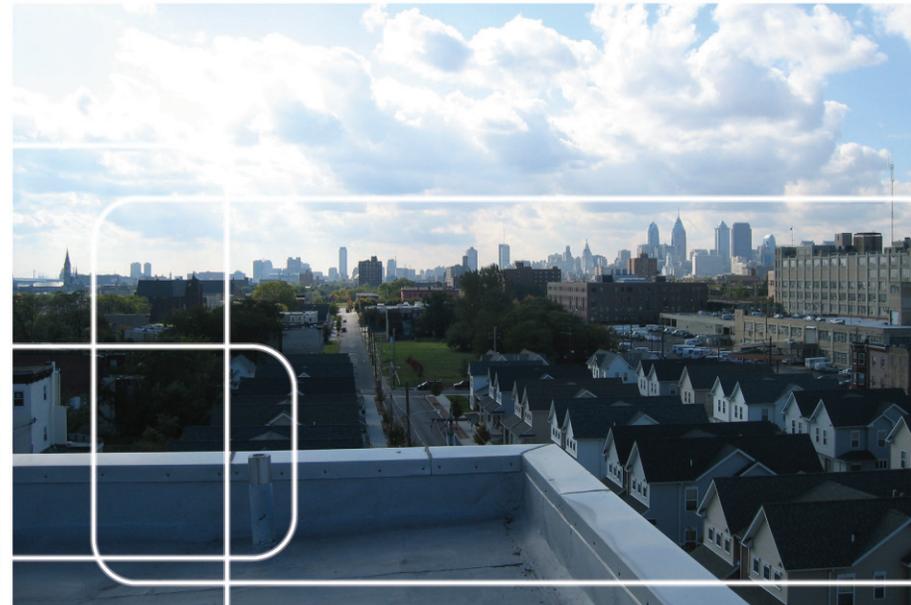


Transit Revitalization Investment District Planning Study:

46th and Market Street Station
Temple Regional Rail Station



NeighborhoodsNow

_INTERFACE STUDIO
JZTI Transport
Econsult Corporation
Lamar Wilson Associates, Inc.

September 2008



Transit Revitalization Investment District Planning Study

Philadelphia is a city with extraordinary assets: unique neighborhoods, nationally recognized higher educational institutions, and an extensive public transportation system. The Southeastern Pennsylvania Transportation Authority (SEPTA) is the fifth largest regional public transportation network in the United States and averages 910,700 week day city transit rides. Yet, potential real estate growth around neighborhood transit stations is stymied by zoning limitations, undesirable land uses including long term vacancies, and safety concerns.

For the more than three years NeighborhoodsNow has been working with our partners to remove these barriers and promote transit-oriented development (TOD) -- using transit as a focal point for mixed-income housing, commercial, retail and green space development -- as a viable economic development strategy. As Boston, Washington D.C. and other cities demonstrate, TOD can serve as a very effective approach for capitalizing on transit assets to increase housing opportunities; provide access to jobs and retail centers; and improve the safety and appearance of neighborhoods.

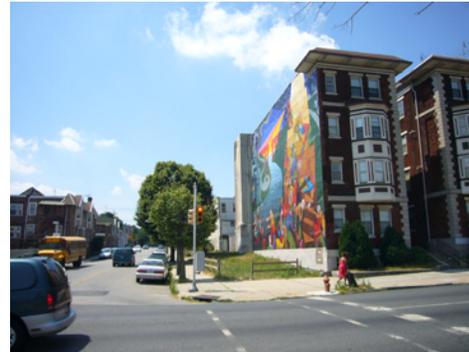
I want to thank the Commonwealth of Pennsylvania and the City of Philadelphia for supporting NeighborhoodsNow in completing the first Transit Revitalization Improvement District (TRID) plans for Philadelphia. The TRID plans for the 46th and Market Street El and Temple Regional Rail Stations were created with extensive community and stakeholder input that led to recommendations ranging from small-scale lighting and safety improvements to large-scale mixed-use development projects. Most important, the TRID plans provide implementation strategies for the City, SEPTA and stakeholders to pursue to realize the benefits of TOD.

In addition to the Commonwealth and the City of Philadelphia, we are indebted to SEPTA, Interface Studio, Econsult Corporation, Wilson and Associates, Asociacion Puertorriquenos en Marcha, the Enterprise Center CDC, and community residents for their generosity and commitment to using transit as a vehicle for positively improving neighborhoods.

As you read the TRID plans for 46th and Market Street El and Temple Regional Rail Stations, I hope that you share our enthusiasm and belief that the time is right to make neighborhood TOD a reality in Philadelphia.

Sincerely,

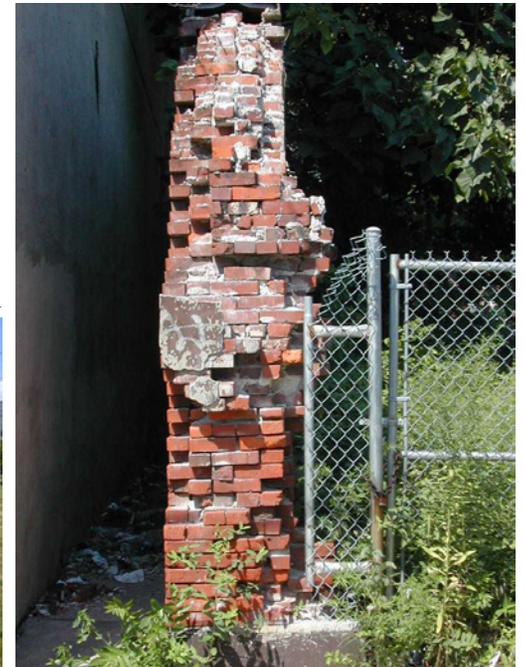
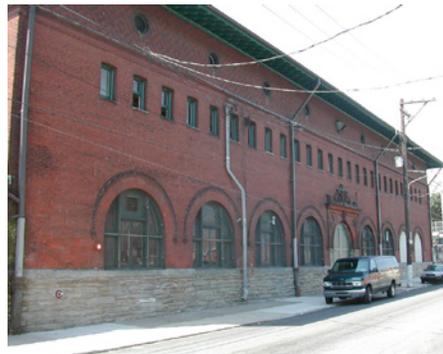
Beverly Coleman
Executive Director
NeighborhoodsNow



46th and Market Street Station



Temple Regional Rail Station



Acknowledgements

The Transit Revitalization Investment District was generously funded by the State of Pennsylvania Department of Community and Economic Development and the City of Philadelphia.

Special thanks to the interest, input and commitment made to this effort by the following political representatives and community organizations:

State 3rd District Senator Shirley M. Kitchen
Honorable Jannie L. Blackwell, 3rd District Councilwoman, City of Philadelphia
Honorable Darrell L. Clarke, 5th District Councilman, City of Philadelphia
Honorable William K. Greenlee, Councilman-at-Large, City of Philadelphia
Asociación Puertorriqueños en Marcha CDC
The Enterprise Center CDC
Ludlow Community Association
Nehemiah West Homeowners Association
Walnut Hill Civic Association

TOD Advisory Committee

Darwin Beauvais: Klehr, Harrison, Harvey, Branzburg & Ellers, LLP
Ronald Bednar: Pennsylvania Department of Community and Economic Development
Richard Bickel: Delaware Valley Regional Planning Commission
Kevin Boyle: Office of Councilman William Greenlee
Byron Comati: Southeastern Pennsylvania Transportation Authority
Omowale Crenshaw: Enterprise Real Estate Development Corp.
Andy Frishkoff: Philadelphia Department of Commerce
Rose Gray: Asociación de Puertorriqueños en Marcha
Karin Morris: Delaware Valley Regional Planning Commission
Donald L. Haskin: Citi
Richard Redding: Philadelphia City Planning Commission
Samuel P. Sherman, Jr.: New Urban Ventures
Patrick Starr: Pennsylvania Environmental Council
Michelle Smith Webb: Philadelphia City Planning Commission

NeighborhoodsNow Staff

Beverly Coleman, Executive Director
Melissa Long, Consultant to NeighborhoodsNow

TRID Planning Team

Interface Studio LLC

Scott Page
Stacey Chen
Philip Kramer
Mindy Watts

Econsult Corporation

Lee Huang
Stephen P. Mullin
Richard P. Voith

JZTI Transport

Frank Jaskiewicz

Lamar Wilson Associates, Inc.

Lamar Wilson

Executive Summary

What is Transit Oriented Development?

Transit Oriented Development (TOD) is a national movement focused on encouraging growth and development in a way that leverages the value of local transit. It builds on the fact that those living around transit stations are five times more likely to use transit. Specifically, the goals are to promote transit use by:

- Building a mix of uses (retail, housing, office, open space) immediately adjacent to the station;
- Developing housing that serves a range of incomes and family types including affordable homes for families and seniors as well as market-rate units;
- Encouraging walking and biking, which further promotes transit use; and
- Creating distinctive designs that add value to the station and surrounding communities.

As demonstrated in other cities across the country including Washington DC, Atlanta, Los Angeles, Chicago and Portland, the result has been fewer cars on the road, a greater use of transit, and a number of essential community benefits and improvements. These include greater affordability in housing and transportation costs, increased access to job and retail centers, and enhanced aesthetics at the street level.

TOD Potential for Philadelphia

Given rising gas prices and time lost to congestion, public transit has come to the forefront of the national discussion on transportation. Transit oriented development is a particularly timely (though not new) vehicle for carrying through the transit-related goals of increased ridership and mobility, housing choice, economic development, and improved quality of life through the enhanced environmental and social benefits

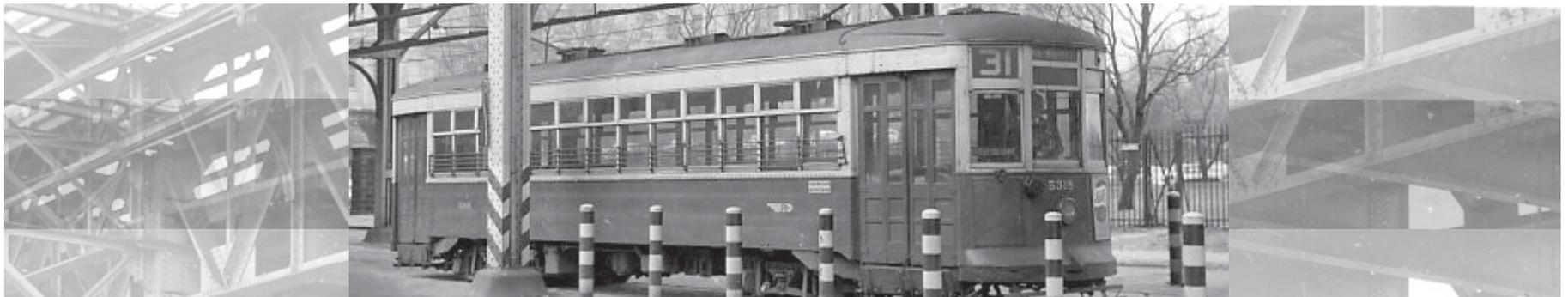
compact urban development can confer. Philadelphia with its existing infrastructure and tight urban fabric is well-positioned to move forward with TOD and the recent passage by the State of Pennsylvania of the Transit Revitalization Investment District (TRID) legislation is designed to build on these strengths.

What is a TRID?

Thanks to active participation from the Delaware Valley Regional Planning Commission (DVRPC) in its creation, the Transit Revitalization Investment District Act (TRID) was enacted in 2004 by the Commonwealth of Pennsylvania. TRIDs enable municipal governments and transit authorities to more closely coordinate transportation infrastructure, land use, and private development in the following ways:

- Providing incentives for transit-oriented development,
- Encouraging community involvement in the location, design, and implementation of development activities, and
- Receiving priority for grants and technical assistance through the state's Department of Community and Economic Development (DCED).

Importantly, TRID's enable municipalities to capture the value of new development. Value capture is simply the local public attainment of an increase in tax revenue gained by the increase in private land values resulting from new public investments. When a TRID is formed, the increase in tax revenue is solely available for public improvement and development projects within that TRID area, thus enticing investment in that community. By capturing the value of new development, TRID channels dollars toward the improvements necessary to help overcome the barriers that can make TOD difficult to implement.

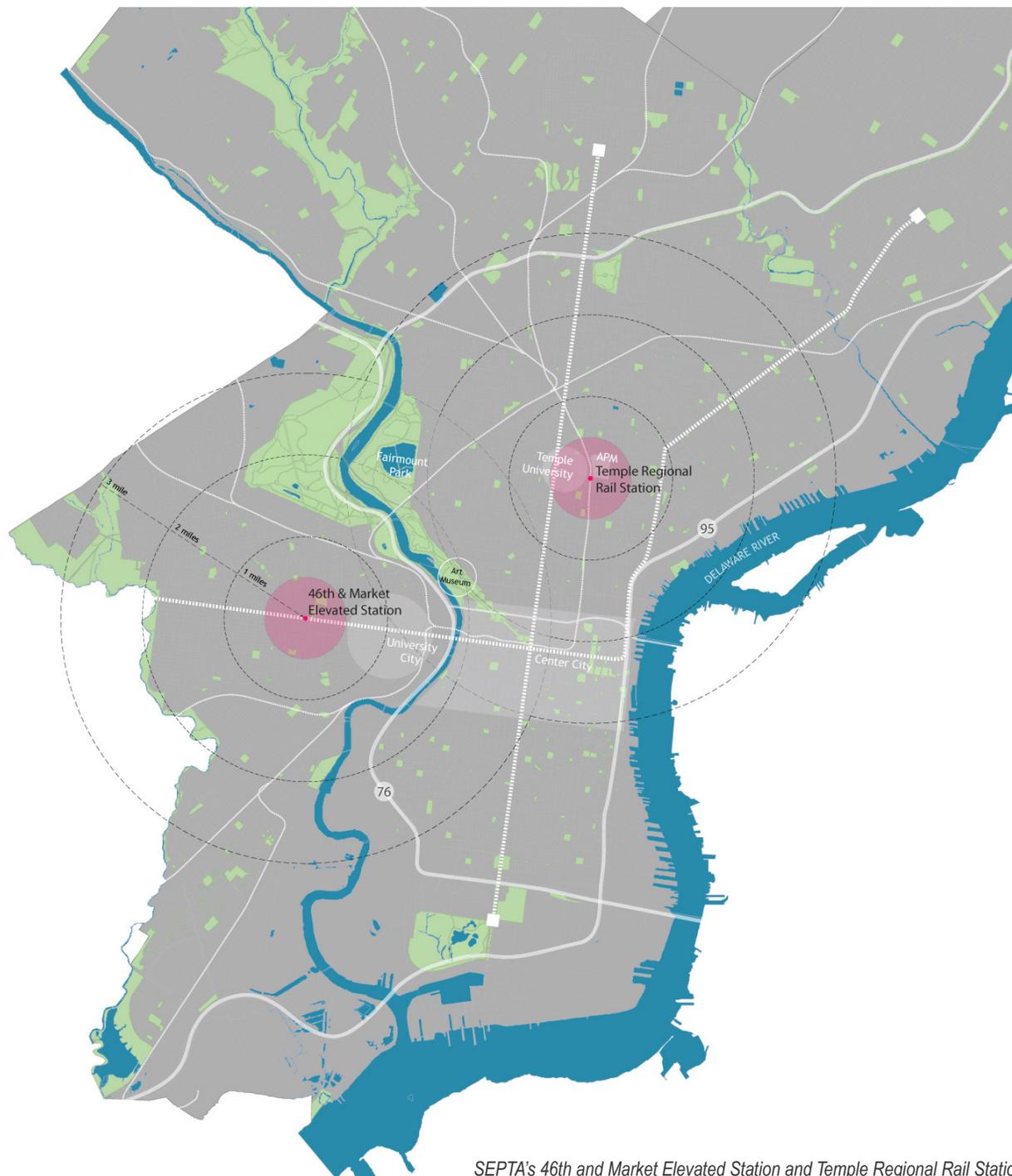


Study Area Characteristics

The Transit Revitalization Investment District (TRID) Planning Study focused on two distinct neighborhoods served by two prominent transit nodes in SEPTA's Philadelphia-based transit system: the 46th Street Station on Market Street in West Philadelphia and the Temple Regional Rail Station located at 9th and Berks Streets in North Philadelphia.

This plan examined the characteristics and opportunities located within a ½ mile of each station in all directions. For the 46th Street Station, the study area stretched from Aspen Street on the north to Osage Avenue on the south, and from 42nd Street on the east to 51st Street on the west. For the Temple Regional Rail Station, the study area extended from York Street on the north to Jefferson Street on the south, and from 3rd Street on the east to 15th Street on the west.

The 46th Street Station in West Philadelphia and the Temple Regional Rail Station in North Philadelphia are poised to set an excellent example of the benefits of TOD in Philadelphia. Both stations share a growing housing market, strong community development corporations with mandates to implement resident-led community plans, and a proximity to major universities and employers. They each have a large untapped potential ridership based on existing residents and workers, which can be captured by improving the transit experience and community amenities through TOD.



SEPTA's 46th and Market Elevated Station and Temple Regional Rail Station



In the neighborhoods around the 46th Street Station, new community development initiatives and the renovation of existing housing stock to meet the demands of an improving housing market in the area are already afoot. The comprehensive neighborhood plan for Walnut Hill identifies the station area for improvement and development, and infrastructure improvement to the El and the 46th Street Station, now newly opened with increased frequency as an all-stops station, presents a major opportunity for the community to build on this impetus and direct it into TOD.

The Temple Regional Rail Station area has also been experiencing development in the form of new private and nonprofit housing around the station. Temple's Tyler School of Art is moving to the main campus two blocks west of the station and the station itself is a major asset as all seven lines of the SEPTA regional rail system stop at the Temple Regional Rail Station.

Even so, significant challenges to development exist at both stations that this plan seeks to address in its recommendations. Key issues that deter station use and that are common to both stations include safety and crime, low population density near each station, poor connections, vacancy and underutilized land around each station, high traffic speeds on surrounding streets, and low incomes and high poverty rates within the local communities. While the two stations exhibit similar characteristics, each faces its own set of key issues for TOD. At 46th Street, the generation of foot traffic near the station is limited by a lack of retail and pedestrian uses on Market Street, high traffic speeds on Chestnut and Walnut Streets that create physical barriers and a large presence of auto-oriented retail that detracts from the potential of a walkable, mixed-use development of non-auto users. Around the Temple Regional Rail Station, few residents in the community are aware of, or use, the station, there are no commercial services within blocks of the station, there are limited open spaces east of the station to serve the high proportion of area youth, and the rail corridor serves as a major boundary between the APM community and the University.

Planning Process

The TRID planning study began in December, 2007. Guided by NeighborhoodsNow and the project's TOD Advisory Committee, the planning process consisted of three phases: The Existing Conditions phase which encompassed observation, research, and outreach to assess neighborhood dynamics and determine station needs; The Preliminary Recommendation phase which included the development of objectives, recommendations and a value capture analysis based upon potential development; and The Final Plan phase of work which packaged all materials into a draft plan for community review.

Over the course of the three phases, a series of interviews, focus group discussions, and four larger public meetings were held to introduce the study and its goals, solicit ideas and opinions, and outline specific recommendations to achieve the stated goals. Feedback from these meetings as well as from a TOD Advisory Committee comprised of public-, private- and nonprofit-sector stakeholders helped to create guiding objectives, refine the recommendations and identify priority projects.

Plan Objectives

Expand the presence of the station by imprinting it on existing community spaces through signage and direct connections.

(Re) Connect and improve access by upgrading streetscape conditions on the main pathways to the stations.

Change the culture of driving by providing transportation choices and making them easy to access.

Increase density while protecting homeowners by encouraging density in the right places that fit with the existing urban fabric.

Reinforce community initiatives by acknowledging where the plan can build on existing goals and priorities.

Be a model by extracting short-term and long-term initiatives that can guide other neighborhoods interested in TOD and TRID.

Summary of Key Recommendations

The recommendations are broken down into four categories:



The Basics – focusing on making each station a cleaner and safer environment.

The Basics refer to maintaining the public realm in the neighborhood around the station such that sidewalks are repaired, vegetation is trimmed, trash is picked up, and there is good lighting and security. A clean and safe station area emerged as the number one priority in community meetings for encouraging an increase use of transit.



Transportation – promoting improved mobility for all residents.

Transportation improvements seek to encourage more walking, more biking and an increased use of local transit including for both rail and bus services. Recommendations are oriented toward reducing congestion and improving pedestrian and bike safety.



Open Space – promoting a greener and healthier community.

Neighborhood greening in the form of tree planting, landscaping and new and improved park spaces brings social, environmental and economic benefits. Each community expressed a desire for more open space and more recreation opportunities for youth.



Development – identifying strategic opportunities for neighborhood growth.

Each community is faced with the challenges of vacant and underutilized land. Much of this land is immediately adjacent to the station which inhibits transit use. Each station plan identifies opportunities to add mixed-income housing and new retail and office uses to the community while protecting existing residents and minimizing parking concerns.

The response at public meetings in each community was supportive and optimistic. While improving transit use and promoting mixed-use development is a central goal behind TOD, these recommendations are intended to benefit all the residents of each community whether they use transit or not.

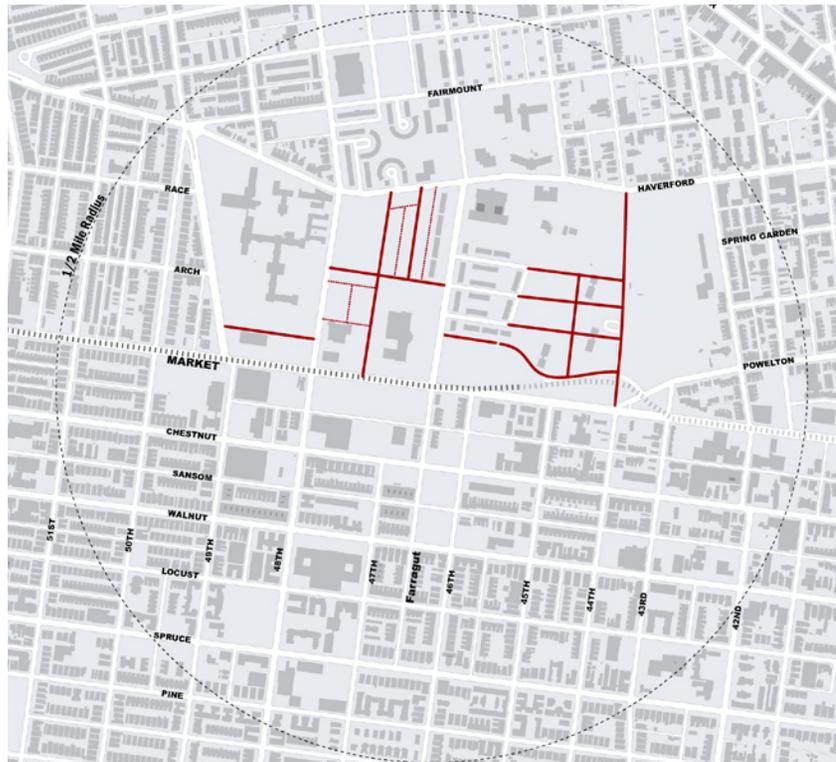


Above: SEPTA's Temple Regional Rail Station and the 46th and Market Elevated Station. Opposite page: underutilized space adjacent to both stations.

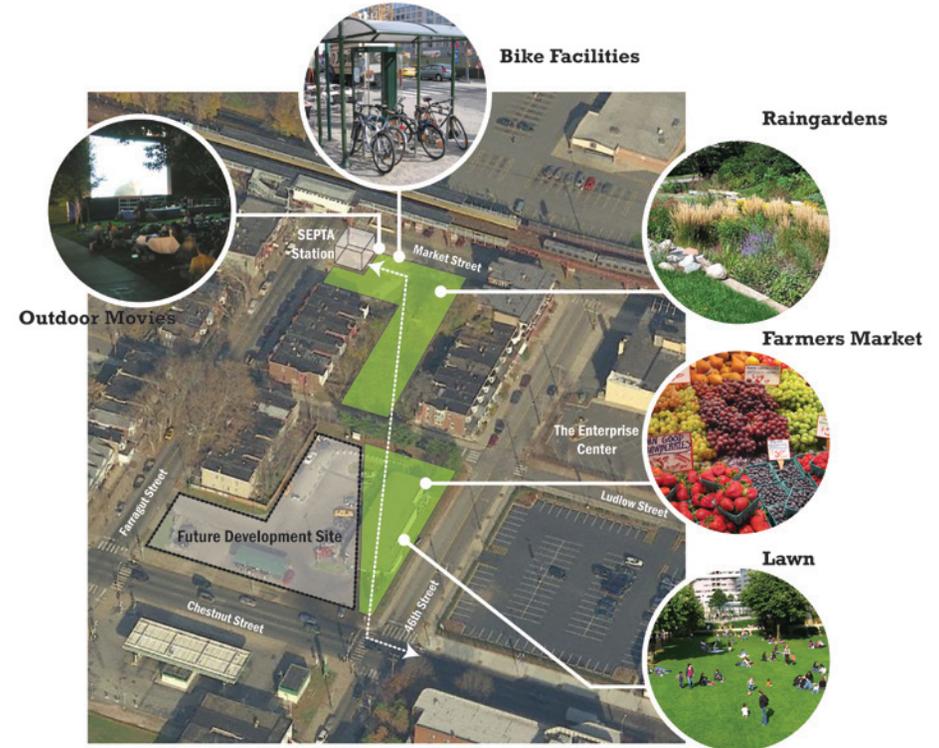
46th Street Station

Key early action recommendations include:

- Improve police presence at the station with a police mini-station and bike police
- Improve lighting conditions by installing pedestrian lighting on key connector streets and supporting Walnut Hill's porch light initiative
- Lobby for expanded University City District cleaning services on north-south connector streets
- Include area maps and real-time information at the station
- Designate space for station amenities such as carshare, bike parking and kiss-and-ride
- Repair and maintain sidewalks, curbs and crosswalks, plant trees and install bumpouts where possible
- Create new bicycle lanes particularly along Farragut and 46th Streets.
- Institute a permit parking zone around the station
- Undertake targeted home repair and façade improvements



Breaking down the superblocks: potential new streets north of Market Street.



Key long-term recommendations include:

- The City and SEPTA continue to work together to create a TRID district.
- Reduce Chestnut Street to two lanes
- Improve unsafe intersections at 44th and Market, 42nd and Chestnut, and 49th and Haverford
- Create a new park next to the station extending to Chestnut Street
- Invest in improving playground at 47th and Sansom Streets
- Install running track around superblock bounded by 46th, 48th, Market and Haverford Streets
- Replace Westpark Apartments staircase with landscaped connection to the station
- Manage stormwater by installing rain gardens and community gardens, and re-paving alleys with permeable pavers
- Support Enterprise Heights development along Market Street
- Break down the “superblock” north of Market Street around the proposed Youth Study Center with new streets and new development.
- Consider long-term redevelopment of auto-related uses and the Aldi for walkable and mixed-use development



Potential green gateway to the 46th Street Station at 45th and Market Streets



Bottom: Existing conditions // Proposed running track around the superblock north of Market between 46th and 48th Streets. Top: Existing entrance to Westpark Apartments from Market Street // Proposed improvements.



Temple Regional Rail Station

Key early action recommendations include:

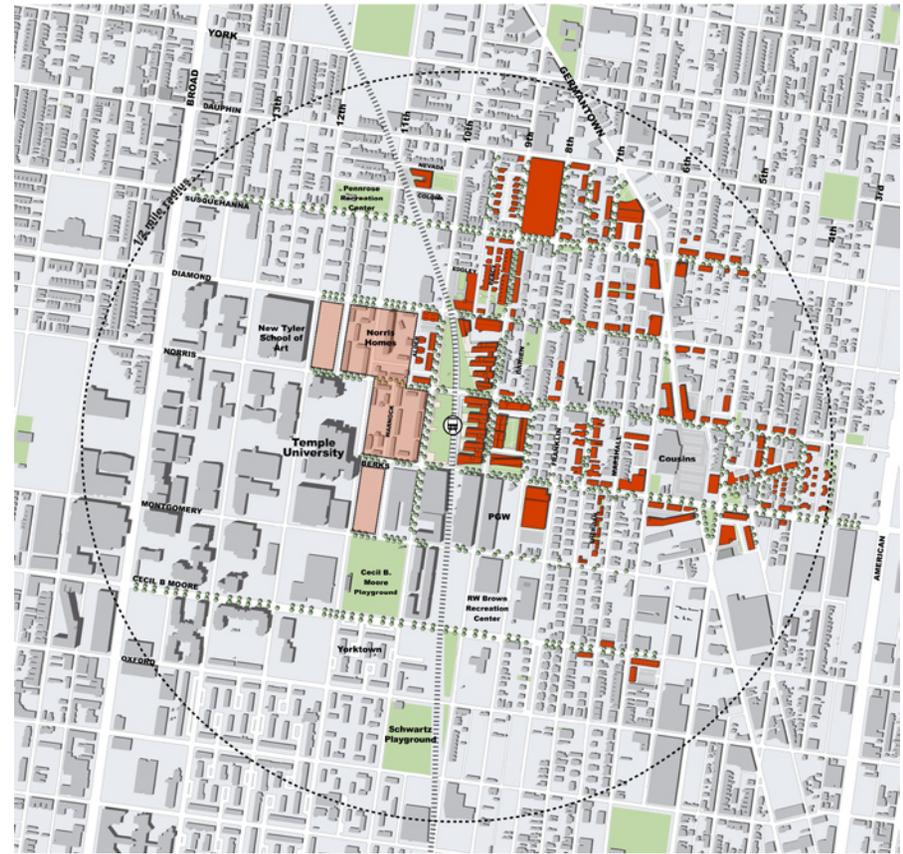
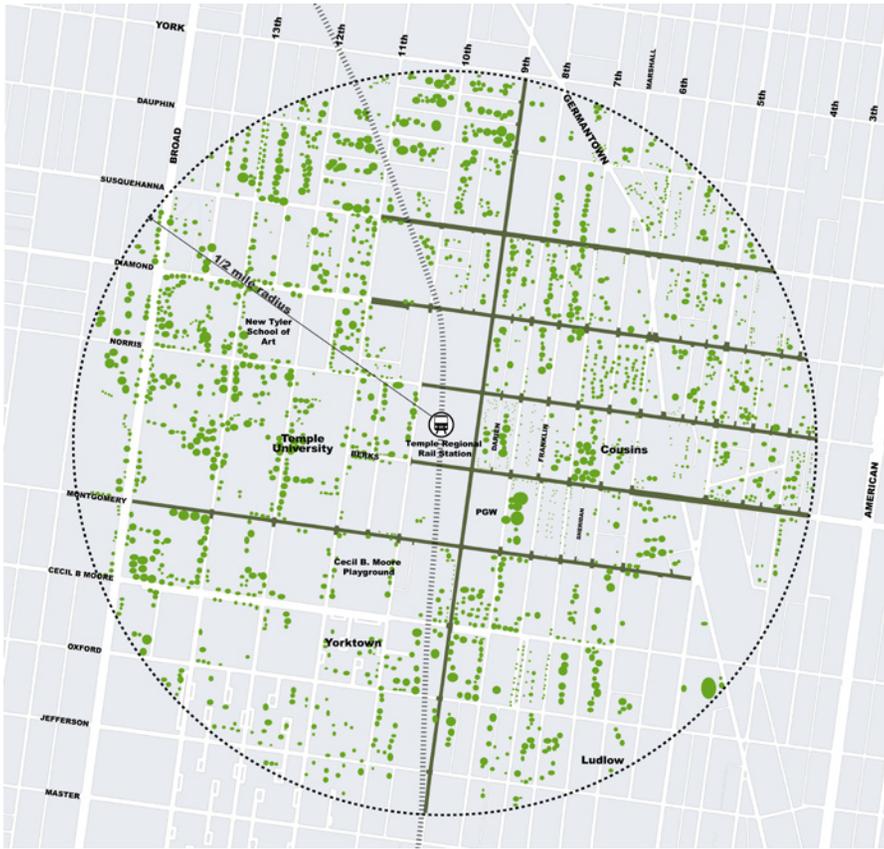
- Improve police presence at the station with coordinated police beats and bike police
- Improve lighting conditions by installing pedestrian lighting on key streets around the station
- Stabilize and seal vacant properties around the station
- Include area maps and real-time information at the station
- Create a public awareness campaign around the station and be aggressive with new station signage
- Designate space for station amenities such as carshare, bike parking and kiss-and-ride
- Improve key bus stops in the community
- Improve the sidewalks, plant trees and create painted bike lanes along the key east-west street connections
- Institute a permit parking zone around the station

Key long-term recommendations include:

- The City and SEPTA continue to work together to create a TRID district.
- Improve unsafe intersections on Germantown Avenue
- Improve the station plaza and extend it along Berks east to 9th Street
- Reuse the vacant viaduct as a tree nursery
- Invest in improving existing public and school playgrounds at R. W. Brown Recreation Center, Ferguson and McKinley Schools
- Distribute new tot-lots evenly through the neighborhood
- Reclaim traffic triangles as art parks
- Concentrate mixed-use development of moderate density around the station
- Extend development east along Berks and Norris Streets around the Cousin's supermarket
- Assess opportunities around the proposed APM Headquarters at 6th and Susquehanna Streets



Potential transformation of viaduct at Temple Regional Rail Station into tree nursery and open space



Above: Identified priority tree planting corridors and the potential development plan. Below: Density study adjacent to the rail station

Value Capture

In the face of shrinking federal subsidies, tight state and local government budgets, and intense intra-regional competition for economic development, the use of tax increment financing (TIF) has grown sharply, becoming a standard part of many local economic development subsidy arsenals. The purpose of TIFs is straightforward: a jurisdiction uses a TIF as a form of public subsidy to a development, by “capturing” some of the increased taxes generated by the increased value (to any tax base, but most commonly property tax revenues) created by that particular real estate development project (or a group of projects) within a defined geographic area (typically referred to as “TIF districts”). Instead of going to the jurisdiction’s general revenue fund, these increased or “incremental” taxes are diverted into a fund that can be used in various ways to support the real estate development project, directly through gap financing or indirectly through infrastructure or other investments. The use of TIF funds is often limited to parts of projects that can be considered “public purpose,” but the constraints of that restriction vary significantly across states.

With respect to TRID dollars, these funds can and should be focused on upfront and ongoing expenditures that contribute to development that is more in line with TOD principles. We do not recommend that value capture funds directly replace any outlays that would otherwise be made by SEPTA, the City, other overlay jurisdictions, or neighborhood groups, all of whom will benefit not by being able to spend less within the TRID but by having what they have intended to spend leveraged by the additional investments also being made within the TRID.

If anything, other stakeholders may end up investing more resources within the TRID, buoyed by the mutual investments being made by other entities and the shared success they can all derive. Potential uses of TRID funds include:

- Gap financing, over and above other sources, for key developments;
- Upgrading of existing infrastructure;
- Investment in new infrastructure such as landscaping and streetscape improvements and related ongoing maintenance.



4601 Market Street

Preliminary Results

Based on conservative assumptions, we estimate the following amounts that can be captured at each of the two TRID sites: \$3.3 million at the 46th and Market Street TRID, and \$1.3 million at the Temple University TRID.

These amounts represent initial, conservative estimates. It is important to remember that the actual value captured will be determined by the actual incremental tax revenues generated within the TRID. Therefore, if development is more robust than we have anticipated, funds will be generated on an annual basis far in excess of what is needed to make bond payments. These excess funds can then be used for future needs within the TRID, most notably gap financing for future development projects and/or more infrastructure improvements around the station.

It is also important to remember that these value capture amounts are but a fraction of the funds that are intended to be invested within each TRID. The TRID legislation, recognizing the importance of TOD as well as the need for additional subsidy to make it happen, makes allowance for priority for additional funds from the Commonwealth. Furthermore, as noted earlier in this section, other stakeholders should be expected to make their fair share of investment, most notably the City in streetscape improvements and ongoing maintenance, and SEPTA in capital and operating expenditures associated with the station itself. Sources and uses of funds can be paired off accordingly to each entity's stake in the TRID, and each entity stands to gain from the mutual investment of the other entities.

Estimated Value Capture Amounts at the Two TRID Sites (in 2008 Dollars)

	<i>46th & Market</i>	<i>Temple University</i>
Base Assumptions \$	3.3 million \$	1.3 million
Using 150% Debt Service Coverage Ratio	\$4.4 million \$	1.7 million
Using 125% Debt Service Coverage Ratio	\$5.3 million	\$2.0 million
Including 50% of School District Property Tax Revenues	\$5.6 million \$	2.1 million
Including 100% of School District Property Tax Revenues	\$7.8 million \$	3.0 million

Illustrative Distribution of Sources and Uses of Resources in Support of a TRID

<i>Source</i>	<i>Use</i>
TRID Management Entity (via value capture)	<ul style="list-style-type: none"> Gap financing for large-scale developments Upfront infrastructural investments and related ongoing maintenance around transit station: pedestrian amenities, traffic calming solutions, aesthetic enhancements
Commonwealth of Pennsylvania (via DCED)	<ul style="list-style-type: none"> Additional gap financing for large-scale developments
City of Philadelphia	<ul style="list-style-type: none"> Additional gap financing for large-scale developments General contribution to TRID via capture of incremental increases in tax revenues Status quo level of capital improvements and ongoing maintenance of municipal structures: street cleaning, road maintenance, policing Upfront infrastructural investments and related ongoing maintenance around transit station: infrastructure enhancements in light of increased density, landscaping, streetscape initiatives
School District of Philadelphia	<ul style="list-style-type: none"> General contribution to TRID via capture of incremental increases in tax revenues
SEPTA ¹	<ul style="list-style-type: none"> Upfront infrastructural investments and related ongoing maintenance related to station Potential to consider investment in maintenance and aesthetics in area surrounding station
Any special services districts whose jurisdictions overlap a TRID	<ul style="list-style-type: none"> Status quo level of ongoing maintenance and other services: additional cleaning and landscaping, security, signage
Any neighborhood groups whose areas of interest overlap a TRID	<ul style="list-style-type: none"> Conduit for expressing neighborhood's preferences to TRID management entity in terms of recommended enhancements as well as evaluation of past use of funds
Private developer	<ul style="list-style-type: none"> Private investment in support of new development Coordinate contact points of the development with the general public in ways that are consistent with TOD principles and with the shared vision of all stakeholders

Source: Econsult Corporation (2008)

¹ For the past five years, SEPTA spent more than \$80 million annually on preventive and station maintenance. This aggressive maintenance funding is continued in future budget projections and even extended upwards to \$100 million per year due to increased funds from Act 44. This only represents ongoing operating expenditures and does not account for capital expenditures and other large-scale outlays.

Implementation & Next Steps

The Transit Revitalization Investment District (TRID) planning process provided an excellent opportunity to bring together the City, SEPTA, neighborhood residents and other stakeholders to share their concerns and ideas for improving access to the 46th and Market Street El and Temple Regional Rail stations. The TRID planning study recommendations were crafted from their input and range from smaller-scale clean and safety improvement activities to larger-scale mixed-use redevelopment projects. Unlike many planning exercises that provide recommendations without offering new financing strategies, the TRID planning study examined the financial impact of capturing tax revenue generated by new development for use in the proposed boundaries around each transit site.

The momentum to make TOD a reality in Philadelphia is now in place. Building on the partnership between the State, City, SEPTA, community residents and other stakeholders is critical to the success of TOD. All partners working together on the following next steps will give Philadelphians increased housing opportunities, access to jobs and retail centers and improved quality of life.

What do we do tomorrow?

1. Advocate to formally create TRIDs at 46th and Market and Temple Regional Rail stations.

NeighborhoodsNow should continue to work with the City and SEPTA on creating the first TRIDs in Philadelphia. As detailed in the Econsult Corporation value capture analysis, several million dollars could be captured in each neighborhood for key community improvement activities and redevelopment projects. In addition, TRID designation receives priority for State TOD funding and programs. To help guide the TRID process, Econsult created a sample TRID agreement for the 46th Street and Temple Regional Rail stations to be used as the first step toward establishing a TRID district (agreement included in TRID plan appendix).

2. Define roles of City, SEPTA and community-based organizations for small scale projects.

Each station exhibits opportunities for new investment and improvements that add value for the neighborhood with or without large-scale development projects. In accordance with stakeholder input, this plan identified a series of activities to enhance open spaces, improve parking management, increase awareness around transit and create safer streets. NeighborhoodsNow should continue to work with the City, SEPTA, community-based organizations, and neighborhood residents to implement many of these priority projects.

3. Support the mixed-use redevelopment projects underway by APM and the Enterprise Center.

In addition to the small-scale, low-cost clean and safe priority projects, the TRID planning study identified large-scale mixed-use redevelopment opportunities. Both APM and The Enterprise Center are in the pre-development stages of TOD projects that propose to transform vacant land into housing, retail and commercial space. NeighborhoodsNow and the groups need to continue to work to leverage city, state and federal funding to make these TOD projects a reality.

4. Encourage TRID planning at other key transit sites in Philadelphia.

The benefits of TRID planning are far reaching and go well beyond identifying strategic redevelopment sites. As already noted, the planning process strengthens partnerships among the community, City, SEPTA and other stakeholders. Extensive stakeholder engagement results in the creation of innovative often low-cost improvement strategies that help promote increased transit ridership. Finally, the ability to capture tax revenue for use in a defined district surrounding transit stations enables the city to take advantage of a new financing strategy targeted specifically for transit. NeighborhoodsNow should continue to work with the city to identify new TRID planning sites and secure state TRID planning funds to complete plans at those mutually agreed upon sites.

The ball is rolling. The challenge now is to build upon the momentum to make TOD a reality in Philadelphia. Good luck..and have fun!



Improved and expanded station plaza at the Temple Regional Rail Station.

