

ATTACHMENT A

TESTIMONY OF ROBERT WHITE BEFORE THE SENATE ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE

JUNE 25, 2003

Senator White, Senator Musto, members of the Committee, my name is Robert White, and I am the Executive Director of the Redevelopment Authority of the County of Bucks, a position I accepted in August 1994. A Native Bucks Countian, I have worked in the Development and Construction Industry for nearly 40 years. When I joined the Authority they had already acquired 3 vacant old industrial sites during the 1980's and were still actively seeking developers to rehabilitate the properties.

Redevelopment Authorities were developing and maintaining housing for our low and fixed income county residents. Developers were buying up all the available property that was for the most part agricultural and avoiding properties that had perceived or real environmental conditions. The lion's share of these old industrial buildings were located in our Boroughs because they are the oldest communities and obviously contain the most desirable properties. These industrial sites were the first developed industrial properties, many that are located on our precious waterfront because they provided access by barge for the delivery of raw materials for manufacturing.

Bristol Borough, founded in 1681, a thriving metropolis in the first half of the 20th century, found that by the late 1970's to mid 1980's the industrial properties were becoming underutilized or vacant, leaving the borough with a tattered tax base and realized they would have to take action to turn around these failing industrial properties. The Purex Company, a 32 acre manufacturing business moved, closing its Bristol Borough facility, leaving it empty. The buildings began to be used as warehouses for any business that was interested, a trucking company leased space to park hundreds of trailers and property maintenance became non-existent. In 1988, the Borough partnered with the Redevelopment Authority to acquire this property. The buildings were demolished, but the property remained empty, a barren waste because of perceived environmental conditions.

Soon after Purex closed, the neighboring business, Superior Zinc closed down its operations. Without hesitation a trash transfer station began operating in its place. The textile mills were closing in the heart of the Borough, their shopping district had all but perished, and hundreds of jobs were lost during this process. In 1996, the Bucks County Enterprise Zone was established encompassing the industrial properties in six (6) Bucks County communities in the lower end of the County located along the Delaware River. A Certified Redevelopment Area was established on the River in Bristol Borough to help redevelop 100 acres of industrial area that included the Purex and Zinc properties.

When it seemed nothing would get the job done, Pennsylvania Acts 2, 3 and 4 were established, allowing Redevelopment Authorities to obtain 75% of the cost of assessment of these properties up to \$200,000. It would however, be necessary to have a project to obtain

the funding and there again things came to a halt. Developers, grateful to find out 75% of the cost of the environmental assessment and 75% of the environmental cleanup might be available, still questioned the time constraints involved with the red tape of government.

Developers can buy a corn field and they know exactly how much a lineal foot of pipe, roadway, curb and what a square foot of construction will cost. Banks also understand this and are much more likely to loan construction funding for green field development. Brown field properties even after the environmental condition is corrected have many unknowns - - old foundations are encountered, designing foundations that require extensive tests, existing storm sewer, sanitary sewer and water pipes must be dealt with, raising the cost of infill development.

Environmental conditions have for the past two decades been a primary reason to look towards green fields for development. It is the mission of the Redevelopment Authority to put together creative financing packages, which include incentives, grants, low interest loans, tax credits, and other incentives that make the Brownfield a more economical decision for the developer. Businesses and developers are not going to redevelop a brown field property for humanitarian reasons; it is up to the government to create an attractive package to lure these business people to provide the infill necessary to re-establish the tax base where industry is moving out.

Since the enactment of Act 2, with the help of the Southeastern Region of PADEP and the Pennsylvania Department of Community and Economic Development, the Bucks County delegation of State Legislators, our County Commissioners and particularly with the cooperation of the Municipal leaders, the Redevelopment Authority of the County of Bucks has been able to assist in getting several Brownfield properties redeveloped or on their way to rehabilitation.

One of the main objectives of the Bucks County Enterprise Zone was to identify and catalog the underused and vacant properties located in the Zone. We were successful in obtaining a Brownfield Pilot Grant through the U.S. Environmental Protection Agency for the County and the County of Bucks provided matching funds to perform an inventory of Brownfield sites in our Enterprise Zone. This program has been expanded to include the entire County of Bucks and has identified more than three (3) dozen properties. For the properties that are privately owned, we try to educate the owner and explain that it is a good thing to have the property identified and cataloged. We tell them that funding may be available to help clear the property for a new use.

The RDA receives \$1,000 from the PADEP for every site we put on its PA Site Finder Directory. We have sites on the list and I get inquiries from all over the country as I have worked closely with PADEP's Southeast Regional Office since the mid 90's and during that time the Authority has been successful in assessing and remediating several properties. In addition to Purex, Morrisville Rubber Plant and the Zinc Properties the Authority has been involved since 1996 with the following properties all in different stages of redevelopment:

- | | | | |
|--------------------------|------------|--------|------------------------------|
| 1. A.B. Murray Property | 16.6 Acres | Vacant | 129,000 Steel Warehouse |
| 2. Corell Steel Property | 7.58 Acres | Vacant | Burned out factory buildings |
| 3. Grundy Power House | 1/3 Acres | Vacant | 30,000 SF 3 story building |
| 4. Mayco Oil Property | 9 Acres | Vacant | Blighted factory buildings |

5.	Stainless Inc Property	3 Acres	Vacant	26,000 SF factory building
6.	U. S. Magnet Property	30 Acres	Vacant	129,000 SF factory buildings
7.	Rybas Property	20 Acres	Vacant	Fertilizer Residue on 7 acres
8.	Rubber Plant	12 Acres	Vacant	Burned out factory buildings
9.	Dial	11.4 Acres	Vacant	Closed down manufacturing
10.	Bristol Steel Processing	¾ Acre	Operating	Last industrial company on the Bristol Borough Riverfront
11.	Wispese Property	1 ½ Acre	Vacant	Powder coating building
12.	Auto-chem Property	26 Acres	Vacant	Factory Buildings on Riverfront

- All of these properties are either owned, were owned, are under negotiation to purchase, or under agreement of purchase by the Redevelopment Authority of the County of Bucks.
- Most of these properties have something in common - - they are located less than one half mile from the Delaware River and some are directly on the river front.
- All of the properties are located on existing infrastructure.
- All of these properties are served with all utilities.
- All of these properties have environmental contamination of some degree.
- All of these properties would still be vacant and underused without Act 2.

It is important to point out that until Act 2; none of the original purchases were being redeveloped. It took Act 2 along with the partnership and cooperation of all the partners to move these projects forward. Since 1996, the Authority has - -

- Redeveloped the office at A. B. Murray which is now our offices.
- Sold the balance of the A. B. Murray Property to a Steel Warehouse.
- Completed an Act 2 Fund Cleanup and sold 13 Acres of the Purex Property for age restricted housing on the Waterfront.
- Mayco Oil Property is now twin ice rinks owned by the Borough of Bristol
- Rybas property has obtained an Act 2 release and is being marketed.
- Grundy Power House is under agreement of sale as upscale condominiums homes.
- Dial Property is being redeveloped into 183,000 SF first class office space on the Waterfront.
- 19 Acres remaining of the Purex Property is being redeveloped as 150,000 SF first class office space on the Waterfront.
- Rubber Plant in Morrisville is a Holiday Inn Express and Restaurant
- Zinc Property will become a parking lot for the first class offices on the Waterfront
- A Public walking trail will be installed along the waters edge in the new office park
- Corell Steel was put through the PADEP's key sites initiative and we now have a site reuser with a signed purchase agreement.

Riverfront North located in Bristol Borough covers 60 acres of waterfront property and may never have been redeveloped if the Borough of Bristol, The Redevelopment Authority and all the Partners had not provided millions of dollars to put the project on an equal level with green field projects. These 60 acres include Purex, Zinc and the Dial Properties.

THE COST:

Description	Date	Amount	Remarks
Purex Property	1988	\$1,500,000.00	Bristol Boro Bond Issue
Zinc Property	1991	500,000.00	DCA Grant Pennsylvania
Dial Property	2001	\$1,500,000.00	Float Loan Bucks County
		600,000.00	First Service Bank Loan
Environmental Assessment		\$107,000.00	75% PADCED 25% USEPA
Environmental Remediation		\$1,070,000.00	75% PADCED 25% Bristol
Demolition of Concrete & Blacktop		\$342,000.00	30% PADCED 70% Bristol
Planning Studies (2)		\$150,000.00	Grundy Foundation Bristol
Admin/Legal/Misc		\$250,000.00	Bristol Borough General Fund
Dial/Riverfront North Demolition		\$720,000.00	PADCED IDP Grant
Estimated loss of tax revenue		\$500,000.00	School/Borough/County
Interest expense on loans		\$204,000.00	Paid to County and Bank
Dial Environmental Remediation		\$30,000.00	75% PADCED 25% Bristol
TOTAL COST		\$7,473,000.00	ALL THE PARTNERS

PROJECT INCOME:

Description	Amount	Remarks
Sands Casino	\$1,000,000.00	Option over 2 years gaming
Riverfront North 13 Acres	813,000.00	56 Age restricted homes
Riverfront North remaining acres	1,500,000.00	First class office space
Dial Riverfront North	1,500,000.00	183,000 SF first class office space
TOTAL INCOME	\$4,813,000.00	SALES PROCEEDS

THE GROSS INCOME/LOSS	\$2,660,000.00	LOSS
------------------------------	-----------------------	-------------

HOW DID WE COVER THE PROJECT LOSS?

Grant from PADCA 1988	\$500,000.00	To purchase/demolish Zinc property
Act 2 PADEP/PADCED	82,000.00	Assessment Grant RFN
Act 2 PADEP/PADCED	867,000.00	Remediation Grant RFN
PADCED	100,000.00	Revitalization Grant Concrete demo
PADCED	720,000.00	IDP grant demo/buildings/concrete
Grundy Foundation	150,000.00	Study Grants for RFN
TOTAL	\$2,419,000.00	

THE NET INCOME/LOSS TO BRISTOL BOROUGH	- - \$241,000.00
---	-------------------------

This figure includes the loss of a half million dollars in real estate taxes while the property was considered tax exempt. Below is a chart of the estimated real estate taxes projected for the project upon completion.

56 Age restricted homes at \$4,000.00 each provide \$224,000.00 yearly
 183,000 SF first class office property is projected to provide approximately \$185,000.00
 The 19 acres of open space developed with 140,000 SF office will provide \$140,000.00

These real and projected taxes for all three properties will exceed one half million each year when complete. The original tax obligation of these 60 acres was less than \$50,000.00 per year or one half million each DECADE.

THE FINISHED PROJECT WILL PROVIDE FIVE (5) MILLION DOLLARS IN TAXES IN TEN YEARS OR 100 TIMES MORE THAN THE PRESENT TAX BASE.'

I also want to point out that the median home price in Bristol Borough was approximately \$75,000. The condominium homes built by McGrath Builders at Riverfront North each sold for over two hundred thousand dollars, and in three years, the resale value is now approaching three hundred thousand dollars. That development, right on the Waterfront in Bristol Borough, also kept 56 families from moving into a Greenfield retirement community in suburban Bucks County or across the river in New Jersey.

It is important to note that it took more than ten (10) years to redevelop the Purex and Zinc Properties. These properties did not have the luxury of Act 2, 3, or 4 and were not sold until after Act 2 funds were available.

Dial on the other hand was purchased on April 6th, 2001, and will have been sold less than thirty months after acquisition because of Act 2 and the available funds from PADCED.

These Bristol Borough Properties shed a bright light on how Municipalities can increase their tax base by infill development because the Borough's do not have any green fields to develop.

There is a great need for more money to be set aside for this type of development, without these funds, it will not happen. Allocating additional funds for assessment and remediation will provide the economic development where it is truly needed, in the Commonwealth's older municipalities.

Bristol Borough has added 112 new residents and will be the recipient of 2,000 to 2,200 new jobs. This new development will also help to rehabilitate the Borough's Downtown Business District which flourished until the mid twentieth century.

I hope I've been able to show you that Act 2 is working in Bucks County.