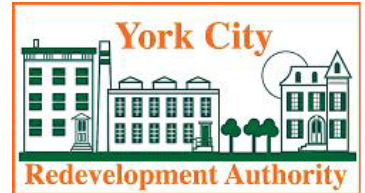




The City of York
Economic Development Department
& Redevelopment Authority



Mayor John S. Brenner

**SENATE URBAN AFFAIRS AND HOUSING COMMITTEE
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“Urban Issues Affecting Third-class Cities”

**Testimony of
Kevin J. Schreiber
Economic Development Director &
Redevelopment Authority Coordinator for the City of York**

49 East Market Street
York Pennsylvania 17401
Phone: 717-434-6073
Fax: 717-812-0557
kschreib@yorkcity.org
www.yorkcity.org
www.revyork.com

Good Afternoon Chairman Yaw, committee members, distinguished guests. It is an honor to appear here before you today to discuss the current state of revitalization and economic development in the City of York. My name is Kevin Schreiber; I am the Director of the City of York Economic Development Department and Redevelopment Authority.

The City of York has seen tremendous investment and growth over the past eight years under the Brenner Administration. New restaurants and shops spot our Downtown, a new professional office complex, fully occupied with over 700 professionals. The Northwest Triangle brownfield redevelopment project continues to forge ahead. And at full build out it will beget over 80,000 square feet class A commercial office space and over 300 new residents living and walking within our Downtown. And juxtaposed to Lancaster City, York is in its thirds season of baseball at Sovereign Bank Stadium, home to the York Revolution. A crowning achievement for York, Sovereign Bank Stadium is reconnecting thousands of people to our City. Game nights now bring people early for dinner and late for drinks. It has been a hallmark example of public and private partnership and a major success for the City of York.

But we cannot stop there. Although we are a city on the rebound in terms of economic development, housing rehabilitation, and homeownership, we also are an operational city that has serious financial challenges. We are faced with a pension puzzle and are plagued by systematic deficiencies that are inherent to all Pennsylvania cities.

Trapped in an antiquated system of government that dates back to Pennsylvania's founder, William Penn, at 5.2 square miles with over 41,000 citizens, the city is landlocked, and has the highest concentrations of poverty, blight, and tax-exempt properties in York County. Over 30% of our population is in poverty and over 37% of real estate in the City of York is tax-exempt. **Please, let me repeat that, 37% of real estate in the entire City of York is tax-exempt.** Added to that our housing stock and infrastructure is aging. With scant resources, our City government is strictly limited to the improvements and incentives we can afford to offer our neighborhoods and residents. Cities are defined by their neighborhoods.

Our City's financial situation is shared by every urban area in the Commonwealth. However, difficult times can be the parents of imagination, innovation, and creativity. We in City government, under the leadership and vision of Mayor John Brenner, have been adaptable and innovative. Through hard work, we have launched programs such as 208 by 2008, an aggressive campaign to target 208 properties to bring to a higher better use by 2008. We over-achieved. By December of last year, we amassed over 300 properties brought to a higher better use. Through partnerships that spanned all City departments, Planning Commission and Redevelopment Authority, aggressive condemnation, strategic acquisition, 316 properties were rehabilitated, demolished or constructed new. Those deteriorated structures that posed an imminent safety threat to our citizens were demolished and now vacant parcels have been seeded. We are currently working on a strategy to target 210 properties by 2010.

But this is not enough. We need more help from our legislation to provide more tools to our local governments to seriously attack blight in our city neighborhoods. Our cities are under a constant threat of disreputable and unscrupulous landowners. Property wholesalers or cash quick house flippers that purchase property cheap do limited to no repair and cash flow them quickly through under-minded rental tactics. Owner absenteeism is rampant. Individuals can purchase cheap at tax-sales and leave property neglected and vacant. These properties are inherent attractive nuisances for criminal activity, arson or collapse. Left to decay, our cities struggle to acquire through condemnation. But our tools are limited. It is a long and cumbersome process in which at any point property ownership can change and send us back to the beginning.

We have no sympathy for owners that neglect property and leave it to rot and decay causing misery, diminished property value and safety threats. One such solution would be to allow a local government or a municipal authority right of first refusal to purchase property prior to a tax-sale. Enabling legislation would allow redevelopment or housing authorities a path of least resistance to reclaim vacant, abandoned property and go on the offensive against unprincipled owners. We would be remiss by not mentioning the new Conservatorship law. It is a start. We are in the process now of learning more about this newly enabled legislation to bring a property back to productive reuse before it is beyond repair. Finally, our City as do many other municipalities across the Commonwealth, look for positive news on Neighborhood Stabilization funding. Applications were submitted

in February of this year. This funding, directed from HUD, was intended to hit the streets with due alacrity to mitigate the foreclosure crisis and provide funding to target blighted and vacant properties. We await some direction from the Commonwealth that this funding stream will arrive. Every day that passes is another day that we cannot properly implement these preventative strategies to serve our citizens and stabilize our neighborhoods.

Despite our challenges, we will not flinch. We keep our eyes steadily focused on the challenges at hand, as we continue to spur steady progress and new investment.

The City of York continues to achieve milestone redevelopment. It is the role of our city leadership to help set conditions for economic prosperity. Through key partnerships and funding, we can continue to make great strides. However, we need more help from Harrisburg. Vital grant sources or seed funding is needed to continue to spur economic development. The City of York achieved milestone status with the designation of the Commonwealth's first Elm Street program in 2005 in our Olde Towne East neighborhood. We are currently under review for our second designation, in the west end of our City; both neighborhoods essentially flank our Central Business District. As the program intended, it is connecting the city center to our neighborhoods with pedestrian friendly paths. The Elm Street program is vital and crucial to neighborhood stabilization in urban areas. In its final year of funding, the Olde Towne East Community Renaissance has been a model for the Commonwealth. The Elm Street investment leveraged city and additional funding to recreate and re-envision an entire neighborhood. New infrastructure, benches, trees, lighting, banners, public artwork and Renaissance Park have fueled a rebirth in this neighborhood. Criminal activity has decreased, homeownership has risen and quality residential opportunities have replaced blighted structures. We encourage you to continue funding this program.

The future of our City is market-rate housing and destination development. We must cast our collective sails to catch the wind of downtown migration. Spurred by baby-boomers, Generation X and Y, and the forthcoming Millennial Generation, people are moving back to cities. Deciding to ditch a household car or large yard to enjoy an urban environment with the added bonus of a smaller carbon footprint. Urban dwellers are historically healthier. Cities offer easier and more convenient access to sidewalks where people naturally walk or jog, people in cities walk to stores, amenities, or mass transportation and City residents have more access to low-cost recreation opportunities and are more apt to arrive at a destination via bicycle. We must all reinforce the importance of responsible, forward-thinking development that does not mortgage our City's economic and environmental future for quick-flip development.

We must all be in the business of "Placemaking," which recognizes that concentration of activities and amenities within a pedestrian friendly environment is a critical aspect of an urban experience. Squares, plazas, public artwork, trees, waterfronts and streetscapes will attract people because they are pleasurable, interesting and attractive. It's an authentic urban experience that is often imitated by the suburbs but never authenticated.

If we collectively continue to build an amenity-rich concentrated core we will attract and retain superior downtown dwellers and connect the dots of development. Collaboration is the seed of revitalization. With continued leadership and partnerships that span public,

private and non-profit sectors and with continued support from our leaders in Harrisburg, York and other Commonwealth cities will continue to rebound and revitalize. We should strive to be a model for smart urban development. One method by which City government has been able to encourage continued residential development is through passage of the Residential Tax Abatement program. In 2006, the City of York Economic Development Department, under direction of Mayor Brenner, pushed forward the RETAP program. Arguably the Commonwealth's most aggressive RETAP it provides for a 100%, ten-year tax exemption on the value of new residential construction or rehabilitation. This incentive runs with the land for 10-years and is applied to all three taxing entities, City, County and School District. The RETAP program has stimulated interest in rehabilitation and reuse of our City's older buildings without the use or need for City cash subsidies. The RETAP program, or the companion LERTA program for commercial property could be married with tax credit programs, such as the Enterprise Zone or Impact Projects. Local government needs other options to develop these placemaking strategies. If we can provide more equity options to our development community, we can see projects take shape quicker and with a greater pool of investors.

There is a direct correlation between the seeds of development we plant today and the future success of our community. We must all remain vigilant forward thinkers. We have a responsibility to constantly strive to perform better - to continue to improve the quality of place for the lives of city dwellers while laying the foundation for future responsible development that reduces the environmental impact of our concentrated areas. However, City government cannot do it alone. We need more partnerships with our legislators in Harrisburg and Washington. We need more private sector leaders to be bold. We understand this is an unprecedented economic time. Nevertheless, history has taught us that when confronted with unprecedented challenges leadership is defined by innovation.

On behalf of the City of York, I thank you for this opportunity, for your service and your continued support to our urban areas across our great Commonwealth.