



Chester Economic Development Authority

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Honorable David Argall and Senate Majority Policy Committee

My name is Drake Nakaishi and I am the Executive Director of the Chester Economic Development Authority and Executive Director of the Chester Redevelopment Authority. I am responsible for bringing new businesses and programs into the City of Chester along with marketing City owned properties.

First of all, welcome to Chester. Chester is the first city in Pennsylvania. It was first settled in 1641 and named Finlandia and then Upland (Upland). William Penn first landed in Pennsylvania on October 27, 1682 and renamed the settlement after the English city of Chester. We have approximately 34,000 people (2010 Census) and Chester is approximately 6 square mile with 1.2 square miles of water.¹ Chester was a powerhouse for ship building in its past so we feel it only right that we make comment at this hearing.

We support the Commonwealth's initiative and thank both the legislature and the Governor for working in a bipartisan manner to help revitalize waterfront communities. We believe this program, similar to other tax credit programs and others state initiatives such as KOZ and RACP can go a long way to help rebuild communities and encourage business development.

The aforementioned programs have been responsible for key projects in Chester such as Harrah's Casino, Talen Energy Stadium (where we are meeting today), and the Wharf at "Rivertown".

The Chester Economic Development Authority offers the following suggestions to allow more flexibility and make it more advantageous for Cities such as Chester:

1. Obviously we would encourage the legislature to increase the amount of funding for the program in future budgets.
2. Amend the regulation so that Municipal Authorities that have experience managing and operating both state and federal programs could qualify. Currently

¹ Wikipedia

you have to be a designated "Waterfront Development Organization", in order for the City to participate in this program or we would need to partner with a non-profit organization. While we are not opposed to this as an alternative for other municipalities. We feel we should not be excluded. The Chester Economic Development Authority has been in existence for over 20 years and we have handled well over \$20 million in federal funds such as CDBG and Home Funds. We have been the administrative agency overseeing the RCAP for both Harrah's Casino and this very stadium, managing over \$40 million in state funds. I think we have proven that we know how to manage projects and funds in a responsible manner. To create a new separate Authority would be costly and cumbersome. We have the following agencies in the City of 34,000 people

- a. Chester Water Authority
 - b. Chester Economic Development Authority
 - c. Chester Redevelopment Authority
 - d. Chester Parking Authority
 - e. Chester Stormwater Management Authority
 - f. Chester Housing Authority
3. We suggest that the section regarding a Waterfront Development Plan be modified so that we can provide past plans that we believe are still relevant. The City of Chester has completed numerous plans in their past and having requiring new plans will likely reiterate what was done in the past.

Now I would also like to transition to another topic that I feel is relevant

1. I want to thank the Legislature and the Administration for modifying one key provision in the CRIZ program. Previously municipalities that were in ACT 47 could not apply for the program. I have spoken with many in Harrisburg about this issue over the past 3 years so I am glad to see that has changed. In order for any such programs to help us we need to be included. It is only then that the basic premise that ACT47 Communities be given preference in all Commonwealth programs will we see the benefits to distressed communities such as Chester...
2. This year ACT 84 was passed and one provision was the creation of a new round of Keystone Opportunity Zones (KOZs). However, when we were preparing to submit our application, we were told that the window had been closed due to the complaints from municipalities that the timeline was too short. I believe we could have complied with the timeline. There was no written notice to anyone that the window had been closed. I believe the Legislature intended to have this action go forward. We will now have to wait until the next budget and fiscal code is passed to see if this highly touted DCED program will be available. My concern is that the City of Chester has until May 2018 to come out of its distressed status and needs these programs as they are received.

3. We tried to submit online an application for a Business in our Sites grant earlier this year but DCED's website would not allow for submissions due to the lack of a State Budget. So we waited and then we were told that we missed the deadline for submission (May) but the budget did not get done until the summer. I believe the legislation or regulations should be changed to allow for a reason timeline and guidelines to apply for programs that can help us get out of our distressed status. Why is there a deadline? We suggest that the window be open continually and then let DCED review applications as they come in.

The longer that these programs are not available, the fewer tools we have to rebuild our communities.

Thank you for your consideration.