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**TESTIMONY OF THE HON. JOHN P. McBLAIN
BEFORE THE
SENATE OF PENNSYLVANIA
MAJORITY POLICY COMMITTEE**

September 15, 2016

Senator Argall, Senator Killion and other esteemed Senators, welcome to the great County of Delaware. On behalf of my colleagues on Delaware County Council, especially our Chairman, Mario J. Civera, Jr., we thank you for taking the time and effort to study how to effectively implement the waterfront economic tax credit program that was adopted in Act 84 of 2016.

I would like to speak to you today about the status of waterfront development on the Delaware River here in Delaware County, and how this new program can be another effective tool to accelerate job creation and new investment in waterfront development in our Commonwealth.

Let me take you on a brief tour of our waterfront here in Delco. Beginning in the east, the Philadelphia International Airport is along the banks of the Delaware. Most of the land on which the airport is situated is actually in Delaware County, including the major runways, cargo city, the UPS facility and the international terminal. The airport is an economic

engine for Delco and our region, with many transportation-related businesses that support the airline and cargo business located in our municipalities surrounding the airport. The proposed Capacity Enhancement Project that will occur over the next 15 years will exponentially increase those types of businesses, and create thousands of construction jobs and hundreds of new permanent jobs. Located between the airport and the river are rail lines and petroleum pipelines, connecting to the vast pipeline network that extends north to New Jersey and New York and west across our state. As you are aware, the ability of our waterfront to move people, goods and supplies by road, rail, air, pipeline and ship makes our waterfront most attractive to business.

Moving west down river, we come to Tinicum Township. Home of the John Heinz National Wildlife Preserve, Tinicum Township boasts some of the prettiest views of the Delaware River you will find. Boaters, fisherman and many recreational users of the Delaware River come to Tinicum. In addition to the many businesses that support the airport, Tinicum is home to the Corinthian Yacht Club, where on many afternoons you will find sailboats in the Delaware.

Continuing west to Ridley Township, the Boeing facility occupies a prominent place on the Delaware. Home of the Chinook helicopter line, this facility also proudly builds much of the V-22 Osprey aircraft. Boeing

employs over 1000 individuals at this site, making it the largest employer along our waterfront.

Continuing west along the Delaware we next find the home of Eddystone Rail. Sharing the site with Exelon's generation station, Eddystone Rail leases the extensive circular rail yard once used by Exelon/PECO to ship in coal which fired the generation plant. Eddystone rail now receives petroleum tanker cars from the Baaken Crude region in the Dakotas, and through its newly constructed terminal, ships that crude to the refineries operating in our region for production.

We next come upon Penn Terminals, one of the most important shipping businesses in our Commonwealth. An array of cargo is shipped through this site in Eddystone, everything from cargo containers of goods to the import of bananas and pineapples from Central and South America.

As we come closer to the City of Chester, we come upon a new mixture of businesses to our waterfront. First up is Harrah's Casino and Racetrack, the home of standard bred horse racing and a casino which has not only employed hundreds of our county residents but has generated hundreds of millions of dollars of revenue for the Commonwealth, the County of Delaware and the City of Chester. I am proud to have been part of the County's redevelopment Authority team that negotiated the original sale of the property to what is now Harrah's. The site was a former shipbuilding site, Sun Ship, one of the key ship yards during WWII and for

most of the 20th Century. With the decline of the shipbuilding business in the United States, this site became an environmentally-damaged brownfields that owed over \$10 Million to the Commonwealth in defaulted economic development loans. We were able to sign a redevelopment agreement whereby the developer fully remediated the property, built the racetrack and casino and, contributed 4% of the gross revenue from gaming to the County and City governments. In a recent report issued by the Act 47 economic recovery adviser for the City of Chester, it was noted that over one third of ALL City government revenue is generated through Harrah's property.

Further down river here in Chester we once again encounter manufacturing and industry along the river. There is the Kimberly Clark plant that manufactures Scott toilet tissue. If you ever wanted to see a fascinating tour of a manufacturing facility, the Chinook production line is pretty cool but nothing compared to the fascination of watching toilet paper being produced!

Just six years ago, this stadium facility was opened and it has opened so many more economic development opportunities on our waterfront. The proud home of Delaware County's Philadelphia Union, this facility regularly attracts sold out crowds of 18,500 people here to Chester. This weekend, a rock concert festival will draw almost 30,000 people a day to this site. It is economic development tools such as the tax incentives that you have created in this legislation that will help our economic development agencies

and those nonprofits working to develop our waterfront to help expand and attract business and people to sites like this – now that we have them here, how do we keep them to live, work and play along our waterfront.

As we reach the western end of the Delaware in Delaware County and in Pennsylvania, we come to two of the biggest economic development success stories not only in Delco, but in our Commonwealth.

In September, 2011, we received a double body blow when both Sunoco and ConocoPhillips announced they would cease refining petroleum at the two refineries in Marcus Hook and Trainer Borough. As one local newspaper put it, it seemed that “A way of life” was coming to an end.

Through the cooperation of our Commonwealth, our federal government, our County and local leaders, two new businesses have risen like phoenix from the ashes.

Delta Airlines had the foresight to purchase and operate what is now Monroe Energy, producing jet fuel for its fleet (2nd only in size to the US military). Today, hundreds of families are sustained by those jobs.

Sunoco Logistics is well under way with the Mariner East projects at the former Sunoco refinery (which, by the way, still produces all of the fuel for Nascar race cars right here in Delco). I do not have to describe the economic impact that this project is having for our Commonwealth.

As bright as the economic future is here along our waterfront, there are many sites that are still in need of redevelopment. The burgeoning

energy industry along the waterfront has attracted much interest but programs such as these tax credits will help accelerate our efforts to find businesses that will employ thousands more of our residents. Thank you.