

Development Workshop, Inc.
Room 5170
51st Floor
1735 Market Street
Philadelphia, PA 19103-7599

March 6, 2012

Alan Greenberger, Deputy Mayor for Planning and Economic Development,
Commerce Director, Chairman of City Planning Commission
1515 Arch Street, 12th Floor
Philadelphia, PA 19102

Re: City Planning Commission consideration of DRWC Master Plan on March 6, 2012

Dear Alan:

Since 2010, the Development Workshop, Inc. has been pleased to provide input to the Planning Commission and the Delaware River Waterfront Corporation in the development of the Master Plan approved by the DRWC on October 28, 2011. Towards that end, we met on several occasions with DRWC staff and their consultant team to stress the importance of both encouraging development and balancing their ambitious infrastructure agenda with a realistic forecast of public funding sources and uses.

While the master plan proposes many exciting development and design concepts on land owned and controlled by DRWC and the City, it continues to be overly aspirational in pursuit of the earlier "Vision," while overreaching in proposing controls on privately-owned lands. We all agree that the waterfront is a valuable civic asset. **For the following reasons we strongly recommend that the master plan not be adopted by the Planning Commission at this time. The Planning Commission should take ownership of planning the waterfront and focus on what is doable and financeable. This is the beginning of planning a serious development process.**

There are areas to the south and north that are either currently occupied with income-producing properties or permitted under current zoning. Those properties are also subject to market, financing and infrastructure questions that are beyond anyone's ability to

reasonably predict at this time. Ultimately, the planning process going forward should address the following concerns:

- I. **The plan does not demonstrate a reasonable expectation of sufficient capital funding to carry out the very essence of the plan, the assumption that public investment will spur private development because public infrastructure will increase values.** The central portion of the plan is expected to cost \$356 million in 2011 dollars out of an overall cost of \$770 million, excluding the cost of over \$450 million for a waterfront light-rail system and PennDOT's scheduled modernization of I-95, estimated at over \$1 billion. The consultants' projections include the need for \$8.25 million per year in capital spending to meet an immediate need of \$65 million to jump-start the capital improvements project. In comparison, the City's overall capital budget of new tax – supported dollars for 2012 was only \$107 million.

The next item on your agenda today -- the capital budget -- will give an indication of what level of spending Philadelphia can reasonably expect for at least the next five years.

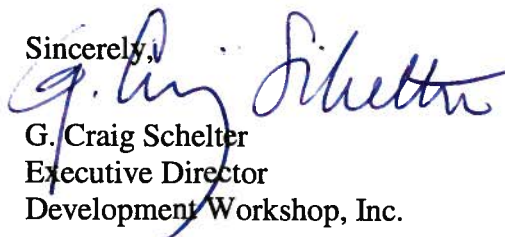
- II. **The plan would impose public access rights on private property without compensation, which is bad planning.** The plan should identify sources of funding for acquisition of public rights on private property. Adopting the plan initiates a process that will inevitably impose unfunded financial burdens on Philadelphia taxpayers.
- III. **The plan would condition the opportunity for private development upon public improvements that may not be put in place for 25 years.**
- IV. **The plan unreasonably raises expectations in Central Waterfront neighborhoods, while drastically diverting needed public capital and other investment from nine other Councilmanic Districts and neighborhoods throughout the City.**
- V. **The Planning Commission should address specific problems in the plan:**

- A. The 90-foot height limitation is unrealistic in many areas of the Central Waterfront because wet soil conditions likely will require much higher development in order to carry the cost of foundation infrastructure.
- B. On some sites, the allowable FAR will be illusory because of setbacks and public parks, coupled with unrealistically low building heights.
- C. The impact of I-95 reconstruction has not been clearly demonstrated.
- D. Numerous streets have been recommended for platting without the funds to designate them as legally open. Nor has there been a demonstrated market that would justify adjacent construction, thereby creating confusion concerning values based on a speculative market.
- E. Certain recreational uses -- such as canoeing and kayaking -- are incompatible with an active shipping channel.
- F. Since the draft plan was available for comment in the summer of 2011, we and others have requested in writing to review the cost estimates used to estimate the infrastructure improvements proposed in the plan. To date, the City and DRWC have failed to provide this information.
- G. Year 2014 was the estimated completion date for the City Planning Commission's district plans for this area, as part of its 2035 Comprehensive Plan. This would allow time for a realistic evaluation of the economic and budget issues mentioned above.
- H. Given the lack of financial resources and physical obstacles of privately owned land, there is no urgency to include properties at the upper and lower areas of the plan at this time.

Therefore, in conclusion, we believe too many questions remain unanswered for the master plan to be adopted by the Planning Commission to make the plan a “de facto” amendment to the Comprehensive Plan. We submit it is better to focus, as recommended in the plan, on planning for those lands between Washington Avenue on the south and Spring Garden Street on the north, where a combination of public ownership and/or infrastructure financing may bring some practical reality to the Delaware River Waterfront. All this can happen with continuing planning dialogue with all stakeholders along the river and we would be happy to participate. Again, the Planning Commission should take ownership of planning the waterfront.

Thank you for the opportunity to speak today. I respectfully ask that this letter be made part of the minutes of this meeting.

Sincerely,



G. Craig Schelter
Executive Director
Development Workshop, Inc.

cc: Mark Squilla, City Councilman 1st District
Planning Commission Members
Mr. Gary Jastrzab