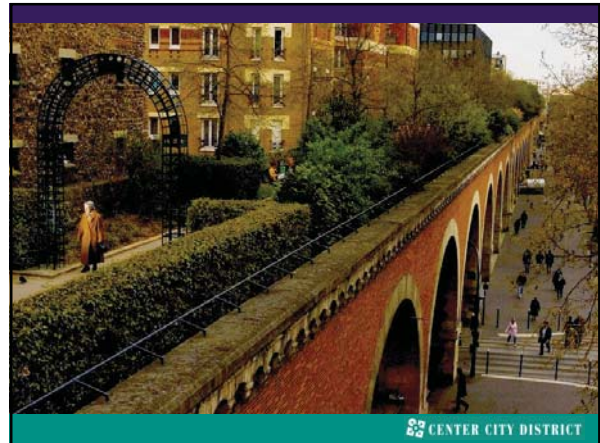
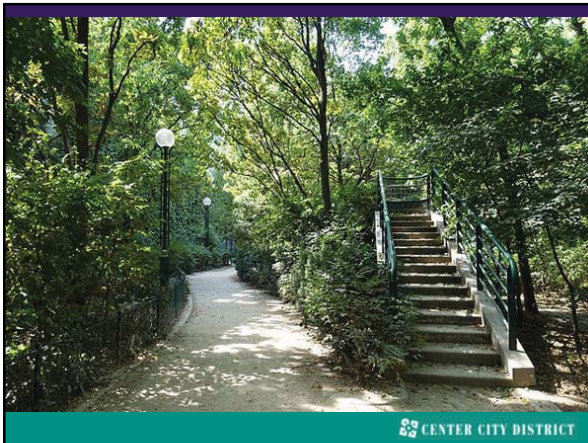


Converting obsolete urban infrastructure into parks



Paris: Promenade Plantee, 1993



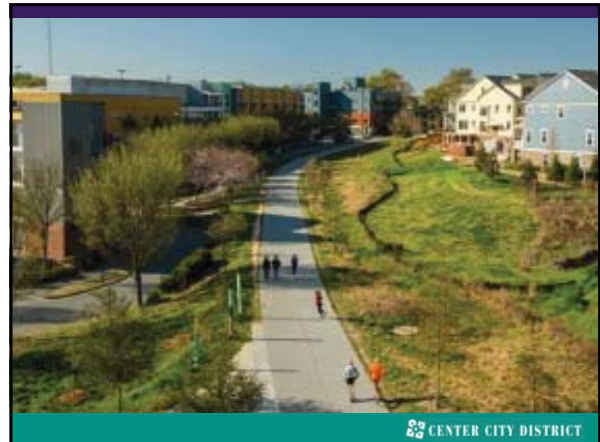
NYC: The High Line: Proposed 1999



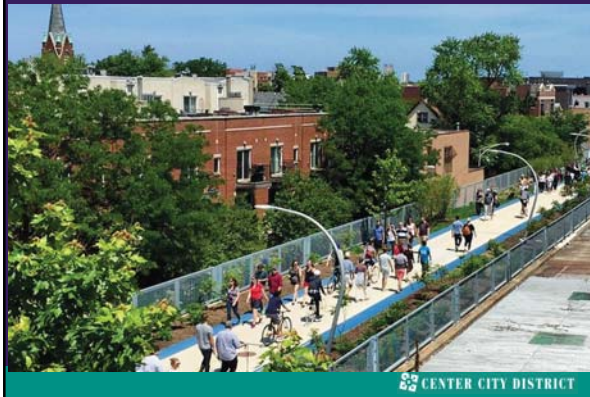
Highline: Opened 2009



Atlanta: Beltline, opening in phases starting 2010



Chicago: Bloomingdale Trail (606): opened 2015



Miami Underline: 10 mile linear park below Metrorail
November 1, 2018 groundbreaking



London, England: proposed



Toronto: The Bentway (formerly Under Gardiner)
will transform more than 4 hectares (10 acres) of land beneath elevated Gardiner Expressway



CENTER CITY DISTRICT

Transforming the Reading Viaduct



CENTER CITY DISTRICT

Enhancing a thriving live-work neighborhood



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(1) Context for the project

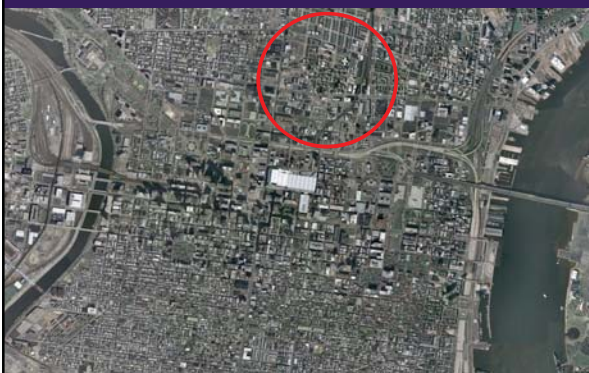
(2) Phase 1

(3) Phase 2

- Project precedents
- Physical components
- Reading's real estate interest
- Securing ownership
- Financing the project

CENTER CITY DISTRICT

Located just north of central business district



CENTER CITY DISTRICT

Expanding Callowhill & Chinatown neighborhoods



CENTER CITY DISTRICT

At the edge of CCD boundaries



Expanded January 1, 2018



One of 5 parks



Reading Viaduct Elevated section

Approx. 300,000 square feet

6.95 Acres

Approx. 4,385 linear feet

4/5 of 1 Mile

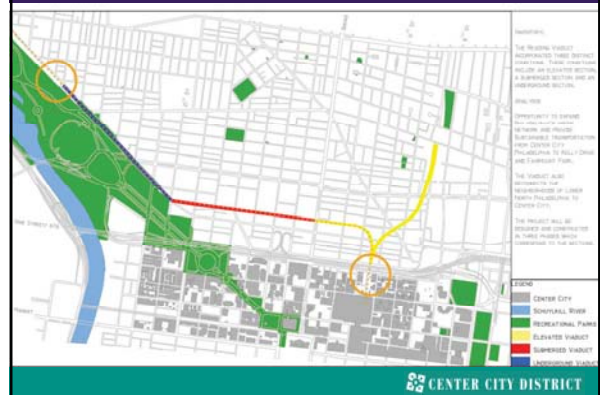
Septa + Nobel = 1,400 linear feet

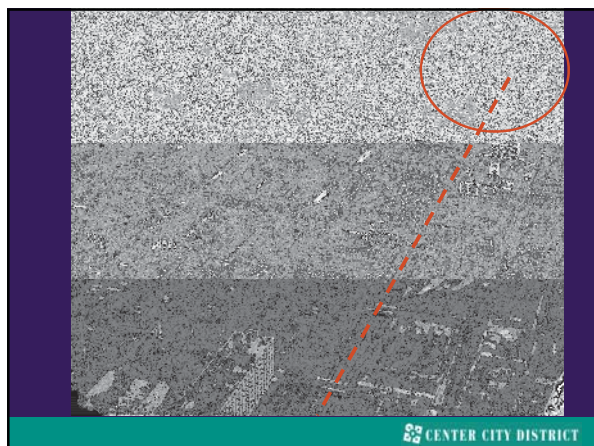
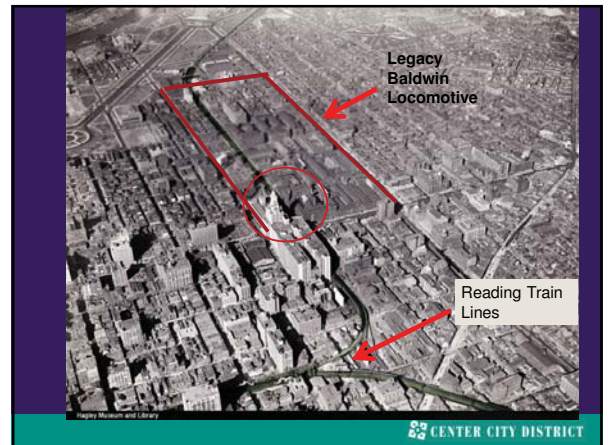
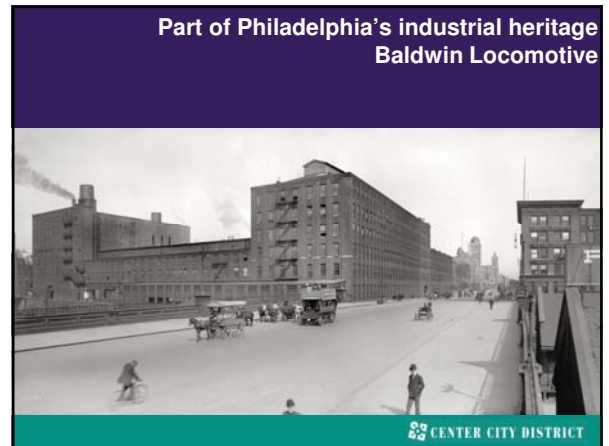
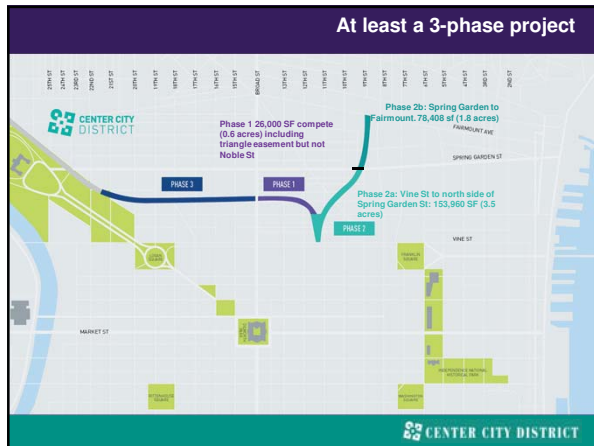


Legacy from industrial age + passenger rail service



Continues out Callowhill to Pennsylvania Avenue





Reading train shed remained in active use...



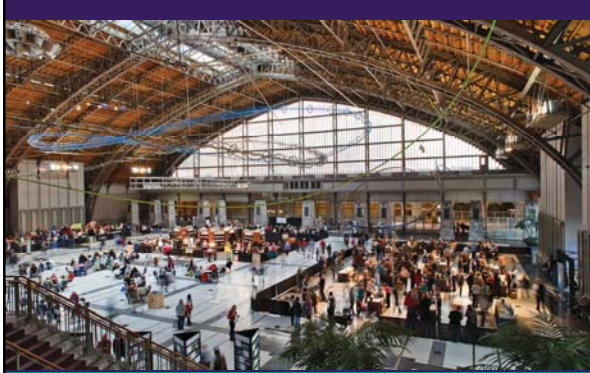
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Until new underground connections made it obsolete in 1984



CENTER CITY DISTRICT

Converted to Convention Center use: 1994



CENTER CITY DISTRICT

Beneath train shed thriving public markets



CENTER CITY DISTRICT

Viaduct demolished south of Vine Street

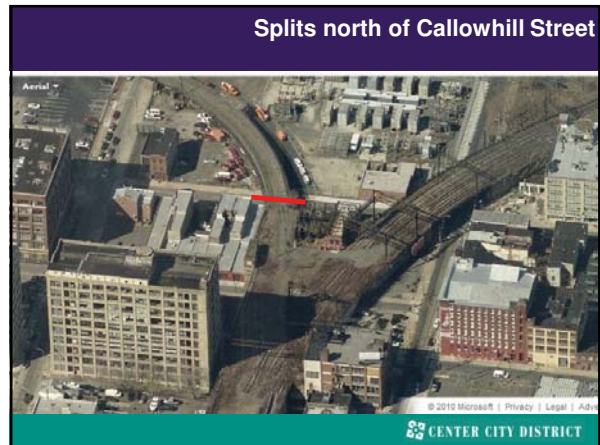
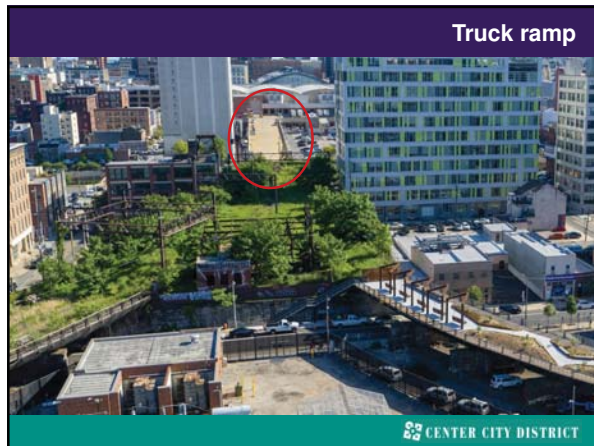


CENTER CITY DISTRICT

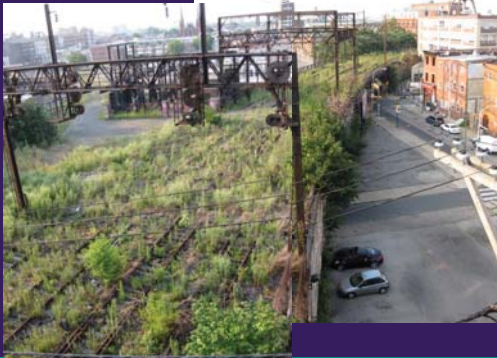
Convention Center truck ramp



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Curving across the grid



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Arches over streets



CENTER CITY DISTRICT

Provides unique views



CENTER CITY DISTRICT

Of iconic landmarks



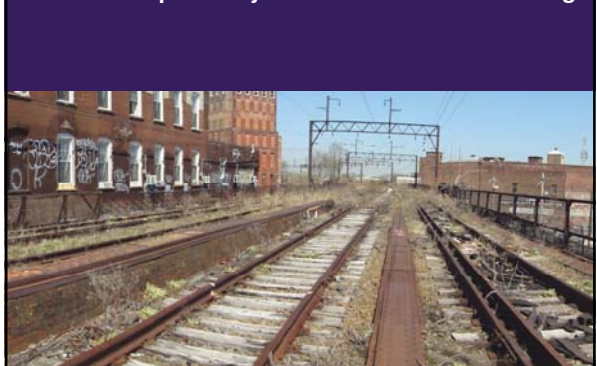
CENTER CITY DISTRICT

Endangered buildings

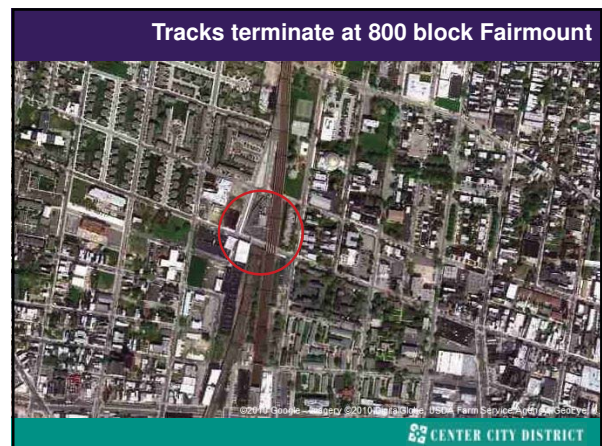


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Close proximity to former industrial buildings



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800 block Fairmount: looking east



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"New" SEPTA tracks just south of Fairmount Ave
View from decommissioned viaduct



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During the last 35 years, languished,
returned to a natural landscape



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Reading offered for donation in 1990s



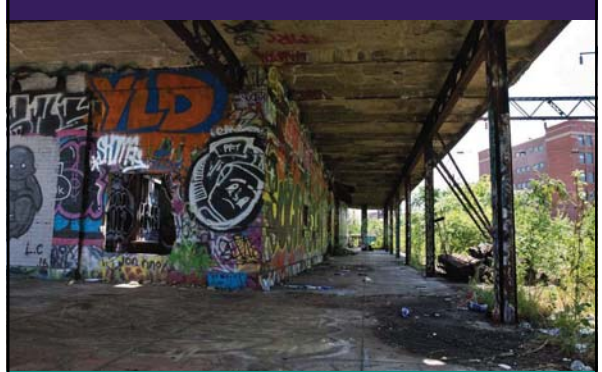
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The subject of endless student projects



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Poetry above, prose & graffiti below



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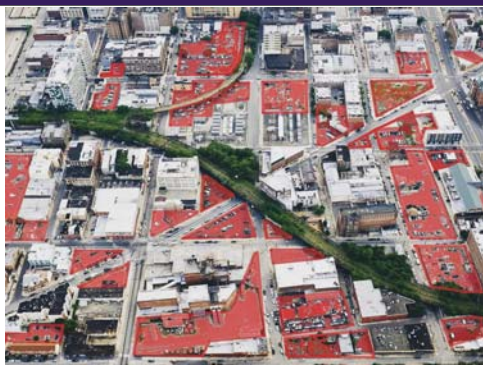
Blighting element that has deterred development



32% of area vacant & undeveloped land



32% of area vacant & undeveloped land



Significant gaps & discontinuity along northern edge
Callowhill Industrial corridor

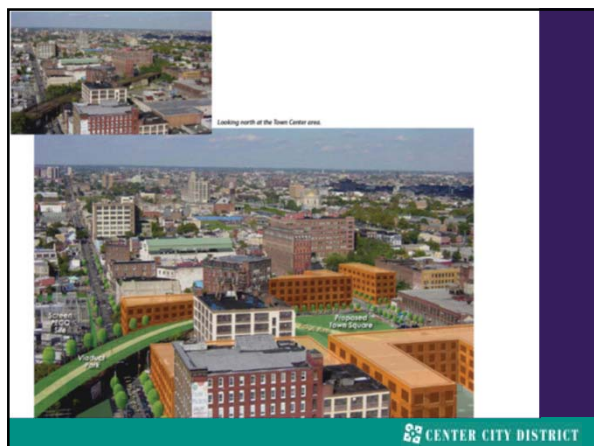
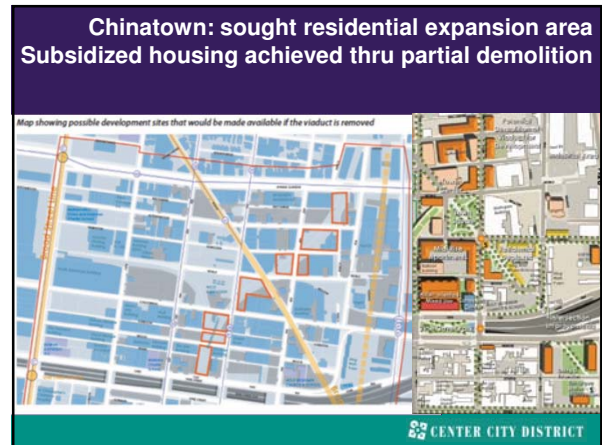
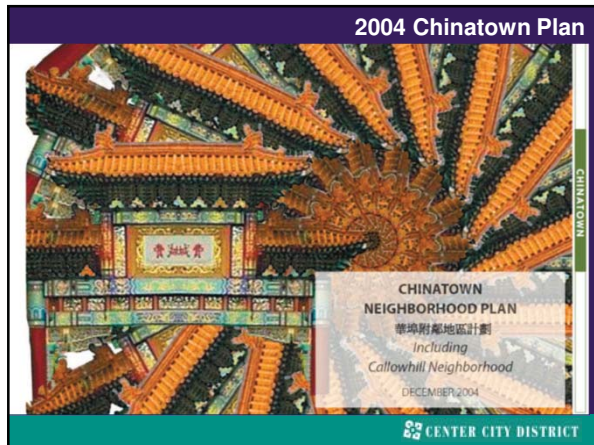
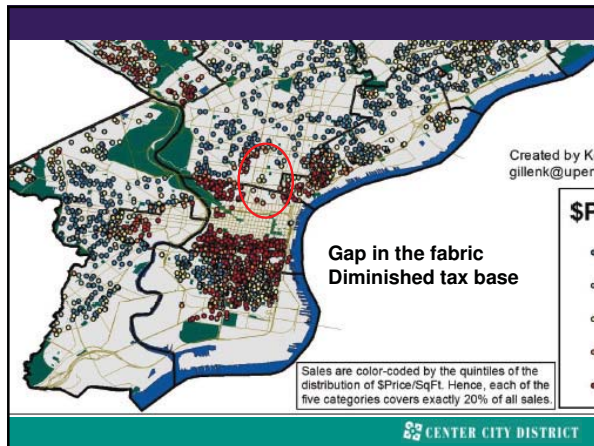


Barrier effect of Vine Street Expressway



Combined with impact of defunct Reading Viaduct





More than half the demolition cost is for remediation
Removal of all the fill

Soil/Ballast PCB Hazardous Waste (includes characterization)	\$388,000
Soil/Ballast on Structure Residual Waste	\$2,057,000
Soil/Ballast on Embankment & Fill Areas Residual Waste	<u>\$23,392,000</u>
TOTAL	<u>\$25,837,000</u>

CENTER CITY DISTRICT

(2) Renovation options inspired by High-line



But not NYC finishes: Cost \$170 million



Biking/jogging path & a landscaped walkway



Create an elevated, landscaped walkway



Anchor & amenity for the community



The only green space in the area



Great views of the downtown skyline



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Total renovation & remediation: \$37 million



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Remediation is minimal in renovation scenarios

PCB hazardous removal in limited ballast hotspots: **\$388,000**

Cap & cover with no residual soil/ballast being taken off site.

Discussed treatment with PA. Dept of Environmental Protection

Add a \$1,400,000 contingency for environmental remediation, in for modest traces of PCBs found

\$1,788,000

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Development had been moving slowly artists lofts, condos & workspace



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Well-known neighborhood destinations



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New construction prompted by promise of the park

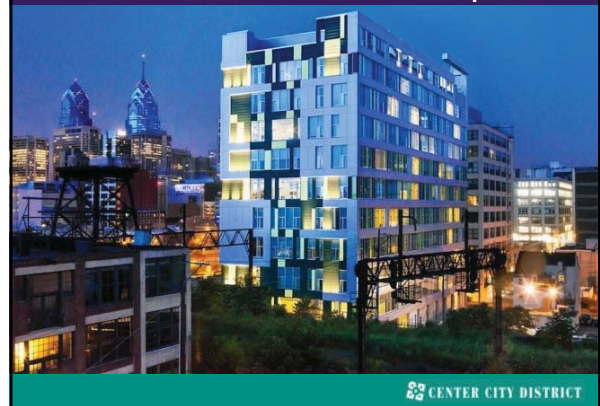


CENTER CITY DISTRICT

New construction prompted by promise of the park



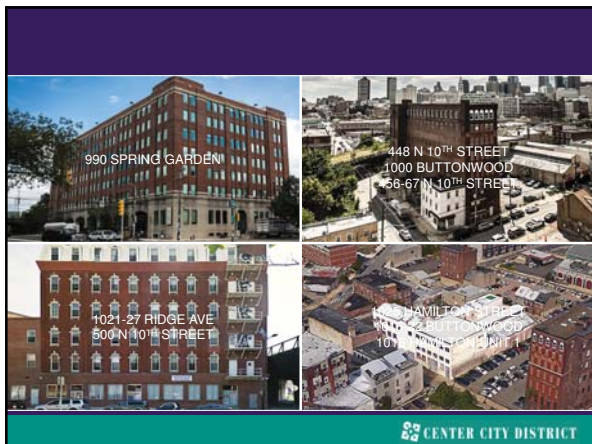
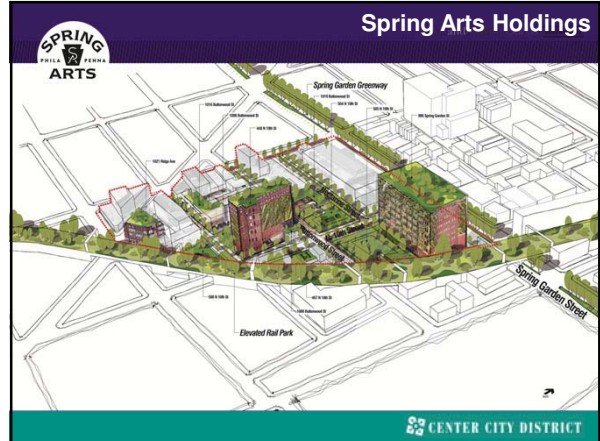
Goldtex apartments



Lots of opportunities for renovation



Spring Arts Holdings



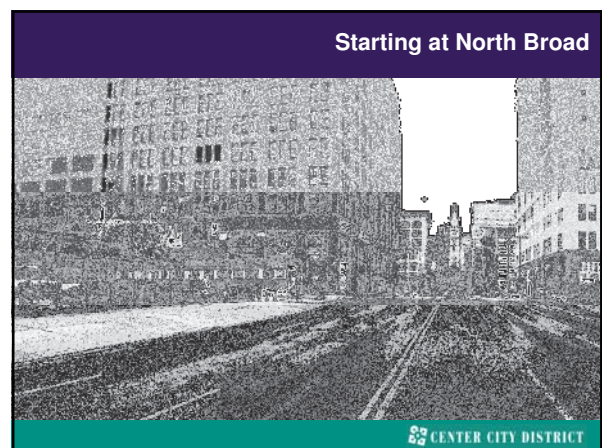
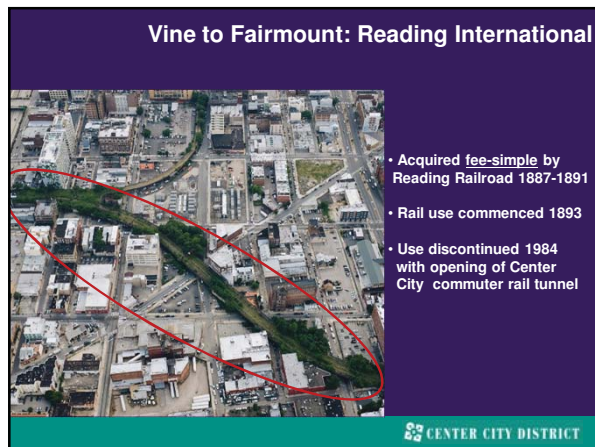
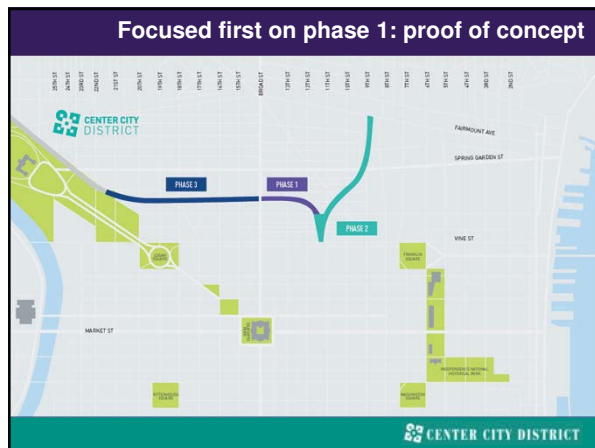
2011-2013: Construction documents

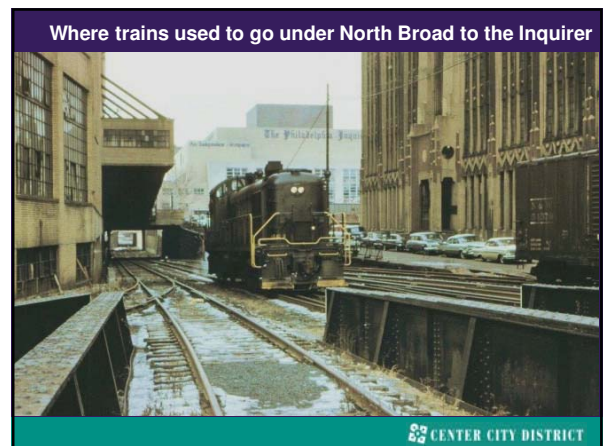
Urban Engineers
Bryan Hanes, Landscape Architect
Funding through Dept of Commerce:
Councilmembers DiCicco & Squilla

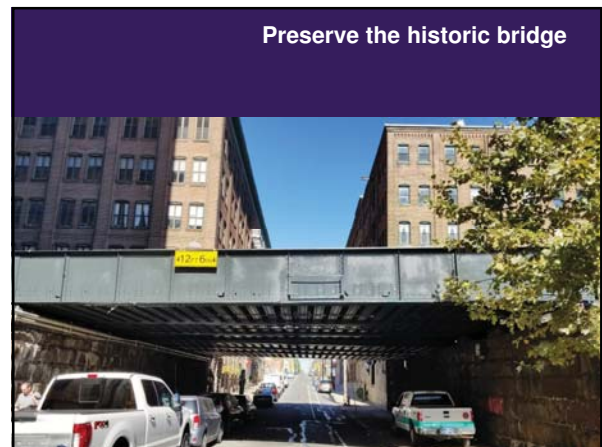
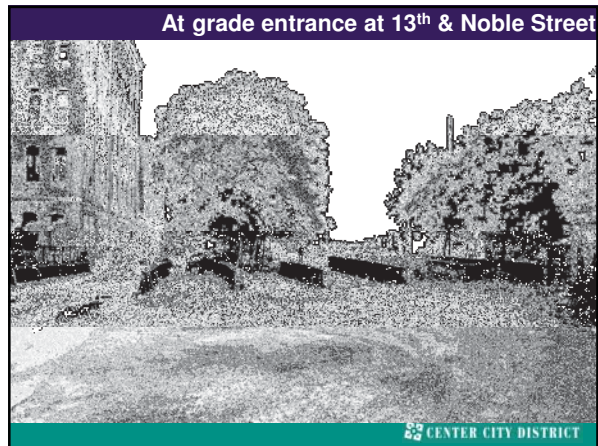
**READING
VIADUCT**

In consultation with
City of Philadelphia:
Depts of Commerce;
Parks & Recreation

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Unforeseen conditions



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Side girders support walking surface
Streets Dept: structure should meet highway standards
Insisted that bridge be demolished & rebuilt



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Ultimately, renovation: New brackets added
to support new surface that was poured



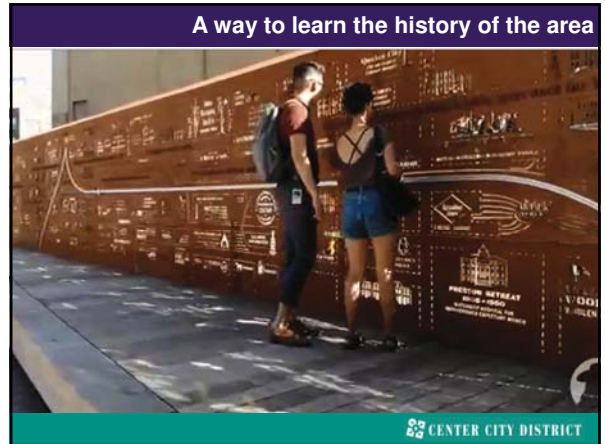
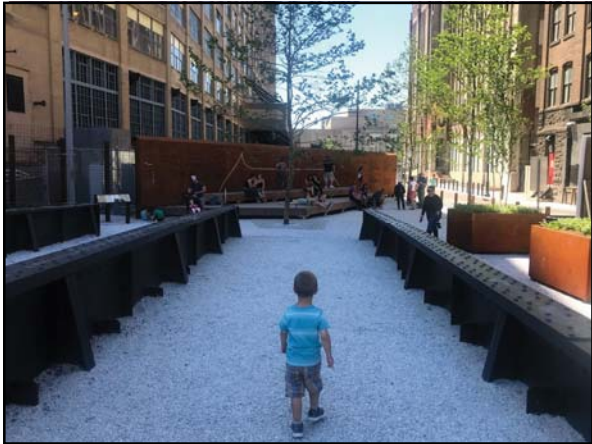
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Installed irrigation



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New topsoil



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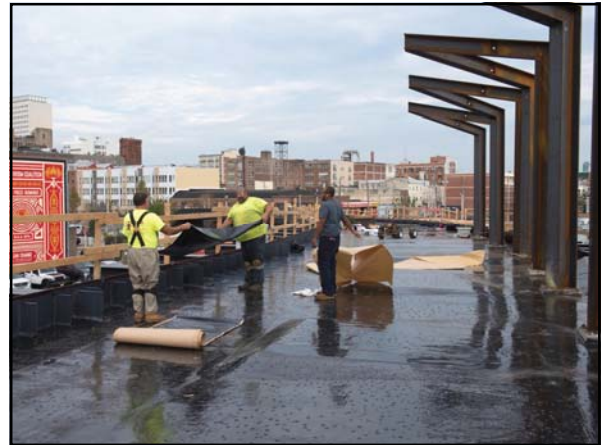
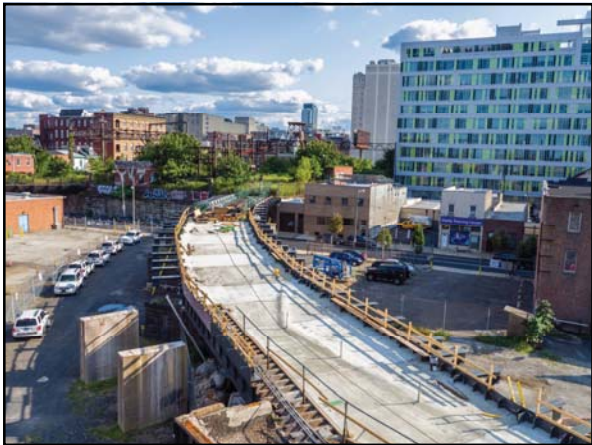
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More than 80% of budget was bridge reconstruction



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Great for watching sunsets



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Phase 1 ends at Callowhill Street



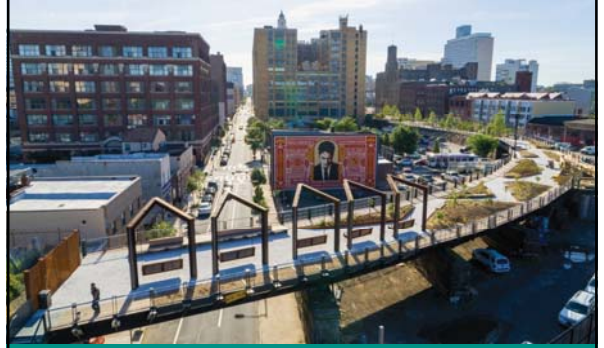
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Second entrance: new stairway at Callowhill Street



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Maintained partnership: CCD, Parks & Recreation
Friends of the Rail Park



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Manage Parks & Recreation staff

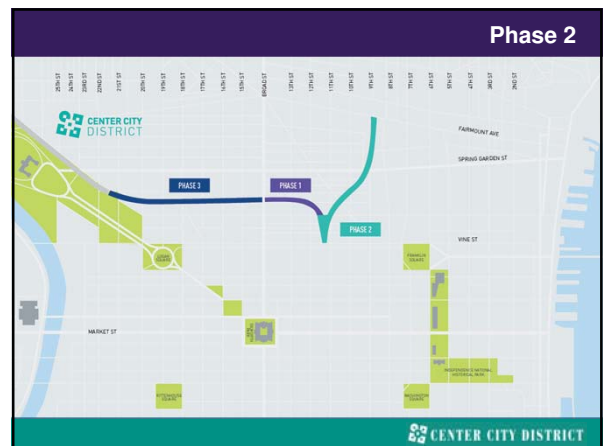
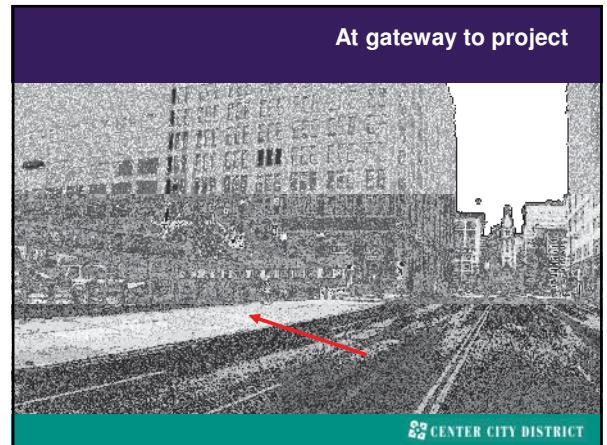


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7 day/week cleaning, security, landscape maintenance



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Learning from the experience of other cities

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High Line: transformative effect on surrounding area



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A great public space: done in phases



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An anchor park for a new community



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A continuing stimulus for new development

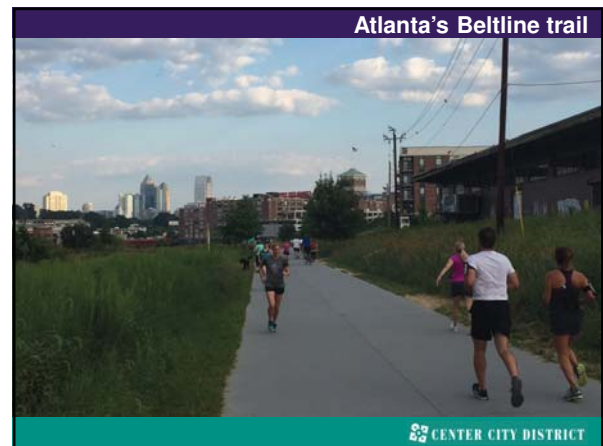


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Setting for the new Whitney



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With more on the way



TIF financing to support affordable housing



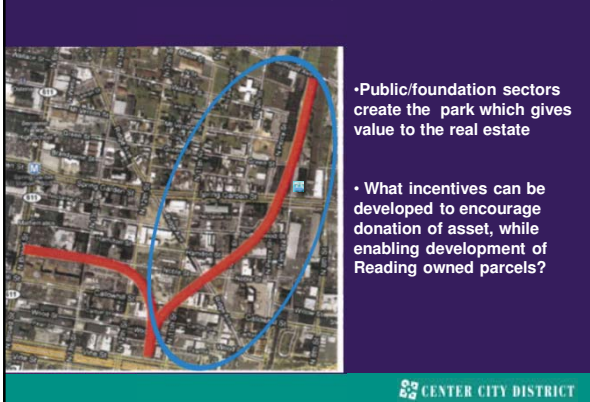
Same impact from Chicago's Bloomingdale trail



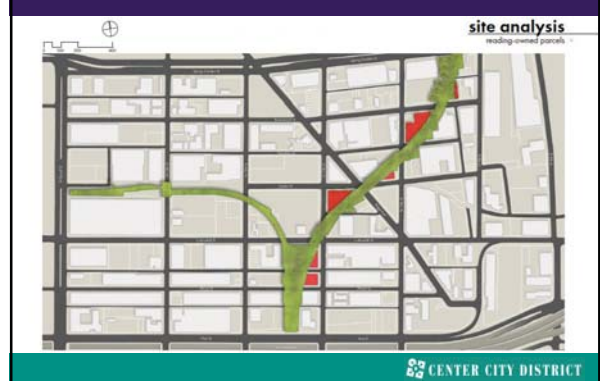
Both renovation & new construction

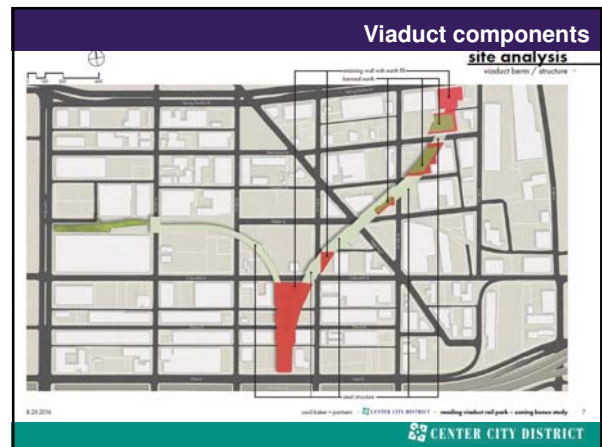
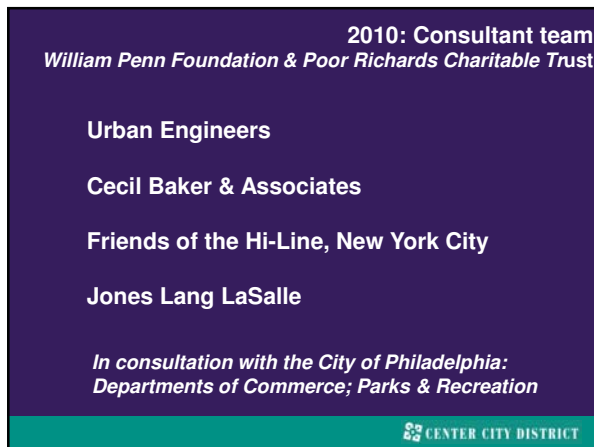
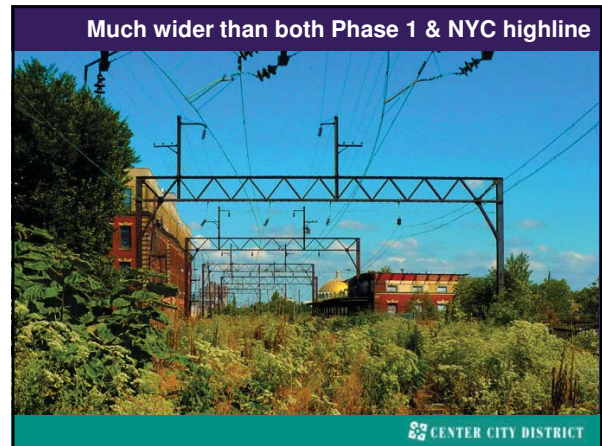


Phase 2: owned by Reading International



Reading not only owns the Viaduct
Own adjacent irregular parcels; different from High Line





Sloping fill areas: with contaminants



Phase 2: Vine to Spring Garden:
\$40-\$50 million project
Renovation less expensive than demolition



Urban Engineers: environmental core sampling sites



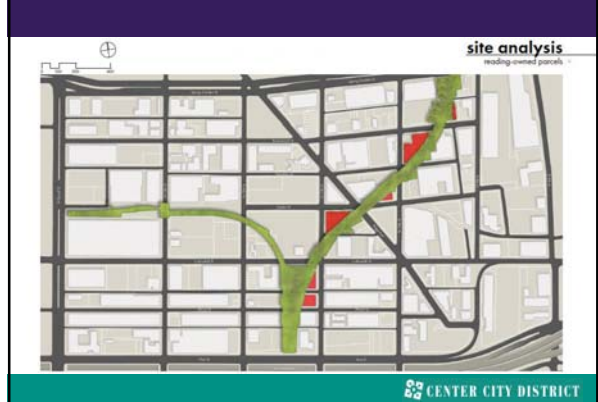
Test digs to determine contamination: out of date



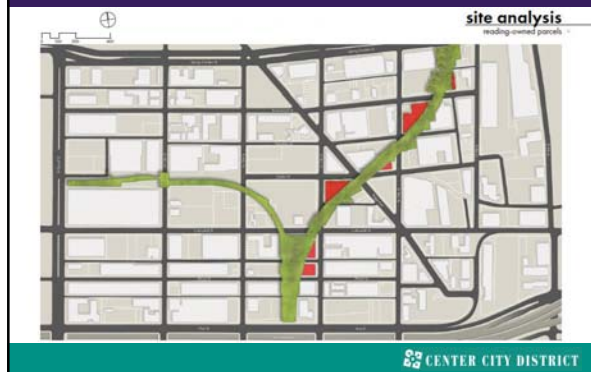
Defunct power station



How to create incentives to donate viaduct



How to renovate the viaduct at public expense & enable Reading parcels to be developed



Funding from William Penn Foundation 2017-2018

- Create path to ownership
- Analyze maintenance & management options, including BID
- Develop financing alternatives for phase 2
 - Retained Cecil Baker
 - Peter Kelsen & Matt McClure donating time
 - Consultation with individual developers
 - CCD own research & analysis staff
 - Working with Ann Fadullon

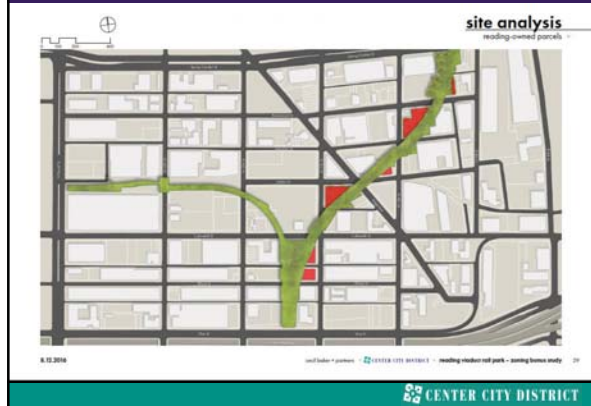
Condemnation technically possible: Could be cost & time prohibitive; amicable is slower but probably more practical



What incentives can be developed to encourage donation of asset, while enabling development of Reading owned parcels?



Expand footprint of Reading sites?



Opportunities that don't encroach on sight lines



Preserve view of downtown skyline



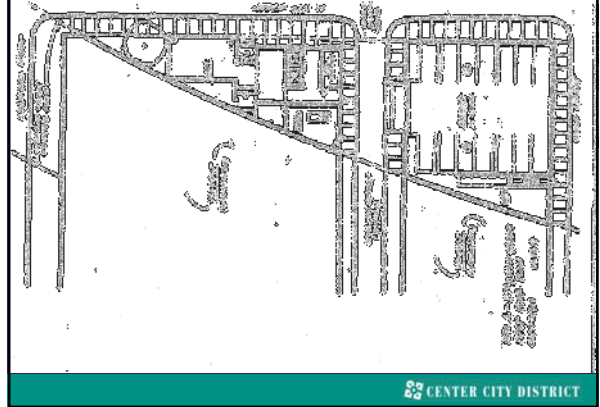
11th & Wood Streets (Zoned RMX-3)



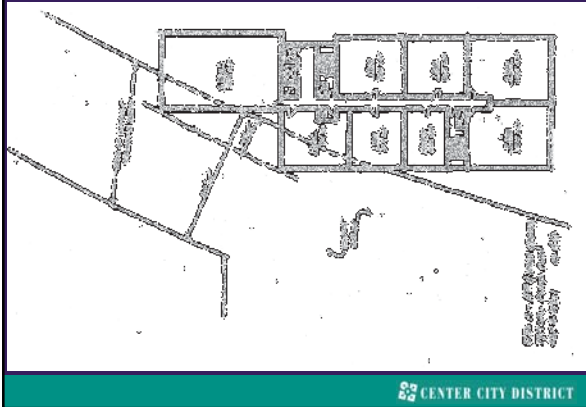
Currently surface parking



11th & Wood Street



Build over street & encroach



11th & Wood; encroach/overbuild



11th & Wood; 46 units; 8 stories

Can construct a 78,401 SF, 8 story building primarily containing 46 dwelling units and 14 parking spaces.

The second floor could contain approximately 3,192 SF of retail accessed at the viaduct level.

Parking, within the building, would be accessed from Carlton Street, while the residential front door would be on North 11th Street. It should be noted up to 4,000 SF of retail is possible without providing parking.



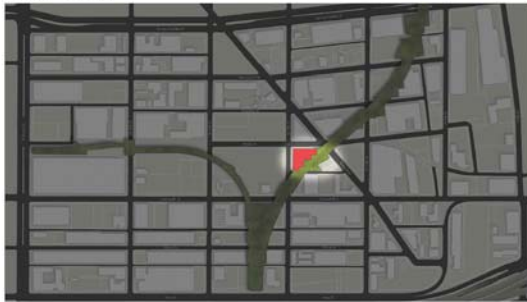
11th & Wood; encroach/overbuild



11th & Noble Streets: Encroachment option

site plan

11th & Noble St (existing street)

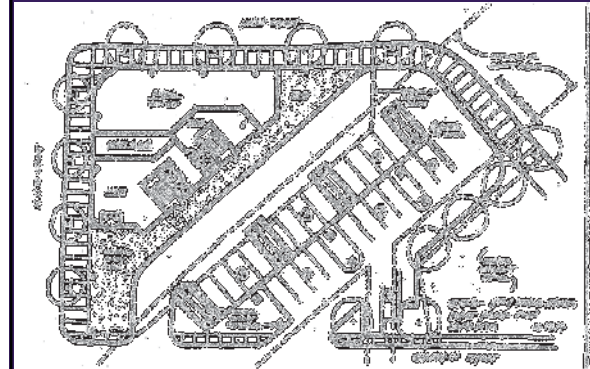


42 reading room & park - existing historic study - CENTER CITY DISTRICT - and better parking

6/10/2016



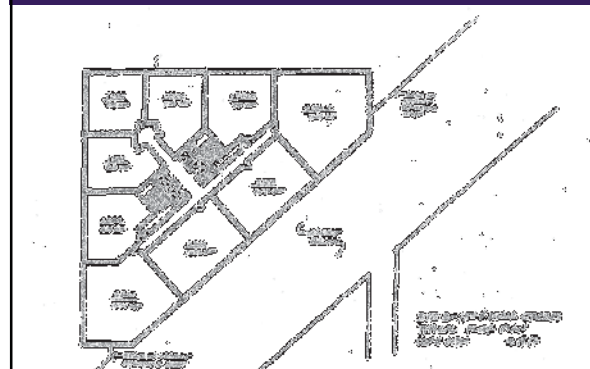
Parking under the viaduct bridge



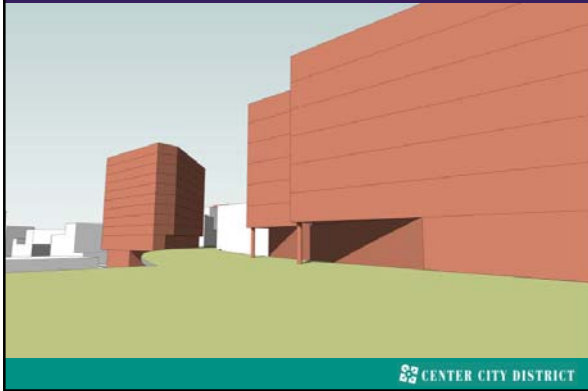
Viaduct level: Retail facing the park



Overbuild at upper levels with overhang



Viaduct level



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11th & Noble Streets; 11 stories, 80 units

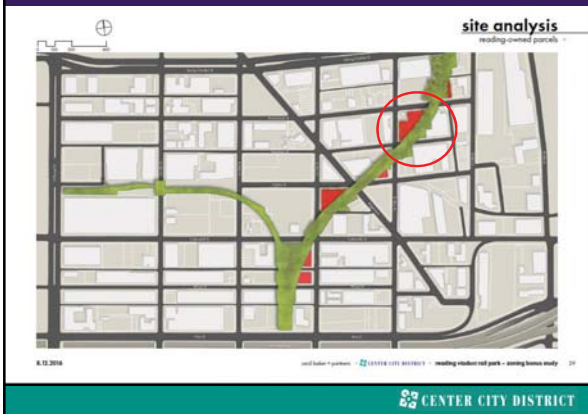
Construct a 120,512 SF, 11 story building primarily containing 80 dwelling units with 24 adjacent accessory parking spaces.

The first floor would have approximately 2,121 SF of retail at the corner of 11th and Noble Streets. The second floor, at the viaduct level, could have an additional 3,500 +/- SF of retail.

It should be noted up to 4,000 SF of retail is possible without providing parking.

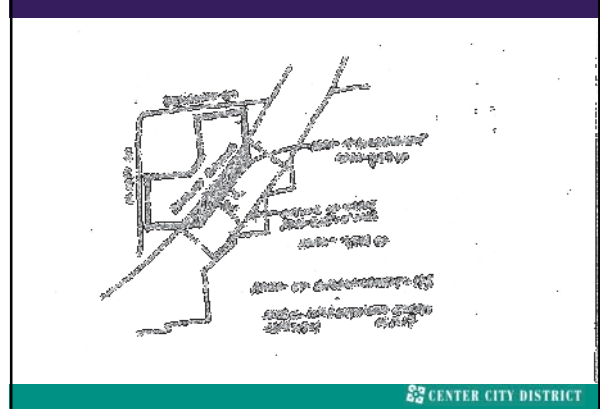
CENTER CITY DISTRICT

10th & Buttonwood



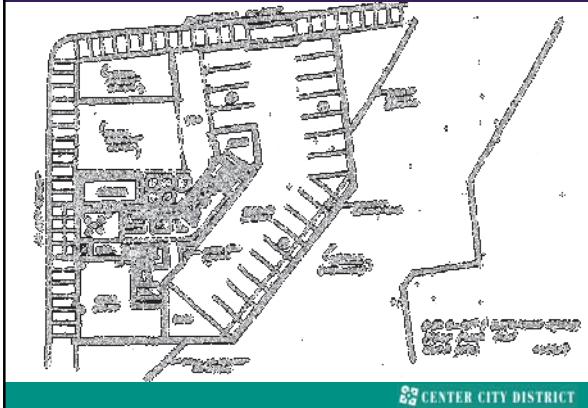
CENTER CITY DISTRICT

10th & Buttonwood Streets



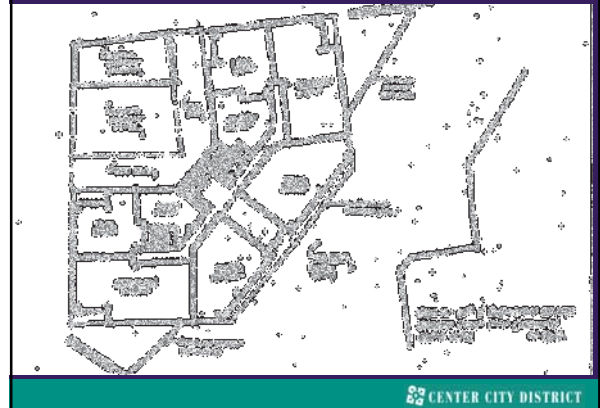
CENTER CITY DISTRICT

10th & Buttonwood

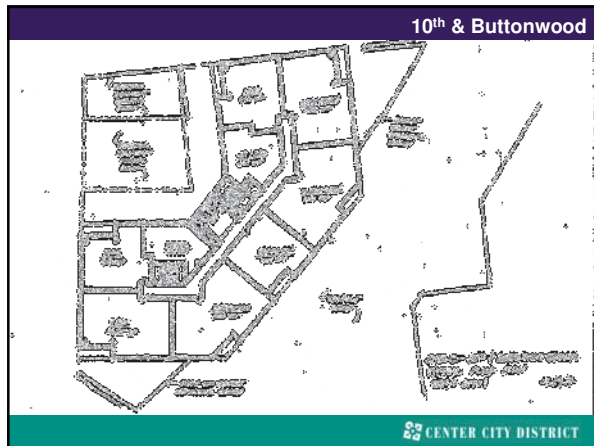


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10th & Buttonwood



CENTER CITY DISTRICT



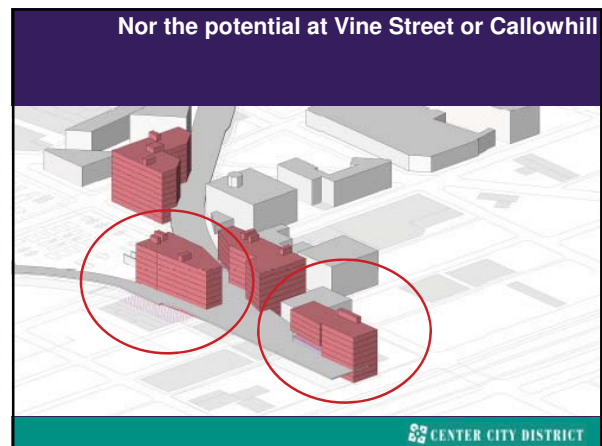
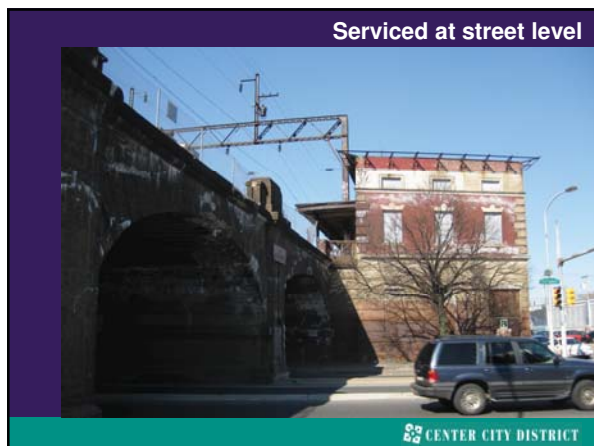
10th & Buttonwood, 9 floors, 66 units

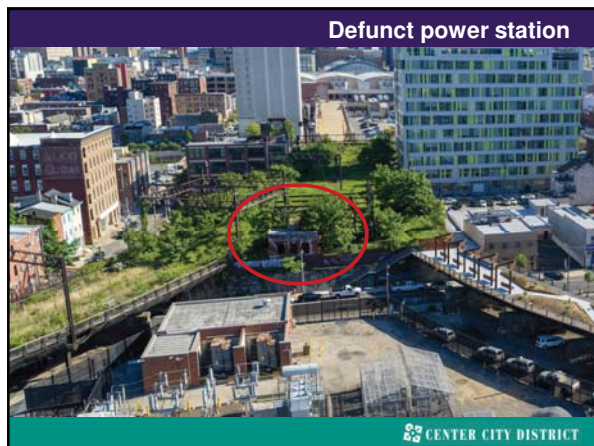
Construct a 104,256 sf, nine story building containing 66 dwelling units and 20 accessory parking spaces.

The first floor would have approximately 1,300 SF of retail space along North 10th Street.

The second floor, at the viaduct level, could have approximately 2,500 SF of retail space.

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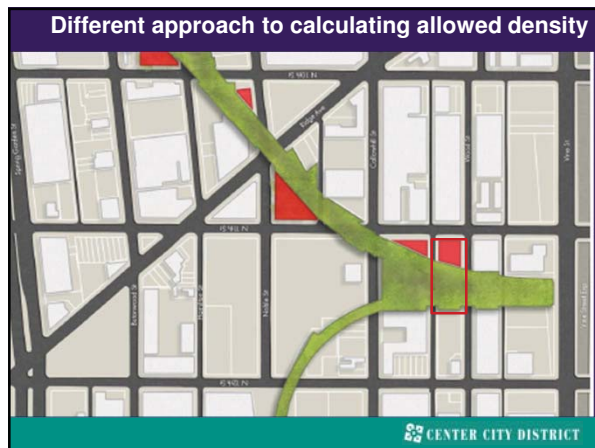
High Line Precedent for Donation

CSX donated only easement interest as part of deal with NYC and after being contested by the IRS, ultimately took a \$100 million write off for donating the High Line.

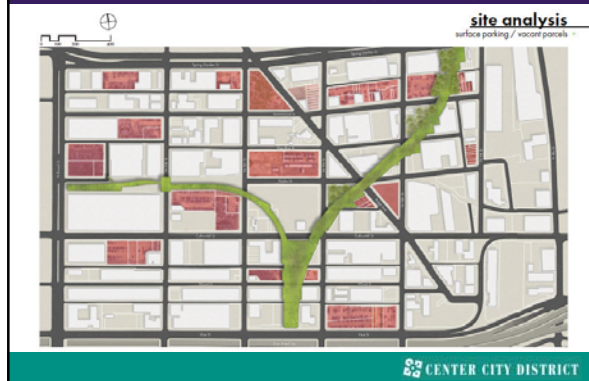
We would need to be careful about any quid pro quo – specifically up-zoning some of Reading's parcels because that would cloud case for a donation; but Reading has concluded not a lot of tax benefits to donation.

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Finance later phases by capturing the value of new development; option 1 TIF



Cecil Baker analysis of allowable development 2.2 million square feet on vacant land



Site by site development analysis: 16 parcels



Cecil Baker analysis of allowable development Data can be used to evaluate tax revenue generated

- 203,000 First floor retail
- 229,000 2nd floor retail or office
- 1,500,000 to 1,600,000 upper floor residential or office
- 2.2 million square feet

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Tax increment financing captures the increase in value Due to the investment in the park



Current base level of taxes continue to flow to City & School District Increment would not exist without the investment Increment is usually devoted to debt service for 20 years

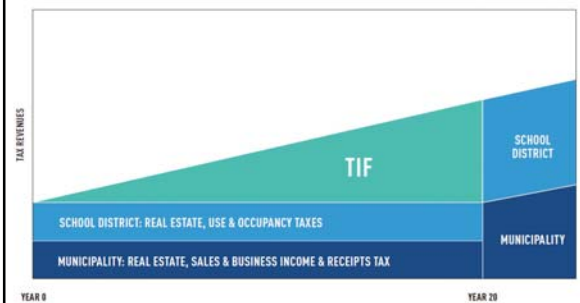


Challenges relating to TIF

- Decision is often made to TIF just city taxes & hold the School District harmless, thus lowering revenues available.
- Virtually all Philadelphia TIFs have been single developer TIFs because unlike other cities, Philadelphia has had a long-term policy of not guaranteeing TIFs. A District TIF for the viaduct that would incorporate multiple properties would require some entity or mechanism to guarantee debt service, unless TIF was structured on a *pay-as-you-go basis* & TIF revenues did not secure debt.
- From the moment the TIF is approved, no new ten year tax abatements can be granted in the zone. This could prompt opposition to TIF District from other owners

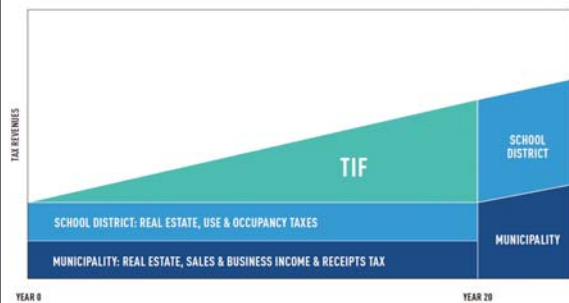
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In order to avoid need for guarantee, Structure a “pay-as-you-go” TIF providing annual capital & operating support, but no advanced borrowing



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Structure TIF to allow new development or renovation to capture its own real estate taxes for first 10 or the 20 years



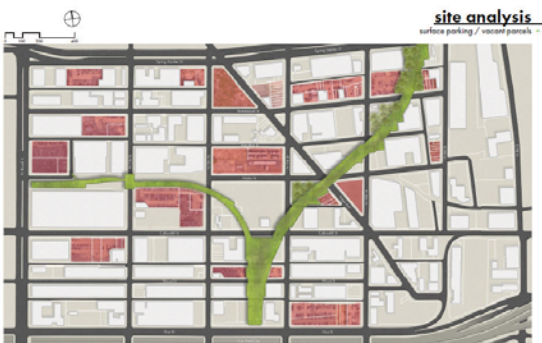
CENTER CITY DISTRICT

Option 2: Create incentives through zoning for developers to make contributions to Viaduct



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Create boundaries for development district

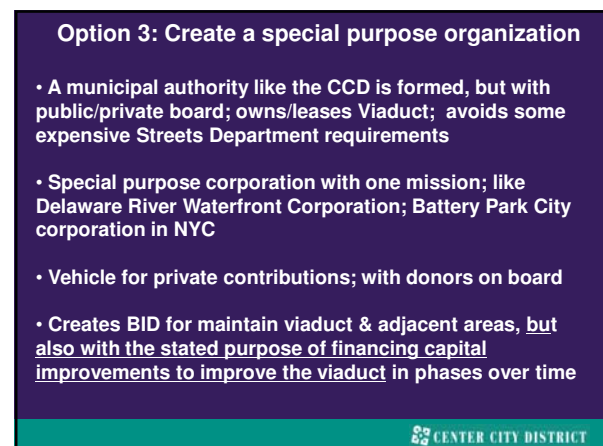
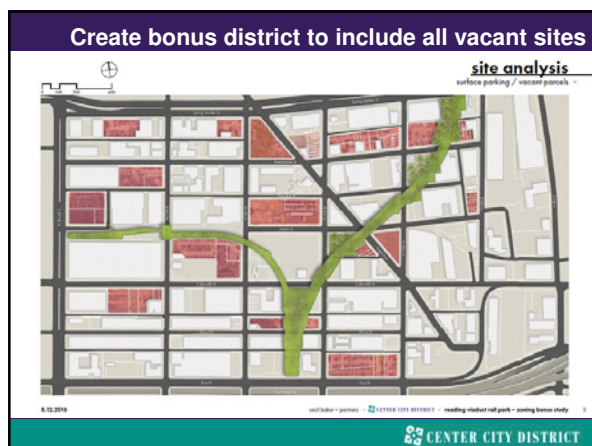
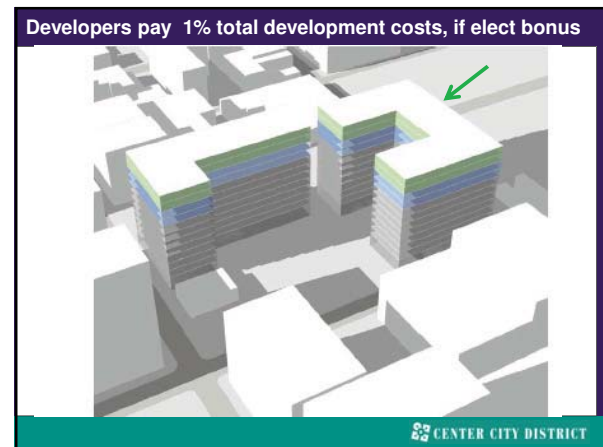
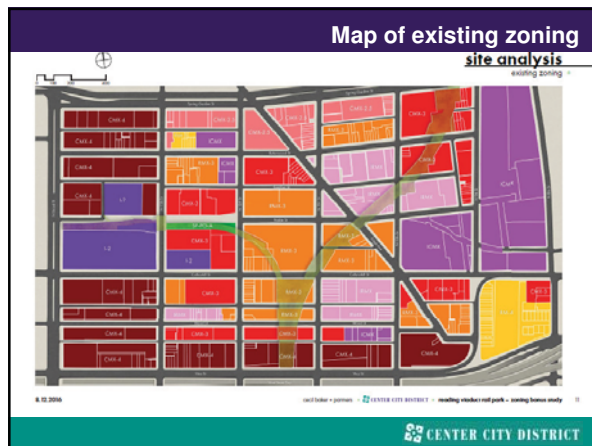


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Draft concept Viaduct Overlay District:

- Overlay would involve designation of geographic area in which there is a clear relationship between improvements to defunct viaduct & increased market demand for nearby real estate.
- Properties located within overlay district boundaries will, if zoned appropriately (i.e. CMX-3 or RMX-3) be provided with bonuses that would allow additional floor area ratio to be added to the property, if the bonus provisions are met
- The bonus would be in addition to mixed-income housing bonus but in lieu of the existing green bonus.
- The bonuses are voluntary

CENTER CITY DISTRICT



Municipal authority approved by Council About to begin survey of local preferences



City of Philadelphia
Bill No. 000000
(as introduced on floor 01/01/2016)
Introduced January 01, 2016
Committee on Public Safety
Refer to the
Committee on Public Safety

Initial Board Members

Craig Grossman
Arts + Crafts Holdings
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Five Years

Bruce Gladly
Shelly Electric
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Two Years

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One Year

Gery Ruzben

Wolf Building
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Three Years

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Two Years

Milan Wilcox
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Philadelphia, PA 19123
Four Years

Jay Goldstein
Chairman & CEO
Spring Garden Landing
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Four Years

Pearl Wang Hennen
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Community College of Philadelphia
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Three Years

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Combined approach

- (1) TIF District
- (2) Zoning Bonus District
- (3) Special purpose organization: Municipal Authority Business improvement district

One comprehensive bill that approves all three provides multiple tools to get the job done

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Creating a thriving mixed-use, mixed-income neighborhood



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