

# Paoli-Thorndale Proposal

Submitted by Barry Cassidy

The plan to include the counties of Chester, Delaware, and Montgomery:

(Merion, Narberth, Wynnewood, Ardmore, Haverford, Bryn Mawr, Rosemont, Villanova )

(Radnor, St David, Wayne, Stratford, Devon, Berwyn)

(Daylesford. Paoli, Malvern, Exton, Whitford, Downingtown, Thorndale, and Coatesville)

Three counties work with SEPTA to create the three county plans initiated by sub-agreements with all political subdivisions and school districts. If they do not want to participate, the station is deactivated.

The plan aims to adapt the PennDOT strategy for extending rail service to Reading. Local funding sources have been identified, including property taxes, income taxes, sales taxes, parking and fuel taxes, utility taxes, business activity taxes, license and user fees, and other taxes. In other words, if the rail line is desired, communities along the route must be included in the scenario.

The financing scenario in the PennDOT report is both exciting and adaptable. DCED has a program known as the City Revitalization and Improvement Zone (CRIZ). The Thorndale-Paoli Line would establish a multi-jurisdictional linear CRIZ project, involving 22 municipalities and connected by a rail line. Each county could develop its own linear CRIZ and collaborate with SEPTA to help preserve the Thorndale-Paoli Line.

This would require legislation, and CRIZ would be a model for the legislation, which could be called the Transit Revitalization Investment Zone (TRIZ). The adaptive connection by rail line could be achieved, and the precedent for connection was established in the Downingtown Keystone Opportunity Expansion Zone (KOEZ).

**Property Taxes** – The Econsult 2018 (attached) delineated the justification for communities to participate, showing a rise in the value of properties near a station.

**Income Taxes and Sales Tax** Increments in sales tax could provide significant income if the communities seek to create transit-oriented development projects within the zone.

A sales/income tax baseline must be established, with the year of zone approval serving as the tax baseline year for the program. Local tax reports must be filed with the relevant taxing entity. Certified eligible local state zone taxes could establish a maximum of \$15,000,000, which would be allocated to each of the 22 participating Transit Revitalization and Improvement Zones. This presents a potential total of \$330,000,000, excluding property tax.

Other taxes such as parking and fuel taxes, utility taxes, toll revenue reallocation, and business activity taxes. Taxes, License and User Fees, and Other Taxes and fees could be calculated similarly.

This outline defines the local contribution and presents an opportunity to direct a different type of commonwealth funding towards transit. The PennDOT report on the Reading Line was provided in response to Phoenixville's proposals to extend local service. The proposal was adopted but later abandoned in favor of pursuing an AMTRAK line.

Communities must reaffirm their commitment to rail instead of passively pursuing commonwealth funding driven by political considerations rather than merit. Concentrating new development within the zone could offer a fresh start for Main Street communities still striving to recover from the virus lockdown. It may also lead to fewer stations, as some communities might not want to participate.