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HOUSE DEMOCRATIC POLICY COMMITTEE

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**House of Representatives**  
COMMONWEALTH OF PENNSYLVANIA

**HOUSE DEMOCRATIC POLICY COMMITTEE HEARING**

**Topic: Transportation Infrastructure**

**Souderton Borough Hall – Souderton, PA**

**August 14, 2019**

**AGENDA**

- 12:00 p.m. Welcome and Opening Remarks
- 12:10 p.m. Panel One:
- Jeffrey Knueppel, General Manager, Southeastern Pennsylvania Transportation Authority
  - Kenneth McClain, District 6 Executive, Pennsylvania Department of Transportation
- 12:30 p.m. *Questions & Answers*
- 12:50 p.m. Panel Two:
- Jason Van Dame, Building Code Official, Lansdale Borough
  - Mark Fournier, Borough Manager/Secretary, Telford Borough
  - Mike DeFinis, Borough Manager/Secretary, Hatfield Borough
  - P. Michael Coll, Borough Manager/Secretary, Souderton Borough
  - Brian Goshow, Council President, Souderton Borough
- 1:20 p.m. *Questions & Answers*
- 1:40 p.m. Panel Three:
- Robert Drygras, General Manager, PV Transport
  - Peggy Schmidt, Executive Director, Partnership TMA
  - Bill Brown, President/CEO, Advance Living Communities
- 2:00 p.m. *Questions & Answers*
- 2:20 p.m. Closing Remarks

# MORE THAN THE RIDE

2019 IMPACT REPORT



SEPTA





# SEPTA at a Glance



## Profile

- Multimodal “Legacy System”
- Created by PA State Legislature in 1964
- 6th Largest in U.S.
- 1 Million Daily Riders (300 Million Annually)
- 2,800 Vehicles
- 9,500 Employees
- \$1.4B Operating Budget
- \$675M Capital Budget

## BUSES



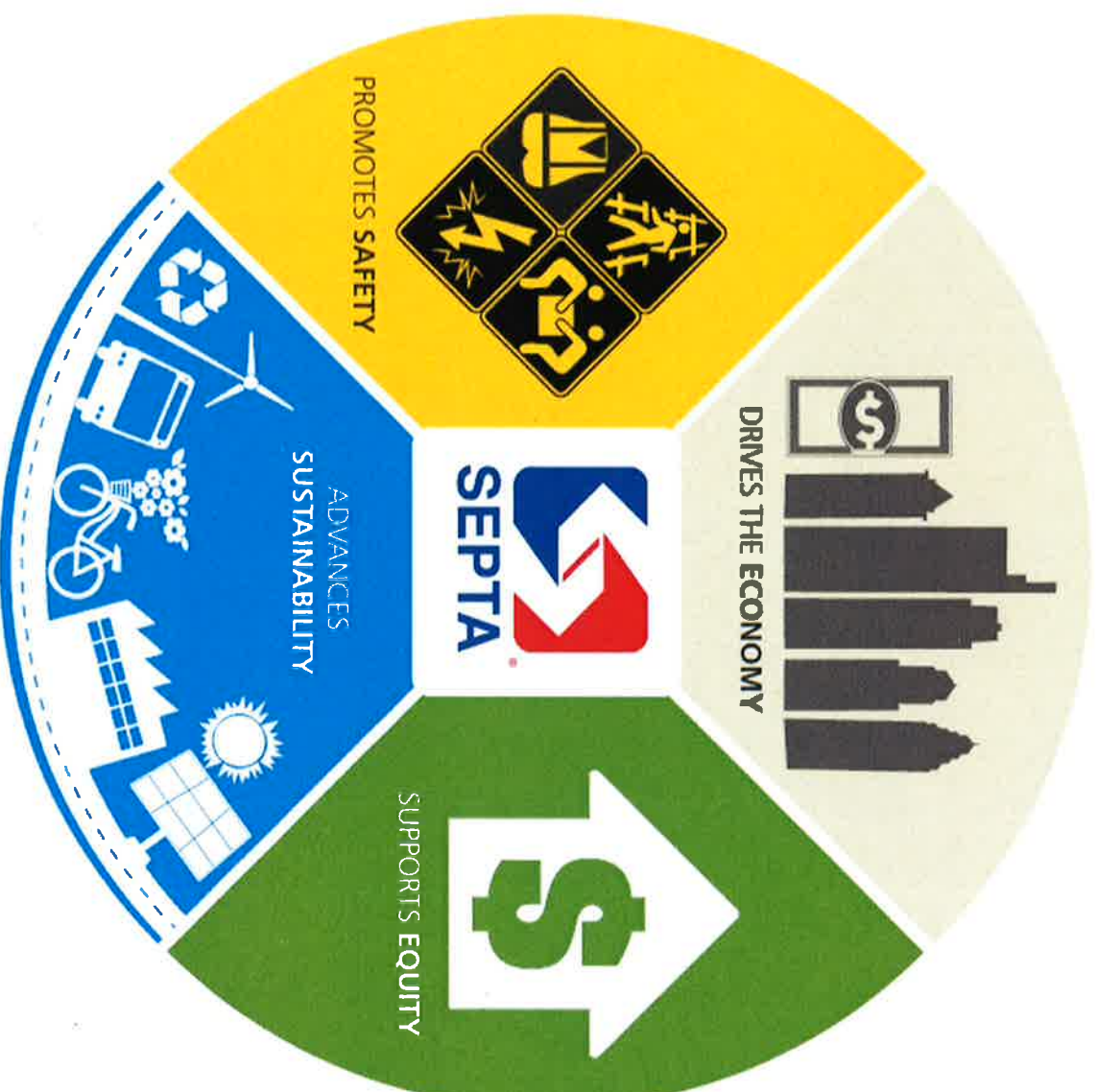
## TRAINS



**\*\*\*20 STRAIGHT YEARS WITH A BALANCED BUDGET\*\*\***

# SEPTA's Value Proposition

More Than The Ride



# SEPTA Drives the Economy

Space Is Limited

BY BUS



BY CAR



BY  
DRIVERLESS CAR



SCHUYLKILL  
EXPRESSWAY



CENTER CITY





# SEPTA Drives the Economy

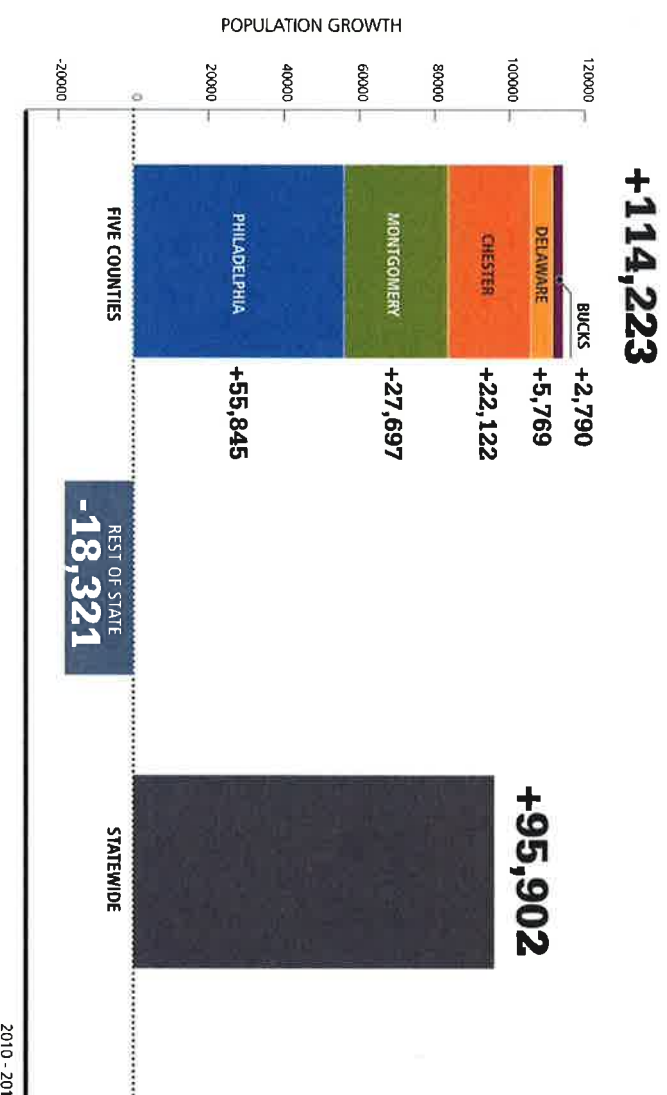


Density & Economic Productivity Only Possible With Transit

## SOUTHEASTERN PA GENERATES:

- 41% of PA Economic Output
- 36% of PA General Fund Revenues
- 32% of PA Population
- 24% of PA Vehicles & Miles
- 5% of PA Land Mass

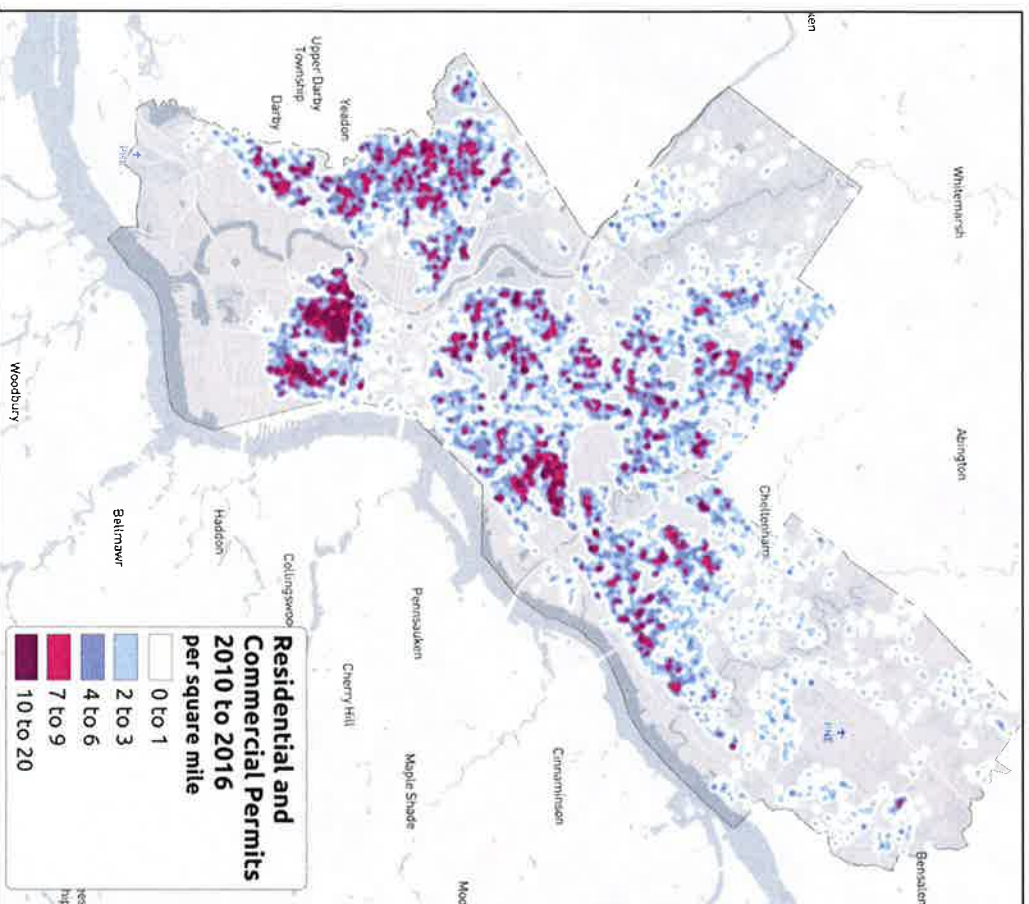
## POPULATION GROWTH (2010-2018)



# Rail System Will Continue to Drive Growth

Transit-Oriented Development

## NEIGHBORHOODS



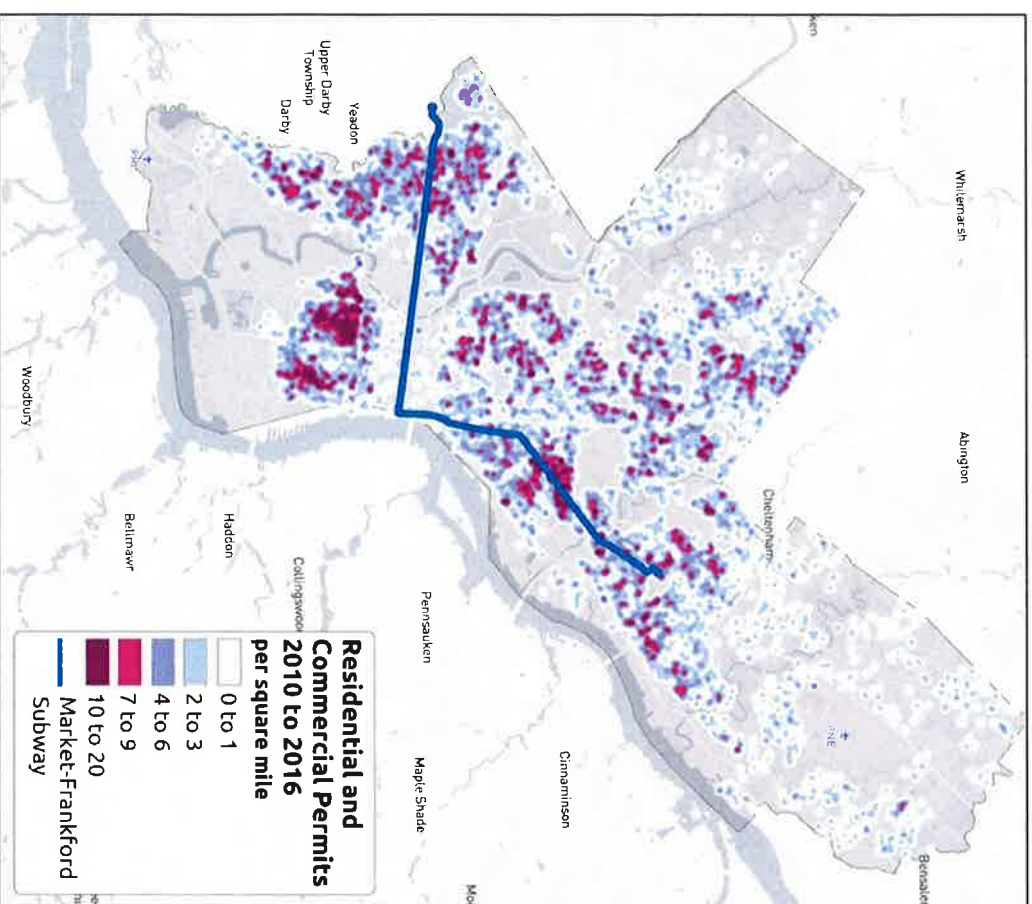
## CENTRAL BUSINESS DISTRICT



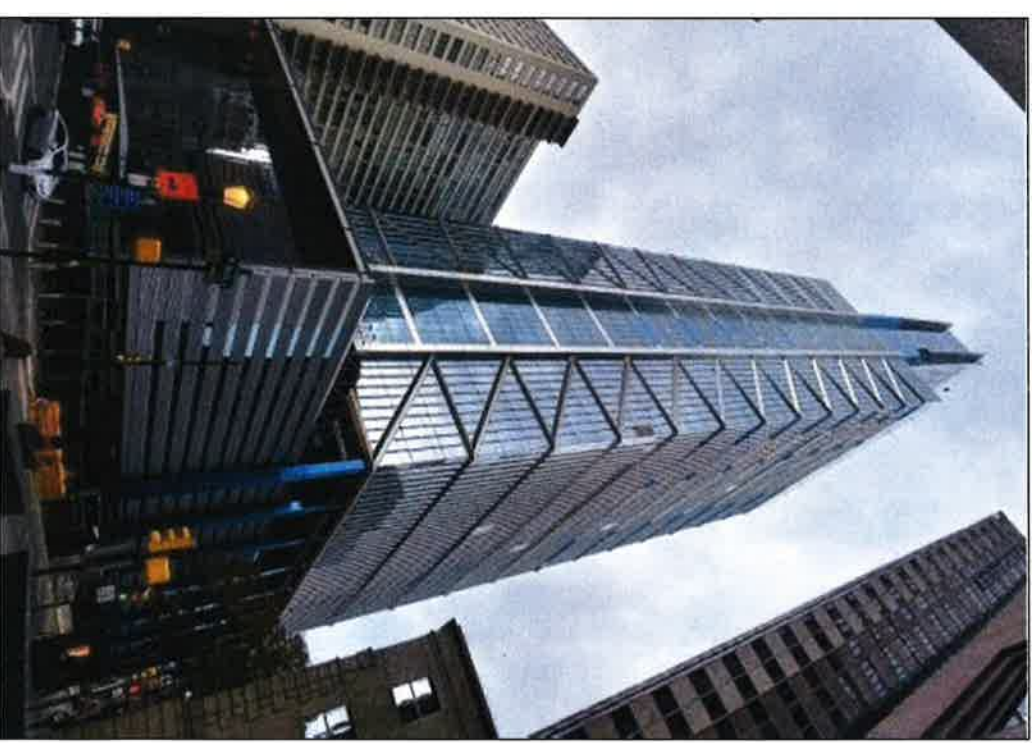
# Rail System Will Continue to Drive Growth

Transit-Oriented Development

## NEIGHBORHOODS



## CENTRAL BUSINESS DISTRICT

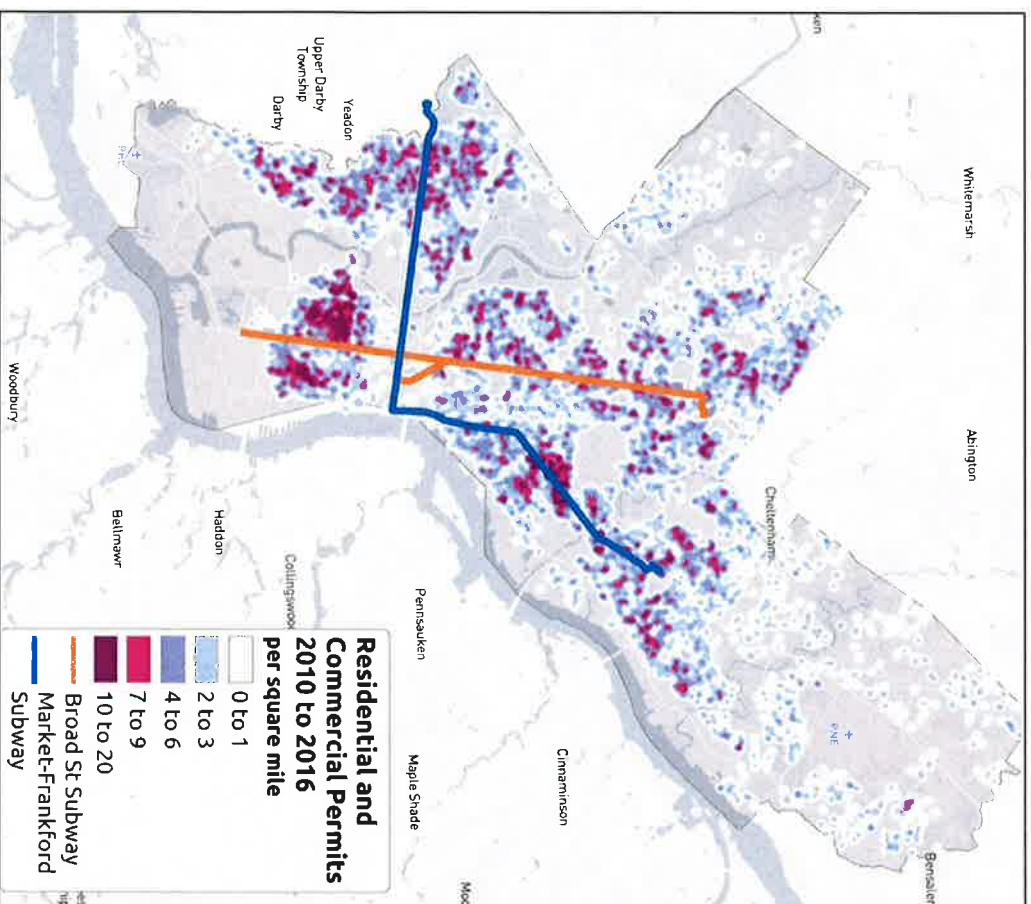




# Rail System Will Continue to Drive Growth

Transit-Oriented Development

## NEIGHBORHOODS



## CENTRAL BUSINESS DISTRICT



## Transit-Oriented Development

## NEIGHBORHOODS

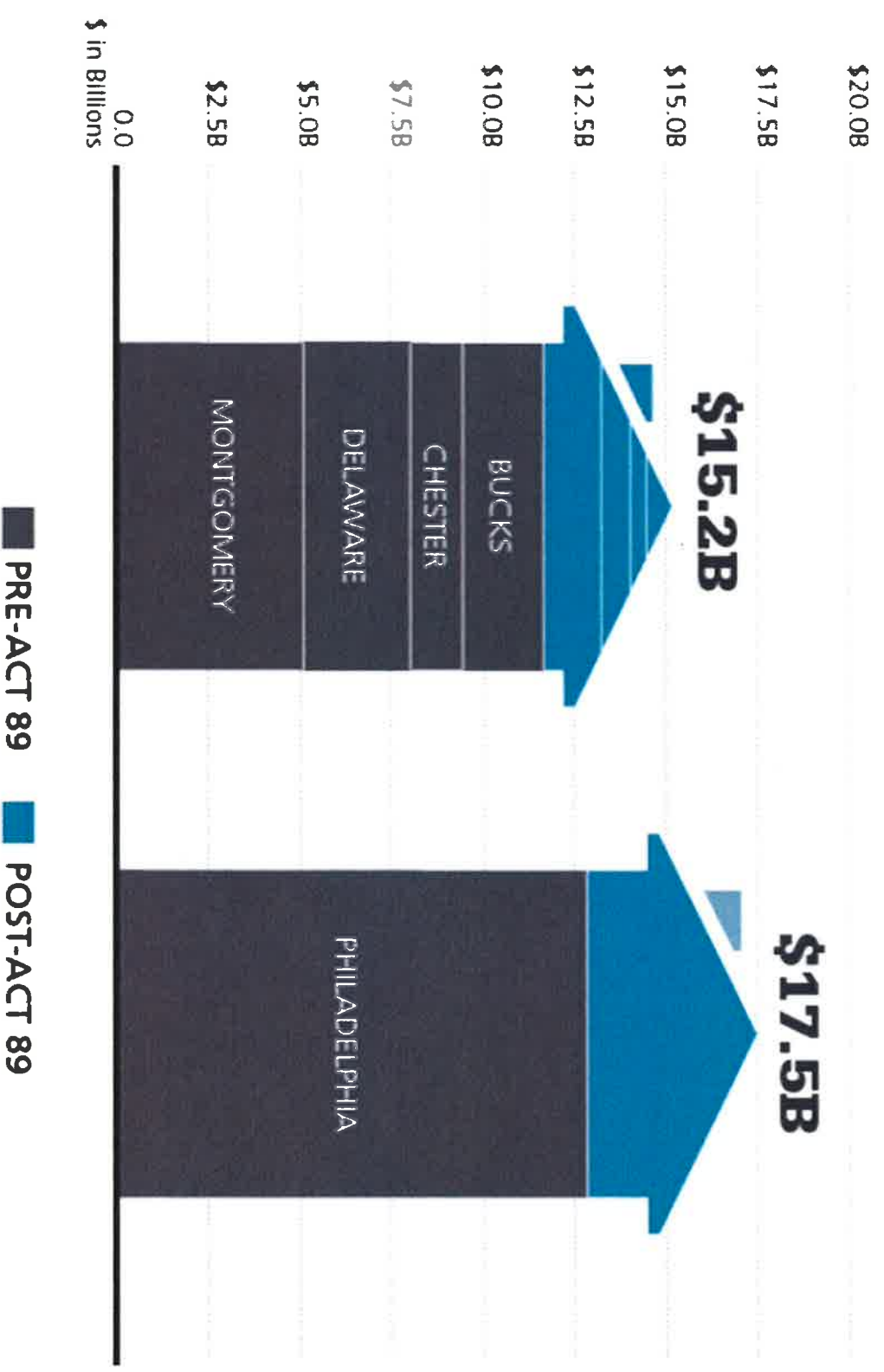


## CENTRAL BUSINESS DISTRICT



Access to transit increases home values. Statistical models allow economists to isolate this value through the analysis of housing sales. **ACCESS TO SEPTA SERVICE CONTRIBUTES A PREMIUM OF \$33 BILLION IN HOUSING VALUE**, representing **11%** OF TOTAL HOUSING VALUE IN SOUTHEASTERN PA.

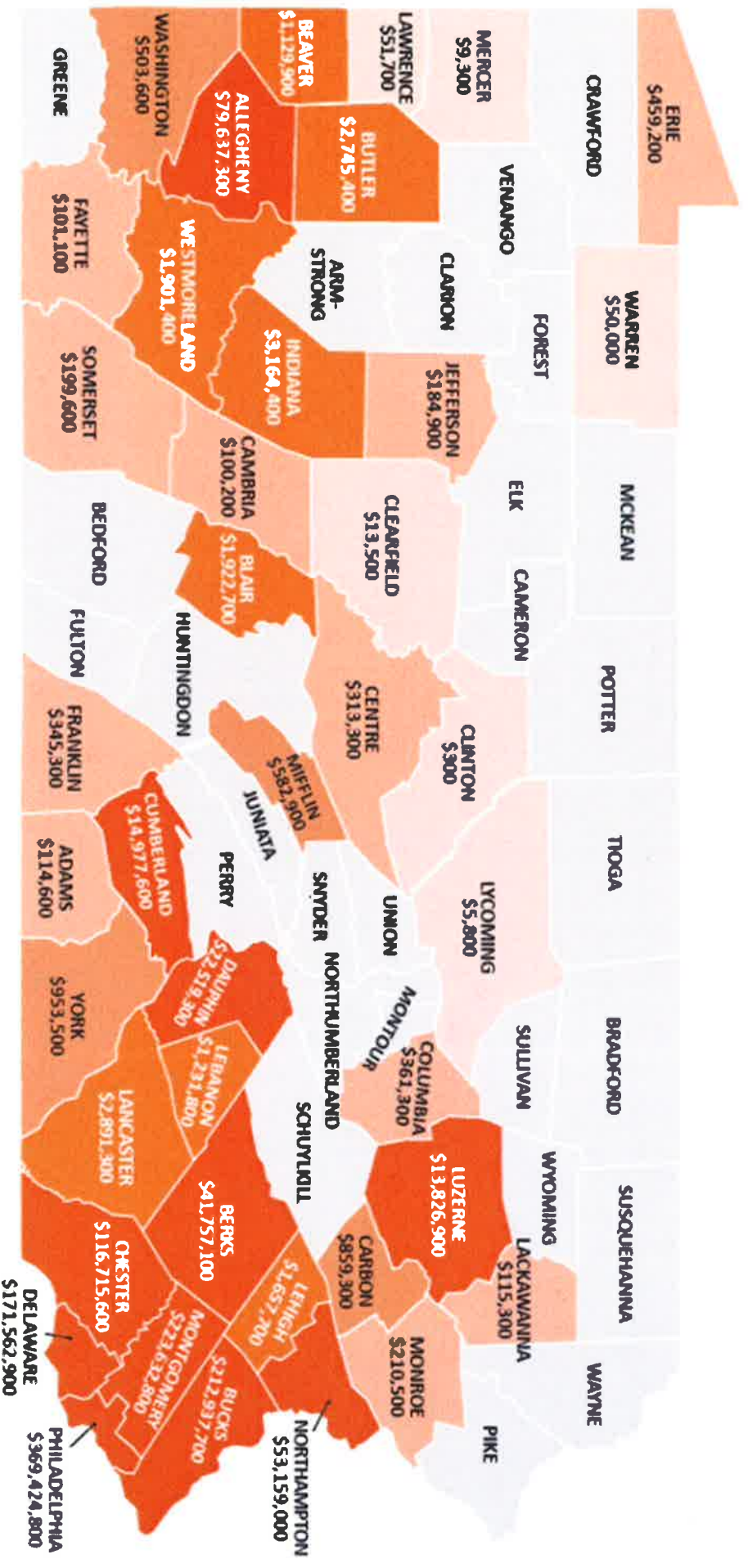
RESIDENTIAL PROPERTY VALUE SUPPORTED BY SEPTA





**SEPTA PROCUREMENT OF GOODS AND SERVICES SUPPORTS  
JOBS AND ECONOMIES ACROSS PENNSYLVANIA**

In the five years following the passage of Pennsylvania Act 89 (2014 – 2018), SEPTA has issued a total of **\$1.34B IN CONTRACTS TO PA COMPANIES**, an average annual value of **\$269M PER YEAR**.



2014-2018

\$10 MILLION AND ABOVE

**\$1 MILLION TO \$10 MILLION**

## \$500,000 TO \$1 MILLION

**\$100,000 TO \$500,000**

**\$0 TO \$100,000**

**NO PROCUREMENT**





# SEPTA Supports Equity



## Preserving Affordability

Transit reduces household expenses. In the City of Philadelphia, THE AVERAGE HOUSEHOLD SAVES \$830 PER YEAR, a net financial benefit associated with proximity to high-quality transit. These annual household savings add up to \$481M CITYWIDE.

### IMPACT OF HIGH QUALITY TRANSIT

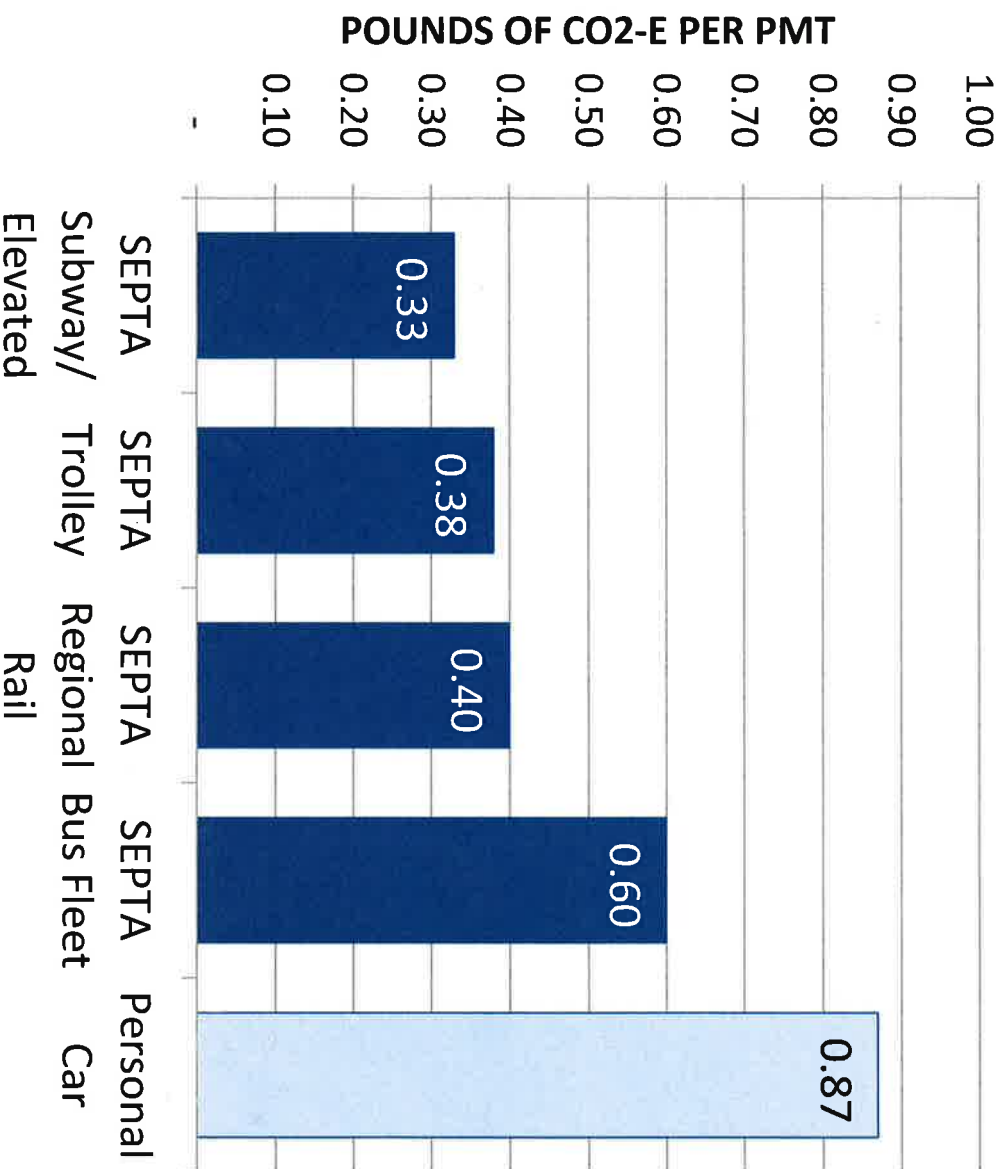
TRANSPORTATION	HOUSING	
	Premium	
Car Ownership		<b>+\$870</b> From Transit's Added Value
Car Driving		<b>-\$1,670</b> From Fewer Vehicles
Public Transit		<b>-\$530</b> From Less Fuel Usage
		<b>+\$500</b> From More Transit Use
Average Savings Per Household		 <b>\$830</b> MORE AFFORDABLE

# SEPTA Advances Sustainability

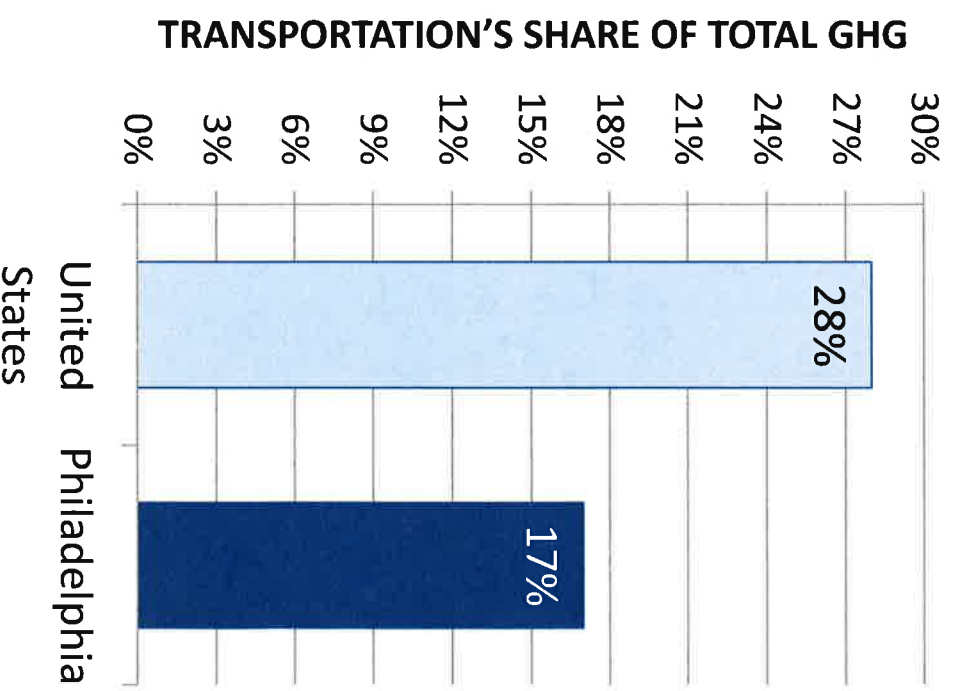


Transit Reduces Greenhouse Gas (GHG) Emissions

## LOWER CO-2 EMISSIONS PER PASSENGER MILE TRAVELLED



## RESULTS IN SUBSTANTIAL GHG REDUCTIONS





# SEPTA Advances Sustainability



Award-Winning Program, SEP-TAINABLE



Governor's Award for  
Environmental  
Excellence

2016



ROOFTOP SOLAR POWER



ENERGY STORAGE



BATTERY-ELECTRIC BUSES



# SEPTA Advances Sustainability

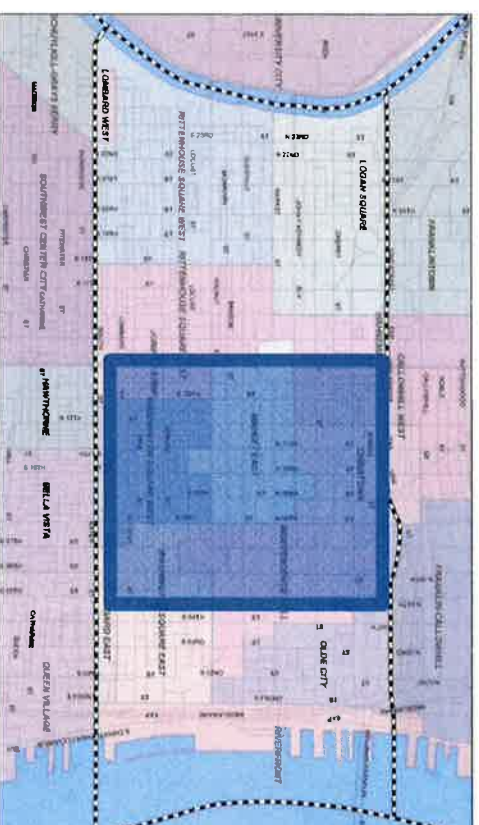


SEPTA Solar Farm Will Create 150 Construction Jobs in Franklin County, PA

**~20% OF SEPTA'S ELECTRICITY WILL BE FROM SOLAR BY 2021**

- Power Purchase Agreement for two New Solar Fields – 20 MW & 15 MW
- Construction to Start in 2019 and be Complete by 2021
- 71,765 MWh Annually (of SEPTA's 380,000 MWh Annual Load)
- 20 Year Fixed-Price:
  - \$28.65 per MWh (0% Escalator)
- \$395,000 Estimated Annual Savings (\$7.9M over 20 Year Contract)

**35 MW SOLAR FIELD  
=  
1/3 OF CENTER CITY**

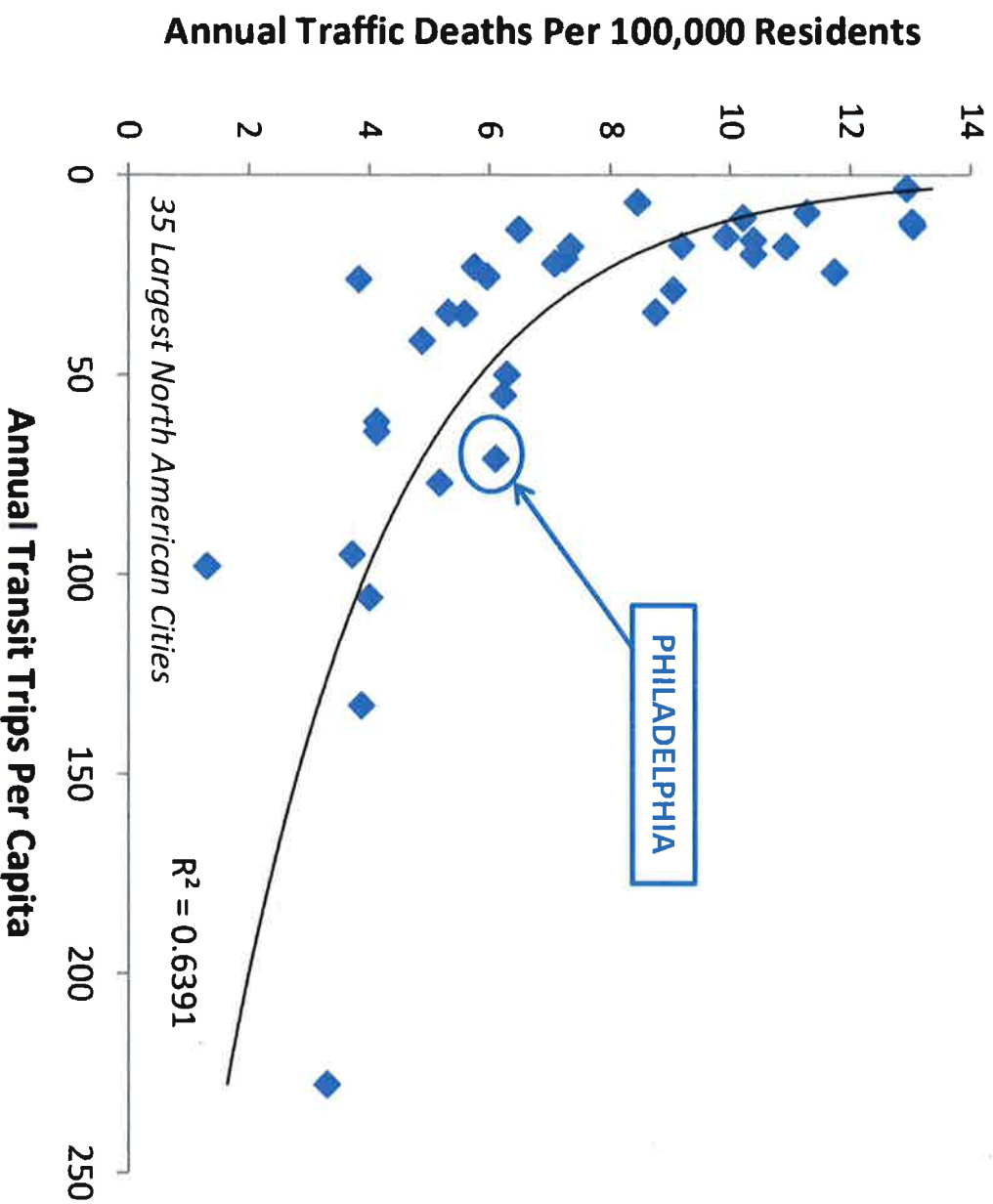


# SEPTA Promotes Safety



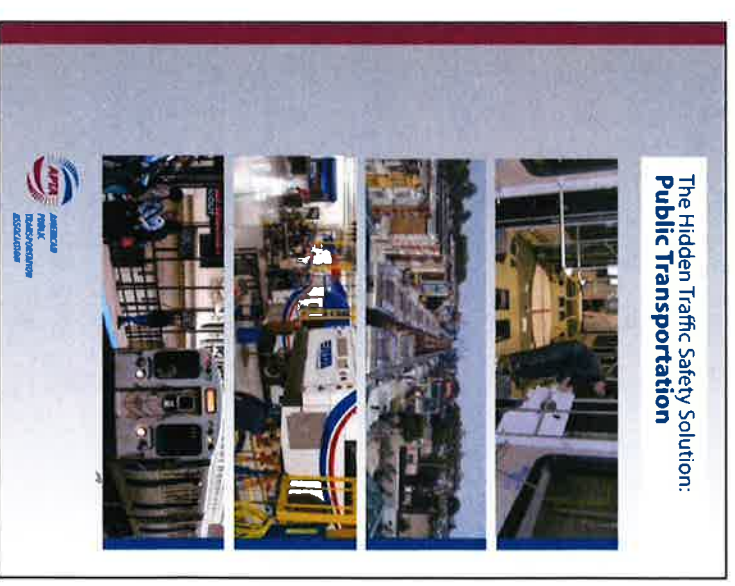
“The Hidden Traffic Safety Solution”

AS TRANSIT TRAVEL INCREASES, TRAFFIC FATALITIES DECREASE



IN NORTH AMERICA:

- Bus/Rail Transit:  
10X Safer than Driving
- Commuter Rail:  
18X Safer than Driving





# SEPTA Promotes Safety



Industry-Leading Program Making SEPTA Even Safer

## POSITIVE TRAIN CONTROL



## CUSTOMER CAMPAIGNS



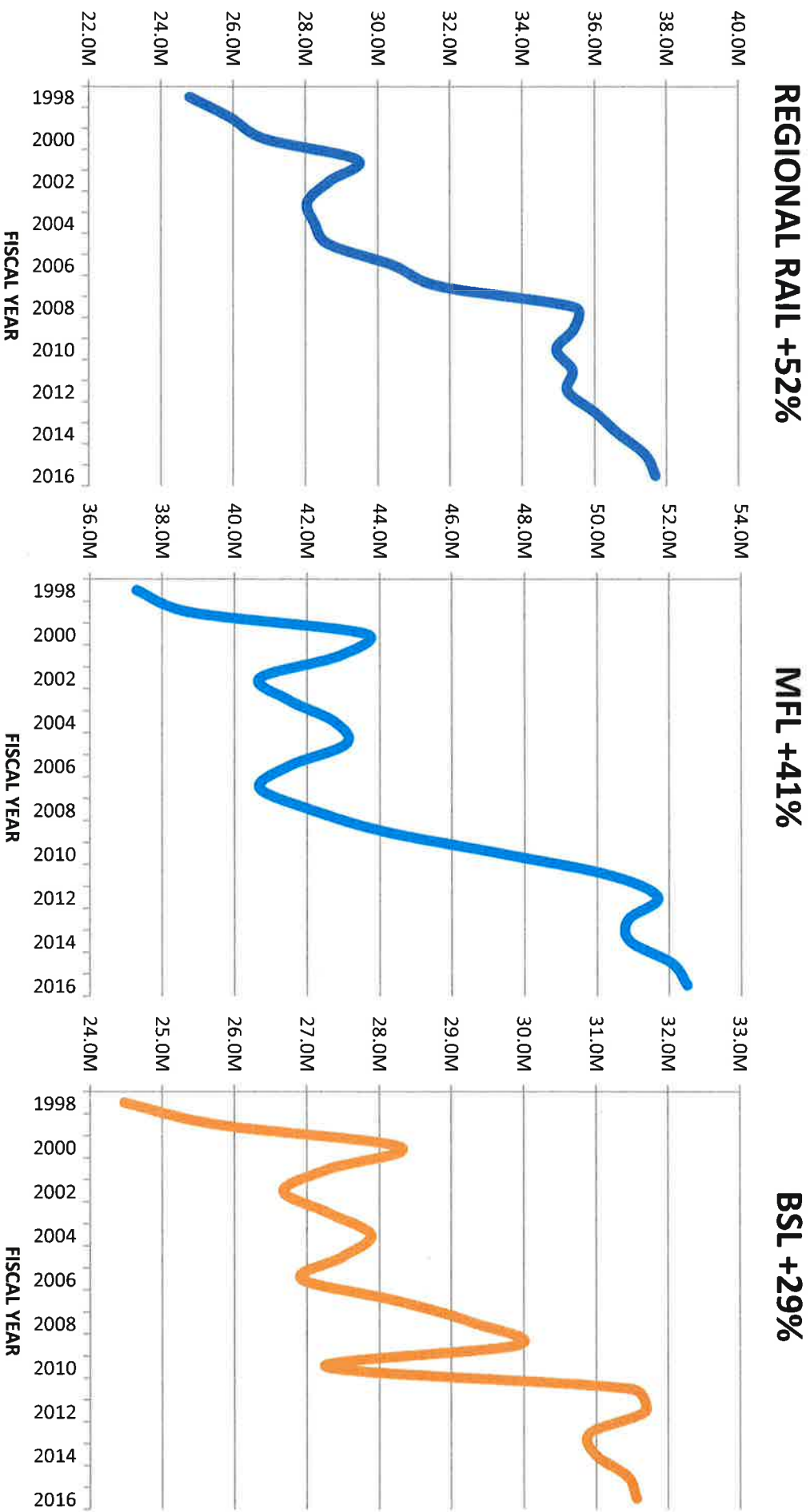
## EMPLOYEE CAMPAIGNS



# SEPTA's New Challenge: Capacity



## Ridership Growth





# Projects of Significance



## Addressing Capacity & Growth Requirements

### MFL CAPACITY (8-CAR TRAINS)



### KING OF PRUSSIA RAIL



### REGIONAL RAIL CAPACITY



### TROLLEY MODERNIZATION





# Return on Investment – Projects of Significance



Impact on Development, Jobs, and Tax Revenues

**WILL ACCELERATE RATE OF GROWTH IN THE REGION BY AN ESTIMATED 50%**



**+11.4M Square Feet**

of additional commercial development in Center/University City & King of Prussia



**+\$20.5B Value Added**

to residential & commercial property across the region



**+149,900 New Jobs & \$10.1B in Earnings**

across the region



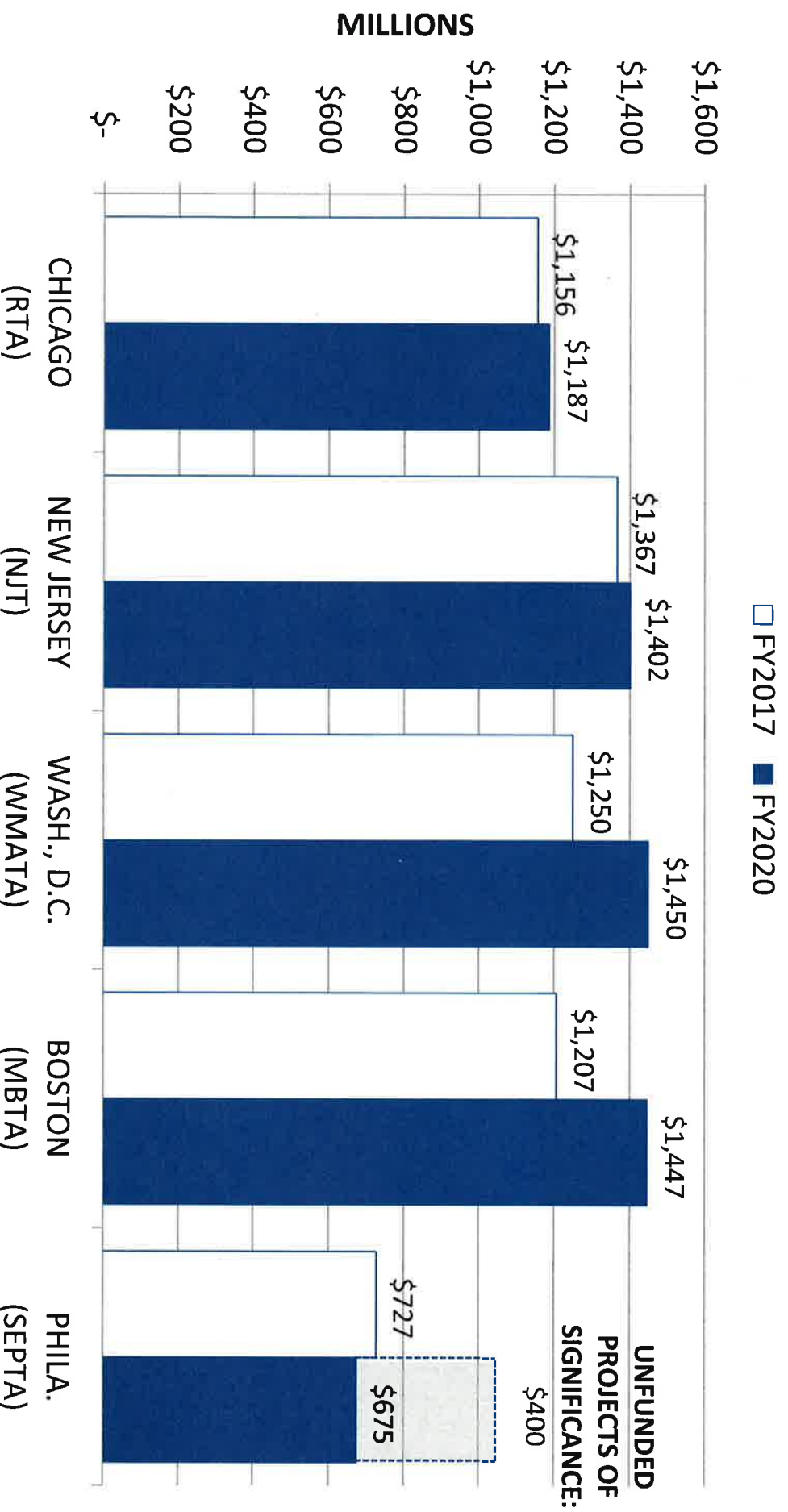
**+\$17.1B New Tax Revenue (NPV)**

a 12.3% rate of return, exceeding private-sector benchmarks



# Competitor Regions Are Investing Billions

Capital Budget Comparison – FY2017 vs. FY2020



# What's At Stake



Growing Congestion, Development Projects Scaled Back

## THE COST OF CONGESTION

- **\$152M** time & transport annual value loss (\$260 “tax” per household)
- **15,700** foregone jobs and **\$1.08B** earnings (~4 Comcast Towers)
- **\$21M** additional SEPTA operating costs & revenue losses annually
- **Negative Feedback Loop:**  
Congestion → declining transit service quality → more cars → more congestion





# State & Local Solution Needed



## STATE:

- **CHALLENGE:** In 2022, Transit Capital Funding Shifts from PA Turnpike-Backed Bond Funds to the Motor Vehicle Sales & Use Tax, Creating a \$450M General Fund Gap
- **PROPOSED SOLUTION:** Prior to 2022, Initiate a Phased Transition of Turnpike Obligations to the General Fund, Providing a More Gradual Budget Impact, and Giving Transit Systems the Ability to Bond for Capital Investments (Example: S.B. 778)

## LOCAL:

- **CHALLENGE:** Unlike Competitor Regions Who are Investing Big, PA Communities Have Limited Ability to Raise Funds Locally for Needed Infrastructure Investments to Address Population & Job Growth
- **PROPOSED SOLUTION:** Enable Local Governments to Generate Funds to Help Advance Projects of Significance in Their Communities



# MORE THAN THE RIDE

2019 IMPACT REPORT







**Testimony of**  
**Kenneth M. McClain**  
**District Executive, Engineering District 6**  
**Pennsylvania Department of Transportation**  
**Hearing on Transportation Infrastructure in Southeast Pennsylvania**  
**House Democratic Policy Committee**  
**August 14, 2019**

Good afternoon Chairman Sturla, committee members, and staff. I am Ken McClain the District Executive for PennDOT's Engineering District 6. Thank you, Representative Malagari, for hosting this hearing and to the Policy Committee for the opportunity to testify before you on transportation infrastructure issues across Pennsylvania and how they relate to District 6.

As you may know, PennDOT is broken up into 11 Engineering districts. District 6, which I represent, is comprised of five counties: Bucks, Chester, Delaware, Montgomery and Philadelphia. We are responsible for 3,553 miles of state highway, or 9,739 lane miles; 2,769 bridges; and 92 miles of interstate highway. While this heavily populated district only encompasses seven percent of Pennsylvania's land mass, it is home to 33% of the state's population; nearly 50% of the state's traffic signals; 11% of its bridges; 24% of all registered vehicles; and 24% of the daily vehicle miles traveled in the state.

Statewide, Pennsylvania owns and maintains the nation's fifth largest state highway system – 40,000 miles – which is comparable to the state highway systems of New York, New Jersey and all the New England states combined. Pennsylvania also is 3<sup>rd</sup> nationally in state-owned bridges.

Currently, Pennsylvania has the second highest number of bridges in poor condition in the nation, with just over 2,800. Our bridges are a critical part of our state transportation system, with most over 50 years old and exceeding their design



life. We must continue to invest in our bridge program to address bridges in poor condition and keep more bridges in good condition.

Another area that requires critical resources are our interstates and roadways. PennDOT has identified \$14 billion in current asset needs on the interstate, and roughly \$40 billion in total to address safety and modernization needs, and to make strategic investments in Pennsylvania's Interstate System over the next 15 years. With the recommended changes to Financial Guidance, Interstate funding over the next 12 years (beginning in 2021) will be \$10.6 billion. The increased funding on the Interstate system may have an impact on the remainder of the National Highway System which also has significant unmet needs.

With this adjustment, along with our continued funding challenges, funding for the National Highway system is even more dire. Excluding the Interstate portion, the National Highway System roads are currently funded at \$742 million, but the cost of basic cyclic maintenance is \$2.2 billion, triple our annual investment. Without additional investment, our limited resources need to be increasingly directed toward higher-traffic roadways, which will reduce investments on lower-traffic roadways leading to their worsening condition.

While our Secretary and Governor Wolf have implemented initiatives aimed at improving rural roads, and even though we have partnerships with the natural gas industry to share costs on roadways where they impact our roadways, we cannot sufficiently invest in our secondary roadways without additional investment.

The federal government – a critical partner, especially for Interstates and other high-traffic roadways – needs to join states like Pennsylvania in significantly investing in infrastructure.

Governor Wolf has recently proposed Restore Pennsylvania, a major infrastructure initiative which will begin to address some of these needs. Restore Pennsylvania will provide funding for local road upgrades and the repair of four-digit state roads; create new flexible funding options for businesses that need local infrastructure upgrades to enable development projects; and fund multimodal and large-scale capital projects for transit.

Restore Pennsylvania will also assist communities with flood mitigation. In 2018 we had a record-breaking year of more than \$125 million in flood and significant slide damage statewide. We typically budget approximately \$30 million for these

emergencies. This exacerbates our funding challenges and diverts our limited resources even more.

Restore Pennsylvania is an important first step in addressing the Commonwealth's infrastructure needs.

In Southeastern Pennsylvania, PennDOT faces transportation challenges due to aging infrastructure and the congestion motorists face daily when traveling in the nation's fifth-largest metropolitan area. The infrastructure needs in District 6 significantly outweigh the financial resources available to meet them; however, we are utilizing and carefully managing available federal and state dollars to address the most pressing needs.

Of the 11 engineering districts across the state, District 6 is home to PennDOT's largest construction and design programs. District 6 has let an average of \$576 million a year in transportation improvement projects over the past five years (2014-18), including the resurfacings of Interstates 76 and 95; reconstruction of sections of I-95; and major corridor improvements on U.S. Routes 1, 202, 422 and 322.

This investment has enabled District 6 to reduce the number of bridges in Poor Condition from more than 600 in 2009 to 398 today. In addition, the amount of bridge deck area in Poor Condition has been reduced from a high of nearly 20% in 2009 to 8.8% today. Improvements are steadily being made – including the recent replacement of two bridges on Old Forty Foot Road, and the upcoming replacement of the Allentown Road bridge over a branch of Skippack Creek in Hatfield Township. Nevertheless, challenges remain because many older bridges move into the Poor Condition category each year.

Among major projects in the region moving through design are the two remaining sections to complete the Route 309 Connector in Towamencin, Franconia, Hatfield and Hilltown Townships, which will enhance mobility for motorists traveling between Route 309 and the Pennsylvania Turnpike Interchange at Lansdale.

This project is separated into three construction sections. Construction on the first section, from Route 63 to Allentown Road, was completed in 2012. The second section, from Allentown Road to Souderton Pike, is presently in final design. The final section, from Souderton Pike to Route 309, is in the internal alternative analysis process. Construction of the second section is currently scheduled to begin in 2020.

District 6 has worked aggressively to resurface roads in the poorest condition with available funds; however, the massive size of the state highway system makes pavement conditions another difficult challenge. Act 89 has been extremely beneficial in increasing the size of the district's annual resurfacing program. From 2014 to 2018, the district resurfaced 1,010 miles of state highway, including sections of Route 63, Allentown Road, Orvilla Road, Route 309 and School House Road/Mill Road. In 2019, we plan to resurface over 285 miles in the region, and 85 miles in Montgomery County, including sections of Broad Street and Morwood Road.

Resurfacing to seal pavements is critical to provide smooth roads and combat difficult winters seasons, which often result in early and damaging outbreak of potholes.

Over the past three years (2016-2018), District 6 invested an average of \$6.5 million annually to place an average of 11,800 tons of patching material on state roads. Thus far in 2019, \$6.6 million has been spent to place 11,500 tons of patching material, including 2,482 tons in Montgomery County.

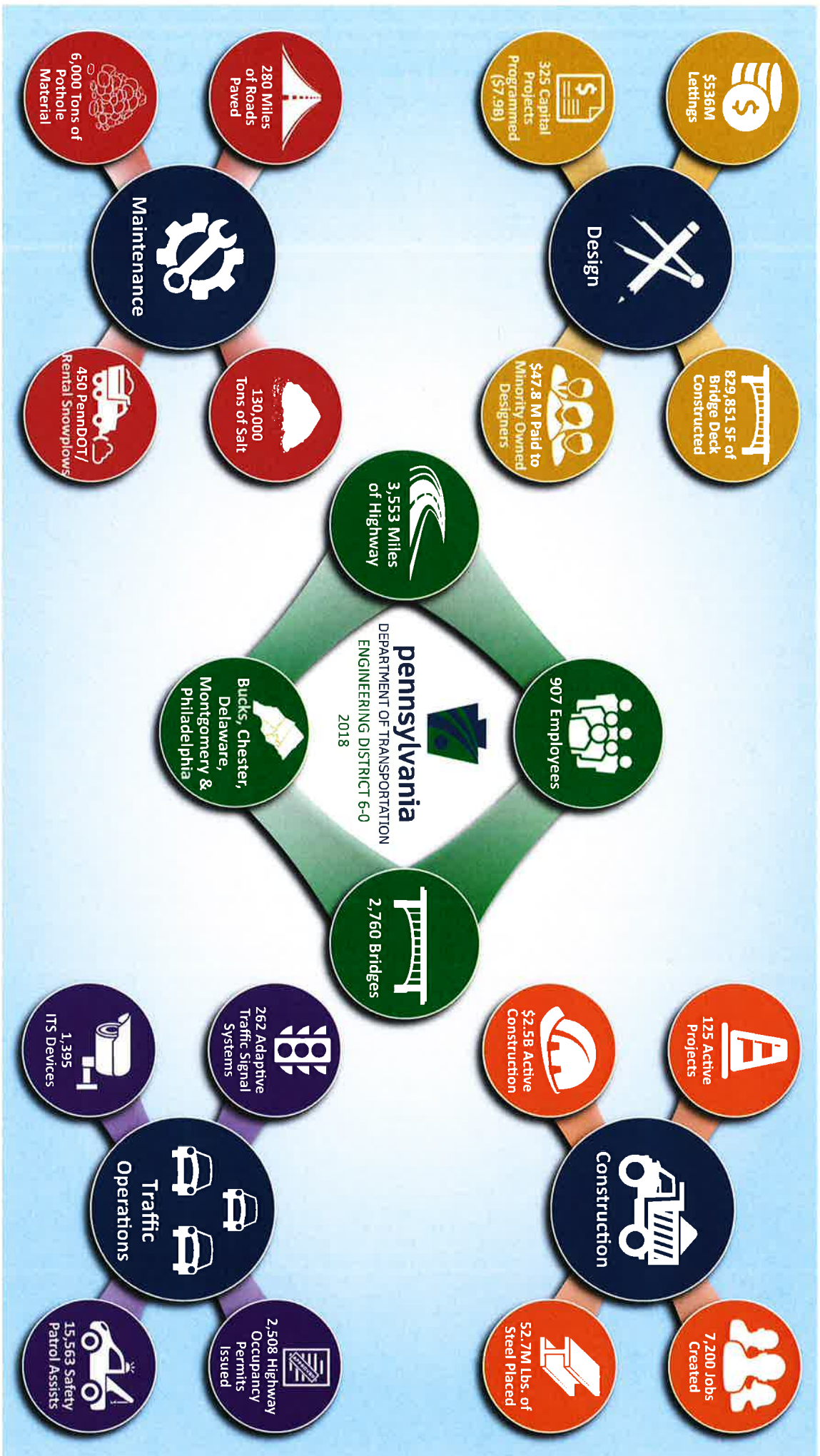
In District 6, we also fight an uphill battle with litter and debris strewn along our roadsides. In 2018, \$5.2 million was spent to remove litter in the region, a dollar amount that could have been used to resurface 26 miles of poor pavement. Typically, within two weeks of completing a litter pickup operation, travelers cannot even tell our crews just cleaned the area.

Finally, regarding traffic congestion, District 6 is implementing the use of Active Traffic Management strategies within congested corridors, such as I-76 and I-476, to enhance traffic flow. The implementation of part-time shoulder use, ramp metering, junction control and variable speed limits will enable the department to utilize technology to increase capacity.

Complementing this advanced technology will be PennDOT's new Regional Traffic Management Center, which will be built adjacent to the District 6 office building in King of Prussia. This 37,000-square-foot facility, which will replace the current, cramped center, will provide superior capability to best manage the expanding inventory of components in use today and in the future to enhance traffic operations and inform travelers on major highways in the region. We anticipate the new facility to open in late 2021.



Thank you for the opportunity to present on Pennsylvania and District 6 transportation issues and subjects. I welcome any questions the committee has for me at this time.



# Transportation Funding Gap

