

THE SCHUYLKILL RIVER DEVELOPMENT CORPORATION - ECONOMIC IMPACTS AND BUSINESS STRATEGIES

CLIENT

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In 2004, the Schuylkill River Development Corporation (SRDC) led a long-term effort to revitalize the Schuylkill River and its environs from the Art Museum south to Fort Mifflin as an integral part of Philadelphia's bold new River City initiative. SRDC developed a comprehensive plan with associated public capital investment requirements, and potential private capital investment opportunities. As the overall project manager for the plan, SRDC was actively engaged in identifying and obtaining funding from various sources. To inform this fundraising effort, SRDC retained Econsult to estimate the potential economic and fiscal impacts of the proposed development, in order to demonstrate the "return" on investment for potential funding parties.

Econsult's report our estimates of potential economic and fiscal impacts, which included construction period capital investment impacts, increased recreational benefits, and increased property values (and associated property tax revenues to the city and school district) for residential properties near the proposed improvements.

Given its ongoing role in the revitalization plans, SRDC was seeking sustainable revenue sources and opportunities to allow it to continue functioning not only for the duration of the project's physical infrastructure development, but beyond as the area generates economic activity. Econsult reviewed how public-private riverfront development entities raised operating and capital funds in other cities in order to sustain their operations over time. We also worked with SRDC to compile a preliminary list of business strategies designed to guarantee SRDC's own long-term fiscal capacity, or sustainability, which would be crucial to allowing SRDC to maintain its important ongoing role in the revitalization effort. Included in this list are: (1) strategies to continue securing public funding (including TIF financing to capture some of the benefits generated), (2) SRDC playing the role of real estate developer, or at least owner/coordinator role in the actual build out of the private infrastructure and induced private development, and (3) Entrepreneurial and partnership opportunities.

Econsult's report presented findings on (1) the potential economic impacts of the proposed SRDC redevelopment (including how it relates to the feasibility of Tax Increment Financing -TIF - for a source of public capital improvement funds) and (2) recommendations for sustainable business strategies for SRDC going forward.