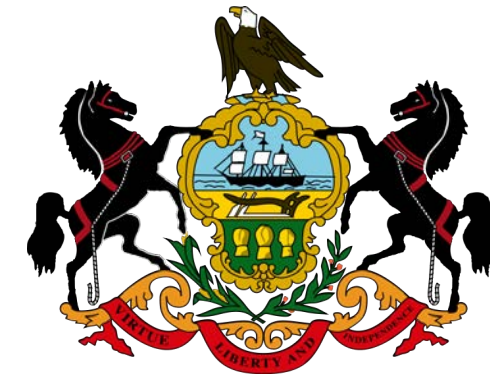


Expanding Truck Parking in Pennsylvania



Drone view of I-81 rest area, Mountaintop, PA, courtesy of Northeastern Pennsylvania Alliance



Pennsylvania
Transportation Advisory Committee

December 2023

DRAFT

Acronyms

AADTT	Average Annual Daily Truck Traffic	GIS	Geographical Information Systems	P3	Public-Private Partnership
AASHTO	American Association of State Highway and Transportation Officials	HATS	Harrisburg Area Transportation Study	PCIT	Pennsylvania Crash Information Tool
ATCMTD	FHWA Advanced Transportation and Congestion Management Technologies Deployment	HOS	Hours of Service	PennDOT	Pennsylvania Department of Transportation
BIL	Bipartisan Infrastructure Law	HRD	Highway Research and Development	PIB	Pennsylvania Infrastructure Bank
BMP	Best Management Practices	HSIP	Highway Safety Improvement Program	PMTA	Pennsylvania Motor Truck Association
CAV	Connected/Autonomous Vehicle	HVAC	Heating, Ventilation, Air Conditioning	PSAB	Pennsylvania State Association of Boroughs
CMAQ	Congestion Mitigation and Air Quality Improvement Program	IJA	Infrastructure Investment and Jobs Act	PSATS	Pennsylvania State Association of Township Supervisors
CRFC	Critical Rural Freight Corridor	INFRA	Infrastructure for Rebuilding America grant program	PTC	Pennsylvania Turnpike Commission
CUFC	Critical Urban Freight Corridor	ITS	Intelligent Transportation Systems	RAISE	U.S. DOT Rebuilding American Infrastructure with Sustainability and Equity grant program
CVSS	Commercial Vehicle Safety Symposium	KTC	Keystone Trade Center	RCRS	PennDOT's Road Condition Reporting System
DCED	Pennsylvania Department of Community and Economic Development	LDD	Local Development District	RFI	Request for Information
DelDOT	Delaware Department of Transportation	LVPC	Lehigh Valley Planning Commission	ROP	Regional Operations Plan
DERA	U.S. EPA Diesel Emissions Reduction Act	LVTS	Lehigh Valley Transportation Study	RPO	Rural Planning Organization
DGS	Pennsylvania Department of General Services	MAP-21	Federal Moving Ahead for Progress in the 21st Century Act	SALDO	Subdivision and Land Development Ordinance
DVRPC	Delaware Valley Regional Planning Commission	MCSAC	Motor Carrier Safety Advisory Committee	SHA	Maryland State Highway Administration
ELD	Electronic Logging Device	MPC	Municipalities Planning Code	SPC	Southwestern Pennsylvania Commission
EPA	U.S. Environmental Protection Agency	MPO	Metropolitan Planning Organization	STBG	Surface Transportation Block Grant Program
EV	Electric Vehicle	NATSO	National Association of Truck Stop Operators	TAC	Pennsylvania Transportation Advisory Committee
FAST	Fixing America's Surface Transportation Act	NCTP	National Coalition on Truck Parking	TESC	Penn State Transportation Engineering and Safety Conference
FDOT	Florida Department of Transportation	NEPA	Northeastern Pennsylvania Alliance	TIDP	Technology and Innovation Deployment Program
FHWA	Federal Highway Administration	NHFN	National Highway Freight Network	TIP	Transportation Improvement Program
FMCSA	Federal Motor Carrier Safety Administration	NHPP	National Highway Performance Program	TPIMS	Truck Parking Information Management System
FMP	Pennsylvania Freight Mobility Plan	NHS	National Highway System	U.S. DOT	United States Department of Transportation
GAT	Governor's Action Team	NJDOT	New Jersey Department of Transportation	WILMAPCO .	Wilmington Area Planning Council
		NTSB	National Transportation Safety Board		
		ODOT	Ohio Department of Transportation		



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The Pennsylvania Transportation Advisory Committee (TAC) was established in 1970 by Act 120 of the State Legislature, which also created the Pennsylvania Department of Transportation (PennDOT).

TAC has two primary duties. First, it “consults with and advises the State Transportation Commission and the Secretary of Transportation on behalf of all transportation modes in the Commonwealth.” In fulfilling this task, TAC assists the Commission and the Secretary “in the determination of goals and the allocation of available resources among and between the alternate modes in the planning, development, and maintenance of programs, and technologies for transportation systems.” TAC’s second duty is “to advise the several modes (about) the planning, programs, and goals of the Department and the State Transportation Commission.”

TAC undertakes in-depth studies on important issues and serves as a liaison between PennDOT and the general public. TAC consists of the following members: the Secretary of Transportation; the heads (or their designees) of the Department of Agriculture, Department of Education, Department of Community and Economic Development, Public Utility Commission, Department of Environmental Protection, and the Governor’s Policy Office; two members of the State House of Representatives; two members of the State Senate; and 18 public members—six appointed by the Governor, six appointed by the President Pro Tempore of the Senate, and six appointed by the Speaker of the House of Representatives.

Study Task Force

Ms. Rebecca Oyler, Task Force Chair

Pennsylvania Motor Truck Association

Ms. Becky Bradley, AICP

Lehigh Valley Planning Commission

Ms. Natasha Fackler

PennDOT Policy Office

Mr. Joe Gurinko, AICP

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Mr. Brian Hare, PE

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The availability of adequate truck parking in Pennsylvania has broad safety implications and underpins freight mobility, which is vital to everyday life.

Study Purpose

Pennsylvania's Transportation Advisory Committee (TAC) conducted the *Expanding Truck Parking in Pennsylvania* study to analyze the need for truck parking in the Commonwealth and to recommend a practical framework for public-private collaboration to address the need.

Demand exceeds the existing supply, resulting in safety and security concerns, including illegal parking on highway shoulders. Truck parking limitations also have a negative effect on the supply chain and freight mobility. This study has been organized to:

- **Recommend priority corridors** across Pennsylvania that are most in need of expanded truck parking, using a criteria-based evaluation approach.
- **Establish a framework** for evaluating potential locations for truck parking.
- **Recommend collaborative actions** to address barriers that limit truck parking expansion.

This timely study was directed by a Task Force comprising TAC members, PennDOT staff, and other truck parking stakeholders. The Task Force was chaired by TAC member Rebecca Oyler, President and CEO of the Pennsylvania Motor Truck Association (PMTA).

Background

In 2007, TAC conducted the *Truck Parking in Pennsylvania* study, which found that truck travel throughout the state was increasing and the supply of truck parking did not meet the demand. Truck parking facilities along many of Pennsylvania's major highways were heavily used in 2007, and the study documented extensive truck parking along highway shoulders and interchange ramps. These conditions persist in 2023. Since 2007, the national truck parking issue has become a growing concern at the federal level as well.

Although providing truck parking is not the responsibility of PennDOT and is generally provided by the private sector, the public sector has a clear stake in the problem, especially from a safety standpoint. PennDOT can serve as a convener of the many stakeholders involved in the issue and its multifaceted solutions, spanning sectors.

In undertaking the *Expanding Truck Parking in Pennsylvania* study, TAC focused on compiling recommendations in the context of collaboration between the public and private sectors to help address truck parking in Pennsylvania.

Key Analytical Findings

TAC developed a criteria-based approach for determining the truck parking need and prioritizing corridors statewide. The analysis provides an important foundation for addressing truck parking opportunities and challenges regionally on a case-by-case basis.

TAC identified 10 corridors in Pennsylvania with the greatest truck parking need. The following are referred to as the Tier 1 Corridors:

- I-76 from US-1 to I-95 in Philadelphia
- I-78 from Exit 49 (PA-100) to PA-NJ state line
- I-79 from Ohio River to Exit 76 (Pennsylvania Turnpike)
- I-81 from Carlisle to Susquehanna River
- I-81 from I-83 to I-78
- I-83 from US-322 to I-81
- I-95 in the Philadelphia area from the Delaware state line to I-276.
- Pennsylvania Turnpike (I-76) from Exit 57 (US 22) to Exit 75 (I-70)
- Pennsylvania Turnpike (I-76) from Exit 298 (I-176) to Norristown (I-476)
- Pennsylvania Turnpike (I-276) from Valley Forge (I-76) to I-95

This study also identifies a list of Tier II Corridors, which have the second-highest need for additional truck parking.

Collaborative Problem-Solving Framework and Recommendations

TAC has also made a series of recommendations as to how the various barriers to providing needed truck parking can be removed to the greatest extent possible through public-private collaboration, [summarized on the graphic on the following page.](#)

Since TAC conducted its 2007 *Truck Parking in Pennsylvania* study, the problem has become more pronounced and more widely recognized.

TAC's prioritization of corridors and evaluation approach for identifying appropriate locations within corridors is a meaningful foundation for public-private collaboration.

Collaborative Problem-Solving Framework and Recommendations

Cost of Real Estate

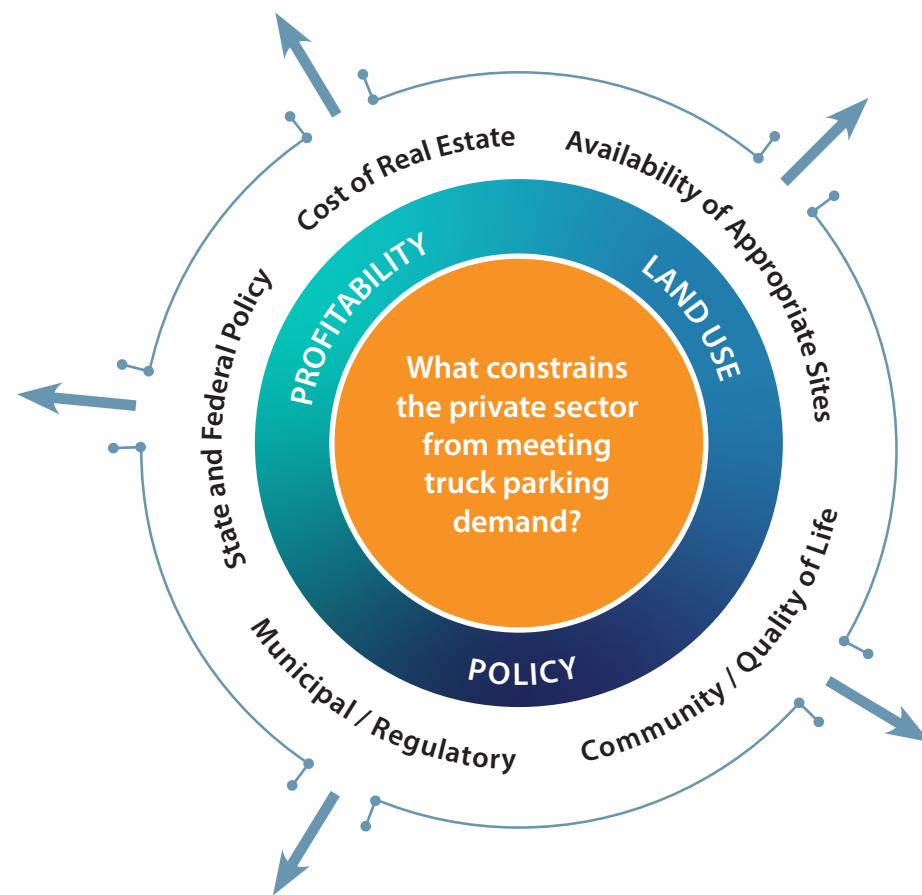
1. Reevaluate P3 opportunities.
2. Develop statewide incentives for providing truck parking.
3. Promote and pursue federal discretionary grants for truck parking.

Availability of Appropriate Sites

4. Repurpose select state-owned surplus properties.
5. Identify potential sites at a regional level using the TAC methodology.
6. Identify opportunities for shared parking and staging areas for multiple industrial sites.
7. Integrate truck parking with economic development projects.

State and Federal Policy

14. Promote truck parking in national and regional forums.
15. Undertake collaborative problem-solving with adjoining states.
16. Develop a Pennsylvania Truck Parking Handbook.
17. Integrate truck parking into regional planning.



Municipal / Regulatory

11. Update land use regulations (zoning and subdivision/land development) to include truck parking.
12. Address truck parking in county and local comprehensive plans.
13. Foster municipal involvement.

Community / Quality of Life Concerns

8. Implement community compatibility best practices.
9. Designate emergency truck parking in appropriate areas.
10. Educate residents about the importance of truck parking.

Institutional Initiatives

18. Designate a PennDOT Executive Sponsor for Truck Parking.
19. Establish an Implementation Task Force.

This TAC study has moved further than prior analyses by establishing the implementation framework for public-private collaboration.

The accompanying graphic depicts the problem-solving framework for public-private collaboration around the truck parking problem. It recognizes that truck parking is essentially a private-sector responsibility to meet the demand. Because the demand is not being met across the nation or in Pennsylvania, it raises the question of what is constraining the demand from being met. The problem-solving model then moves to answering that question in terms of these encompassing constraints:

- Profitability
- Land Use
- Policy

Clearly, the public sector has a direct influence in the latter two and indirectly in some instances would be able to affect profitability indirectly, e.g., provision of surplus state property for truck parking.

Recommendations are presented to address each of the five main constraints:

- Cost of Real Estate
- Availability of Appropriate Sites
- Community/Quality of Life Concerns
- Municipal/Regulatory
- State and Federal Policy

Two overall institutional initiatives are also presented.



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Study Purpose

The shortage of truck parking in Pennsylvania, particularly along high-volume corridors, impacts the safe and efficient movement of goods through the Commonwealth. The issue has been a state and federal focus and has been well-documented over the past 20 years.

Truck parking is not a core element of PennDOT's responsibilities. However, because PennDOT has broad responsibility for transportation safety and mobility, the Department has a stake in supporting the adequacy of truck parking. Truck parking capacity can be expanded through the joint efforts of numerous stakeholders—public and private at the state and local levels. (The federal government is providing strong policy-level support, encouraging attention to the challenge by the states.)

The TAC initiated this truck parking study to identify near-term solutions aimed at increasing truck parking capacity in Pennsylvania. It is important to note at the outset that TAC recognizes that the provision of truck parking has been and will remain a private-sector opportunity. As this report demonstrates, however, there are appropriate public-sector support roles.



Objectives

Update

The study provides an update on the status of truck parking in Pennsylvania and the nation, engages public and private stakeholders with a vested interest in solving the problem, and suggests the Commonwealth's role in addressing the problem. The study provides an update to TAC's [2007 Truck Parking in Pennsylvania](#) study.

Prioritize

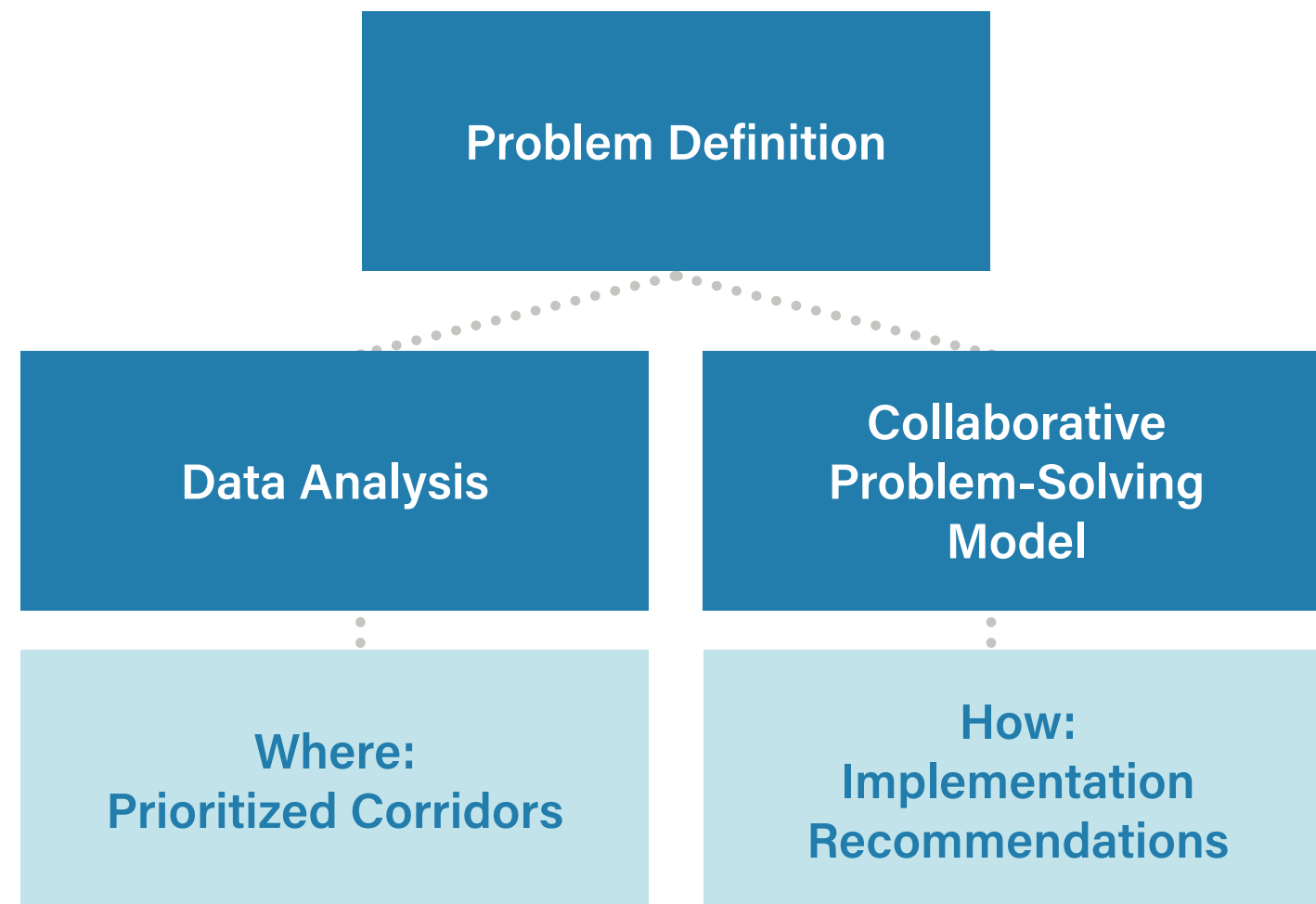
Most importantly, the study establishes a prioritization methodology and tool to identify transportation corridors and locations to expand truck parking capacity.

Implement

Finally, the study presents a recommended implementation strategy that lays out a collaborative problem-solving framework for increasing truck parking capacity, including the priorities, partnerships, and funding and finance considerations required to begin implementation.

TAC selected truck parking as a 2023 study topic due to the overwhelming support for the issue by TAC members and PennDOT's Freight Work Group. The need for implementable solutions to tackle Pennsylvania's truck parking shortage is urgent. Further, truck parking has now been recognized as a nationwide problem.

Methodology



To address the current truck parking shortage in PA, the TAC *Expanding Truck Parking in Pennsylvania* Task Force first quantified changes that have occurred since TAC's [2007 Truck Parking in Pennsylvania](#) study. Next the team undertook data analysis (to prioritize corridors across the state) and developed a Collaborative Problem-Solving Model (to identify a series of recommendations to address potential barriers facing the private sector in meeting the truck parking demand).

Portions of this TAC study drew on truck parking research and analyses completed under PennDOT's Center for Program Development and Management (CPDM). This includes the Elements of Municipal Regulations appendix (included as an appendix to this report) and the material in Table 2: Types and Uses of Truck Parking Facilities. CPDM's Truck Parking work group has met periodically to discuss truck parking issues, trends, and the appropriate roles for PennDOT, regional planning organizations, and local government. The TAC appreciates CPDM's early research as it is timely and relevant to this study.

Study Task Force

The TAC *Expanding Truck Parking in Pennsylvania* Task Force was chaired by Ms. Rebecca Oyler, TAC member and President and CEO of the Pennsylvania Motor Truck Association (PMTA).

The Task Force included other TAC members as well as representatives of:

- Regional planning agencies
- PA General Assembly
- Local Government Associations
- Pennsylvania Turnpike Commission (PTC)
- PennDOT Central Office (Policy, Operations, P3, Planning)

The augmented membership made the Task Force invaluable by:

- **Providing a multi-agency perspective.**
- **Engaging all three levels of government.**
- **Identifying key issues.**
- **Validating the corridor prioritization methodology and location identification approach.**
- **Providing input on the study's recommended implementation framework.**

The Task Force met in June 2023 to review a concept for prioritizing corridors in terms of truck parking need. The study team presented a criteria-based approach that the Task Force reviewed, validated, and improved with additional criteria. In August the Task Force met for a second workshop to review the preliminary corridor prioritization results and the framework for identifying locations.



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Truck Parking Issues, Trends, and Implications

In the early 2000s, the Federal Highway Administration (FHWA) and PennDOT identified the need to improve truck parking to meet shortages occurring near major intermodal hubs, in public rest areas along highways, and at private truck stops.

To provide a resource for those involved in freight and land use planning, FHWA developed the [Truck Parking Development Handbook](#) in 2022. The handbook identifies truck parking issues, factors influencing parking demand, and relevant regulations. It also introduces quantitative approaches for estimating truck parking demand and conducting a benefit-cost analysis of truck parking developments as well as practices for siting

and designing truck parking facilities. Strategies to increase support for truck parking—from driver safety to community quality of life, mobility, and economic competitiveness—are also included.

Pertinent to this TAC study, the FHWA handbook identifies a process for evaluating truck parking locations. Knowing that a truck driver's decisions are based on operational needs, safety, and security, the following questions were identified to prompt an evaluation.

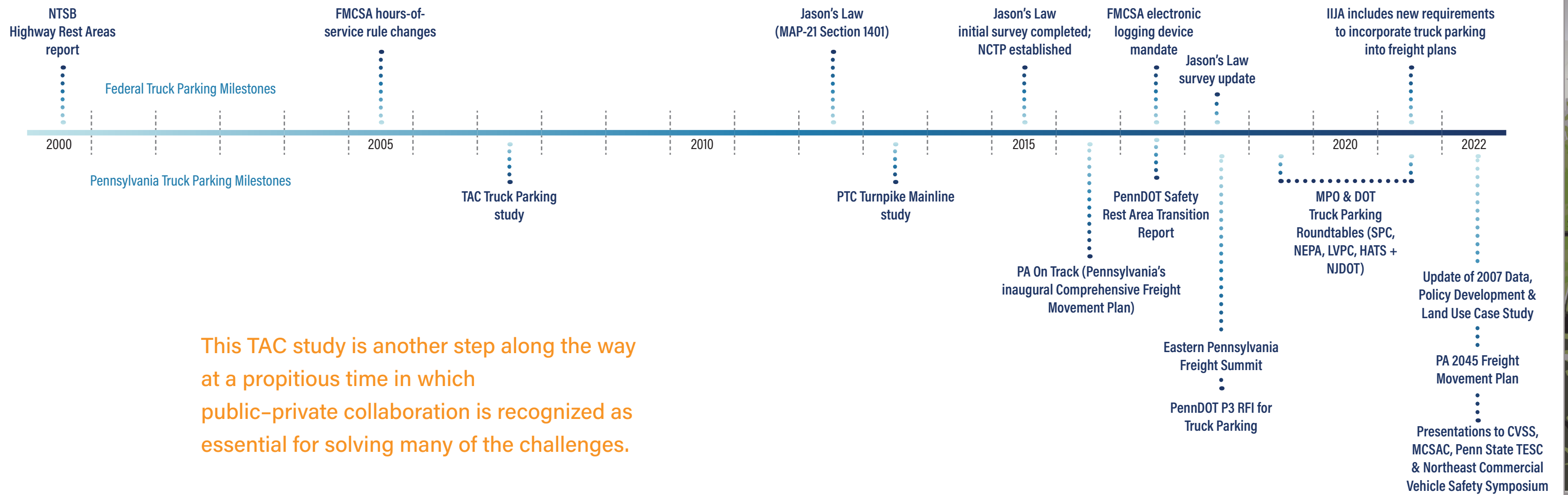
- Where are the existing land uses that attract truck traffic? For example, an industrial park or a water port.

- Which highways in a community carry the highest levels of truck traffic?
- Where are existing truck parking facilities near or over capacity? Consider that drivers will easily find and utilize new capacity near places they already search for parking.
- Where are commercial and industrial developments expected to occur?



The milestones timeline below demonstrates how attention to truck parking has intensified over the past decade and diversified in terms of how it is being addressed at both the federal and state levels.

Truck Parking Milestone Timeline



This TAC study is another step along the way at a propitious time in which public-private collaboration is recognized as essential for solving many of the challenges.

Other States' Truck Parking Initiatives

Like Pennsylvania, many U.S. states—as well as trade organizations, transportation institutes, and MPOs including the Lehigh Valley Transportation Study—have been actively focusing on truck parking through planning and siting studies. This page highlights a few such studies. Collaboration is a consistent theme and recommendation. As an example, Delaware and Ohio identify collaboration with neighboring states as part of their strategy to address truck parking capacity.

The ongoing, primary trend with truck parking is that capacity continues to be limited and the issue has been escalating, as documented in the next section. The need to add capacity is critical to meet the exponential increase in the movement of goods brought about by consumer demand—further fueled over the past few years by the COVID-19 pandemic. Without solutions that are acted upon now, the problem will continue to worsen.

Delaware Department of Transportation (DeIDOT) and Wilmington Area Planning Council (WILMAPCO) Delaware Statewide Truck Parking Study 2021

- Conducted Truck Parking Inventory
 - » Assessed truck parking utilization and identified undesignated truck parking locations using INRIX data.
- Identified opportunities to advance truck parking policies and programs such as:
 - » Identifying a champion for truck parking within DeIDOT.
 - » Integrating truck parking into statewide capital project planning and development.
 - » Securing funding for truck parking projects.
 - » Partnering with local land use agencies to update land use regulations.
 - » Coordinating truck parking information and efforts with neighboring states.
- Implement capacity expansion and information technology projects.
 - » Implement through P3s, Delaware public agency partnerships, and multi state public agency partnerships.
 - » Identify projects needed in Delaware rural and urban areas.

Florida Department of Transportation (FDOT)

- FDOT has been addressing truck parking from several angles. The Department has funded several projects using the Carbon Reduction Program (federal formula funding), for which truck parking is an eligible use. FDOT has allocated about two-thirds of the funding to regions in the Sunshine State with the balance for statewide projects. Projects have included adding supportive signage and adding truck parking at existing parcels.

Maryland State Highway Administration (SHA)

- Maryland SHA has identified and signed areas for truck parking during emergency winter weather conditions, including park-and-ride lots. The availability of this information on laptops and mobile devices is a valuable resource for truck operators.
- <https://roads.maryland.gov/mdotsha/pages/Index.aspx?PageId=856>

Ohio Department of Transportation (ODOT) Transport Ohio - Ohio Truck Parking Study 2021

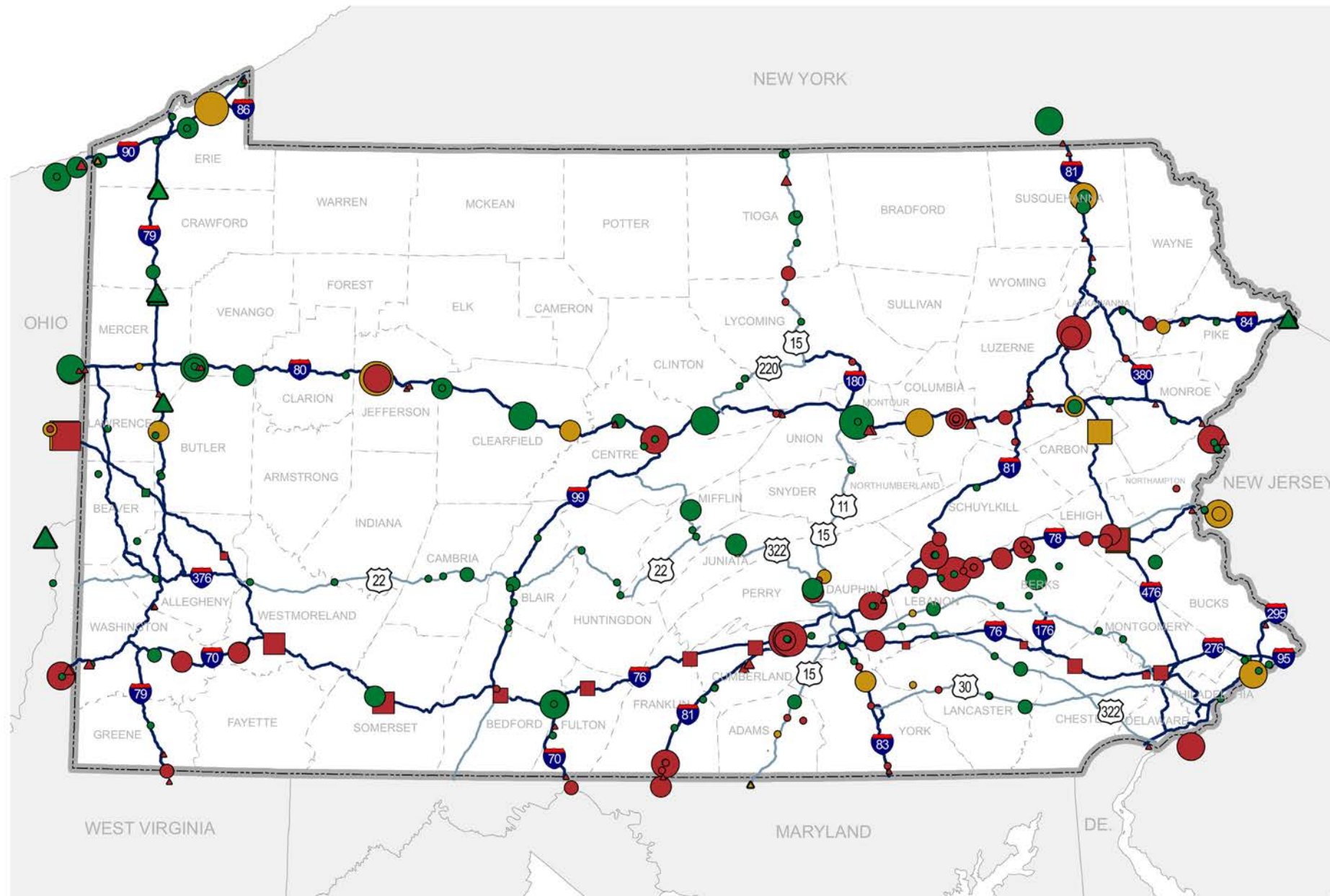
- Prioritized Truck Parking Locations
 - » Based on existing undesignated truck parking.
 - » Prioritized undesignated truck parking clusters as a basis to map mega-clusters along the I-80 and I-71 corridors and along the I-70 and I-71 corridors.
 - » Mapped existing designated truck parking along with the concentration of warehouse employees to demonstrate need.
- Provided Strategy and Policy Recommendations
 - » Capacity Solutions including enhancing existing and developing new truck parking through P3s.
 - » Information and Technology Solutions including increasing information for truck drivers, monitoring CAV and EV adoption, and idle reduction infrastructure.
 - » Policies addressing neighboring state and region coordination, and state and local policy initiatives such as developing a state Truck Parking Program and applying for federal competitive grant opportunities.
- Identified Funding Opportunities
 - » FHWA FAST Act programs such as INFRA, STBG, CMAQ, HSIP, NHPP, HRD, TIDP, and ITS.
 - » U.S. DOT RAISE
 - » U.S. EPA DERA
 - » FHWA ATCMTD
- Proposed Federal Legislation
 - » The Truck Parking Safety Improvement Act passed the U.S. House of Representatives Transportation and Infrastructure Committee in May 2023.

Lehigh Valley Transportation Study (LVTS) Lehigh Valley Truck Parking Action Plan 2020

- The action plan presents issues, actions, and opportunities identified during a virtual event hosted by FHWA, PennDOT, and LVTS in 2020.
- Issues and Challenges are consistent with state-level issues and challenges.
- Action Items and Opportunities include:
 - » Identifying Opportunities for New Travel Centers
 - » Exploring the Potential of Unused and Underutilized Parking Locations (e.g., rest stops, sporting facilities, park-and-ride lots)
 - » Real-Time Parking Availability, Digital Signage, and In-Device Messaging
 - » Expanded Mobile Technologies Tailored to the Trucking and Logistics Industries (e.g., cell phone applications)
 - » Guidance Document of Best Practices to Guide Effective Parking Facilities for Municipalities and Industrial Landowners
 - » Community Public Education Campaign for Awareness of the Importance of Trucking and Freight
 - » Multi-Use Potential for Combined Truck Parking and Driver Training Locations
 - » Training Program for Municipal Leaders on the Needs of the Freight and Logistics Industry
 - » Enhanced Data Sharing among Commonwealth, "Big Data," Metropolitan Planning Organizations, and Local Governments
 - » Coordinating Insurance Industry and Agencies
 - » Continued Focus on Regional and Subregional Transportation System Coordination and Partnerships
 - » Include Freight Industry in Hazard Mitigation Planning

Pennsylvania Truck Parking Need Update

Figure 1: Truck Parking Facility Utilization, 2020



Facility Utilization
% of Truck Parking Spaces Utilized

- < 85%
- 85% - 100%
- > 100%

Facility Shape
Facility Type

- △ Rest Area
- PA Turnpike Service Plaza
- Truck Stop, Gas Station, Other

— Studied Interstates
— Studied US Routes

Facility Size
of Truck Parking Spaces

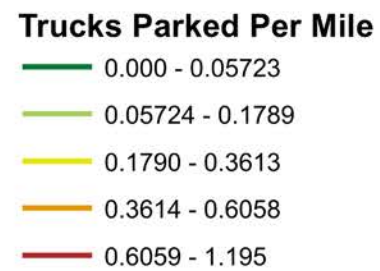
- 0 - 20
- 21 - 50
- 51 - 100
- 101 - 200
- 201+

The TAC completed its first truck parking study in 2007. [Truck Parking in Pennsylvania](#) was a foundational review of how the demand for truck parking in PA was increasing. The study noted that the truck parking issue presents safety concerns and that a multi-faceted approach should include public-private partnerships.

Data from the 2007 study was updated in 2020, with further targeted updates completed in 2023. The 2020 data was mapped to identify truck parking facilities by size and capacity (Figure 1) and the intensity of trucks parked along ramps and shoulders (Figure 2, next page), demonstrating the continued need to address the issue. Congressional testimony in November 2023 and other prominent forums have sought to elevate the safety concern of truck parking on shoulders and ramps.

The great number of red icons on Figure 1, indicating truck parking utilization over 100 percent capacity, shines a light on the magnitude of the problem. It is notable that demand exceeds capacity on most of the state's core highway network.

Figure 2: Observed Illegal Parking on Ramps and Shoulders, 2020



PTC Truck Parking Expansion

The Pennsylvania Turnpike Commission (PTC) has been expanding truck parking at selected service plazas. A total of 194 truck parking spaces have been added at four service plazas over the past 15 years. In addition, PTC is installing a Truck Parking Management System along the Turnpike. The system will support the trucking industry by providing real-time availability data on nearby truck parking locations via digital message signs along the PA Turnpike roadways. The data will also be available to drivers through other travel apps and third-party truck parking information systems.



Table 1: Truck Parking Characteristics, 2007, 2020, 2023

	Data Year		
	2007	2020	2023
Total Parking Facilities	203	286	290
Total Truck Parking Spaces	11,220	11,630	12,010
Trucks Parked in Facilities	10,170	12,155	12,420
Overall Utilization	91%	105%	103%
Trucks Parked on Ramps/Shoulders	1,080	980	980

While the direct comparison of statewide measures between 2007 and 2023 is not fully possible due to factors such as changes in data and different sources being used to identify parking facilities, truck parking utilization (percentage of capacity being used at existing truck parking locations) continues to increase, as does the number of trucks parked in facilities such as truck stops and rest areas. While the number of truck parking facilities documented in PennDOT's data resources has increased—from 203 in 2007 to 290 in 2023—as has the total number of truck parking spaces in Pennsylvania (Table 1), the number of facilities and spaces is not keeping pace with demand.

The need to address truck parking continues to be an important U.S. DOT safety consideration. Current U.S. DOT safety priorities emphasize the need to identify and implement solutions to address the truck parking shortage and its risks. These include:

- Risks associated with drowsy drivers operating heavy vehicles on the nation's highway system—the focus of FMCSA hours-of-service rules;
- Risks associated with trucks parked on highway shoulders and interchange ramps as fixed objects within an area designed to be a clear zone—one of PennDOT's primary concerns; and
- Risks to truck driver safety and cargo security while a truck is parked for extended rest periods in an area not designated for parking—the focus of Jason's Law.

The FMCSA hours-of-service rules have undergone a number of revisions over the last two decades, and the mandate for electronic logging devices (ELDs) adopted after 2017 has heightened compliance with these rules in the trucking industry.

Types and Uses of Parking Facilities

One of the emerging themes in truck parking analysis in recent years has been a clarified understanding of the role that different parking facility types play in the trucking industry in the context of supply chains. Different types of facilities are generally suitable for different types of parking activities, as shown in Table 2. Rest areas are designed for short-term parking with limited amenities on site. Truck stops and other commercial establishments are located off the highway, offer a range of amenities and features, and are more suitable for extended rest periods for drivers with sleeper berths. Staging for deliveries is ideally done in parking areas close to the shipper/receiver locations. Emergency parking sites, which are discussed in more detail later in the report in the context of a key recommendation of this study, are typically used on a temporary basis under

extenuating circumstances and are generally not suitable for regular truck parking. There is a degree of overlap in the uses of these facilities (particularly in areas where overall parking demand exceeds the available capacity on a regular basis), but a key consideration is that the role of public agencies in the development and operation of parking facilities is generally limited to rest areas on the Interstate Highway System. A state DOT is best suited to serve as a facilitator or convenor among other public- and private-sector interests (commercial truck stop operators, industrial developers, municipal governments, public safety officials, etc.) to help facilitate the development of new parking capacity beyond its own infrastructure.

Ensuring solutions meet both state and federal needs was a factor when developing the truck capacity recommendations presented in the next section.

Table 2: Types and Uses of Truck Parking Facilities

Parking Activity	Facility Type			
	Rest Area	Truck Stop	Industrial Park*	Emergency Parking Site
Long-Term Rest	X	✓	OK	X
Short-Term Parking	✓	OK	OK	X
Staging	OK	OK	✓	X
Emergency Operations	OK	✓	OK	✓

✓ = Ideally suited for this type of parking activity

X = Not suited for this type of parking activity

OK = Not ideally suited, but can be used if conditions allow

*Industrial parks are ideally suited for parking activity associated with local deliveries.

Source: PennDOT Center for Program Development and Management

Stakeholder Involvement

Real Estate Costs: What strategies related to the cost of real estate should be considered when addressing truck parking?

- Develop incentives for truck parking.
- Implement a truck parking fee.
- Minimize the escalation of land values after a development is announced.

Truck Parking Locations/Expansion: What strategies should be considered to identify locations for truck parking?

- Choose sites close to industrial spaces and warehouses, in proximity to Interstates.
- Locate truck parking on priority freight networks.
- Work with state and local officials to use publicly owned lands for truck parking.
- Consider programs like the [Unilever Safe Haven Program](#) to improve driver safety and comfort along with the added benefit of increasing productivity.
- Evaluate opportunities for shared parking at locations such as commercial centers (e.g., malls, truck stops, big-box retail), institutional property (e.g., schools, park-and-rides), and car parking lots in public rest areas.
- Consider overnight parking for truck drivers near their residence.
- Identify existing commercially zoned land with capacity, particularly large office parks near Interstates.

Community/Quality of Life: What strategies should be considered to minimize truck parking impacts to communities and quality of life?

- Consider noise and air quality impacts relative to surrounding land uses.
- Educate residents about the need for truck parking and promote it as infrastructure in industrial areas.
- Consider implementing Best Management Practices (BMPs) that improve compatibility with communities/quality of life (see the [FHWA Truck Parking Development Handbook](#)).
- Design well-built truck parking facilities with appropriate buffers, signage, and accessible amenities with a design character reflecting the community.

Local Regulations/Standards: What local regulations or standards could be adopted to address truck parking?

- Develop model ordinances to require truck parking for new development.
- Update Subdivision and Land Development Ordinances (SALDO).
- Update Zoning Ordinances to ensure truck parking is allowed in compatible zones and restricted in incompatible zones.
- Enlist the help of municipal authorities to develop truck parking solutions.
- Streamline permits and approvals.
- Incorporate truck parking demand into the industrial development and evaluation processes facilitated by local and state economic development entities.
- Address truck parking in county and local comprehensive plans.

State/Federal Policy and Legislation: What state and federal policy or legislative changes are needed to address truck parking?

- Evaluate the benefit of providing truck parking versus the benefit of other transportation infrastructure such as bridges and roads.
- Establish creative public-private partnerships (P3s) for truck parking and staging, considering PennDOT is the largest right-of-way owner in the Commonwealth.
- Require employers to reimburse truck drivers for parking fees.
- Revise the Pennsylvania Municipalities Planning Code (MPC) as required.
- Include a truck parking evaluation in all public highway projects.
- Modify federal regulations to charge for private entities with direct access to Interstates.
- Commercialize Interstates to allow services at new truck parking facilities.
- Replicate the [FHWA Truck Parking Development Handbook](#) at the state level to include resources on truck parking need, demand, model ordinances, P3s, and case studies. This will provide the private sector with the assurance needed that the Commonwealth is invested in truck parking.
- Create a state-level truck parking liaison office.
- Address language barriers for truck drivers whose primary language is not English.

continued

Truck Parking Workshop

A TAC Task Force Truck Parking Stakeholder Workshop was convened in May 2023 to obtain input from the trucking industry, economic development and planning professionals, and state and federal officials. The workshop provided foundational stakeholder input to inform the study.

After reviewing existing truck parking conditions and state and federal historical milestones related to the issue, participants provided input and recommendations in response to the questions highlighted in blue to address several topic areas. Their feedback informed the recommendations and implementation framework presented in this study. This page and the next provide a summary of the issues discussed, initial ideas floated, and key questions that were raised.

It is important to note that some of the items listed here, while not included as part of TAC's recommendations for moving forward, could be considered in the future and for that reason are included in the report. Several of the items are related to the broad topic of municipal accommodation and regulation and merit consideration.

Emergency Truck Parking: What locations and partnership solutions can be considered to provide emergency truck parking?

- Emergency truck parking identified included: school parking lots, colleges and universities, racetracks, state parks, local and regional shopping centers, office parking lots, and Interstate transportation maintenance sites.
- Develop agility agreements between PennDOT and municipalities to use municipal-owned space for emergency parking.
- Consider ways to reward private facilities for providing emergency truck parking.
- Develop an emergency truck parking map like the [State of Maryland's](#).

Regional Solutions: How can stakeholders collaborate on regional truck parking solutions?

- Improve regional communication, consultation, and/or collaboration earlier in the development process and be open-minded to solutions.
- Ensure that public involvement and education are part of the critical path.
- Develop public-private partnerships (P3s) (e.g., [I-95 Travel Plazas in Maryland](#)).
- Address truck parking in Regional Operations Plans (ROPs).
- Establish Regional Freight Advisory Committees and encourage attention to truck parking in their areas.
- Encourage local government/logistics industry collaboration at high-frequency locations.

Truck Parking Partnerships: Who should be involved in addressing truck parking?

- Workshop participants identified a wide range of private and public partners to address truck parking as illustrated in the graphic below, which captured their input through a collaborative polling device.



Prioritizing Corridors & Locations: How important are factors such as demand, priority freight networks, available partnerships, land availability and compatibility, and private investment when prioritizing truck parking locations and corridors for expansion?

- Demand, location on priority freight networks, and land compatibility and availability were identified as the most important factors in prioritizing truck parking corridors and locations as shown by the collaborative participant polling results illustrated below.



Prioritization Methodology Review

To begin shaping a truck parking prioritization methodology to expand truck parking capacity in Pennsylvania, a meeting of select stakeholders representing transportation, land use, and economic development representatives was held in June 2023.

The meeting focused on identifying truck parking location evaluation factors, including corridors and specific locations. Input from the meeting was used to frame further GIS analysis required to complete the prioritization methodology.



ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

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EXPANDING TRUCK PARKING: WHERE

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APPENDIX

Organizing Framework for Analysis and Implementation

Table 3: Prioritization Framework

Identifying Priority Stretches of Highway	Corridors	Corridors are combinations of segments that are grouped together to a geographical scale that is conducive to summarizing information on a statewide level. A corridor can range from several miles long to 25 miles or more in length, and typically consists of a section of highway between two intersecting major highways. Interstate 81 between I-83 in Dauphin County and I-78 in Lebanon County—a distance of about 19 miles—is a typical corridor for Central Pennsylvania. Corridor lengths vary across the state.
	Segments	Segments are combinations of links that are aggregated together based on a rational delineation of a roadway (a combination of links between two adjacent interchanges, for example). Segments are typically several miles long, but they could be shorter in urban areas where highways have closely spaced interchanges.
	Links	Links are the finest level of scale based on the segmentation of the state’s highway system under PennDOT’s Roadway Management System (RMS) mapping data files. A link can be as small as several hundred feet long or as large as several tenths of a mile.
Identifying Potential Parking Sites	Locations	Locations are areas along a corridor of high truck parking demand that are suitable for the development of new or expanded truck parking facilities. For example, locations along US 22 that are close to the Interstates, may contain large parcels suitable for development as parking facilities, and are not located adjacent to sensitive land uses could be prime areas of consideration for truck parking. A location could be a group of parcels or a defined area that is bordered by distinguishing features such as roadways or water features. It could also be an existing or proposed industrial park along a corridor of high demand, with one or more vacant parcels that could be suitable for truck parking to support local industrial sites as well as long-haul trucks on the adjoining highway system.
Post-TAC Regional and Local Implementation	Parcels	A parcel is a single property or a group of contiguous properties within a location where the provision of truck parking spaces would be located. Potential new or expanded parking sites are only identified in this effort if they are (1) owned by a public agency (the PA Turnpike Commission, for example) that has identified it as a potential site for new truck parking capacity, or (2) owned by a private entity that has already initiated the development process or expressed interest in developing it for truck parking. The “Phase 2” portion of the highway travel center site in the Highridge Business Park, which was planned for development as an expanded truck parking lot but is not currently being developed due to financial constraints, is a good example of a new/expanded truck parking location that can be identified at the parcel level.

There is consensus that Pennsylvania and the nation at large require more truck parking than is presently available. At the outset of the study, it was recognized that the need is greatest on heavily traveled corridors near manufacturing and logistics sites.

The study team developed an interactive, online, map-based tool that uses data to help identify where additional truck parking is most needed and generally which locations are most promising for expanding existing or adding new truck parking capacity.

The tool starts at the statewide level and allows the user to zoom in along highway routes to identify local areas of truck parking need and potential with more and more specificity.

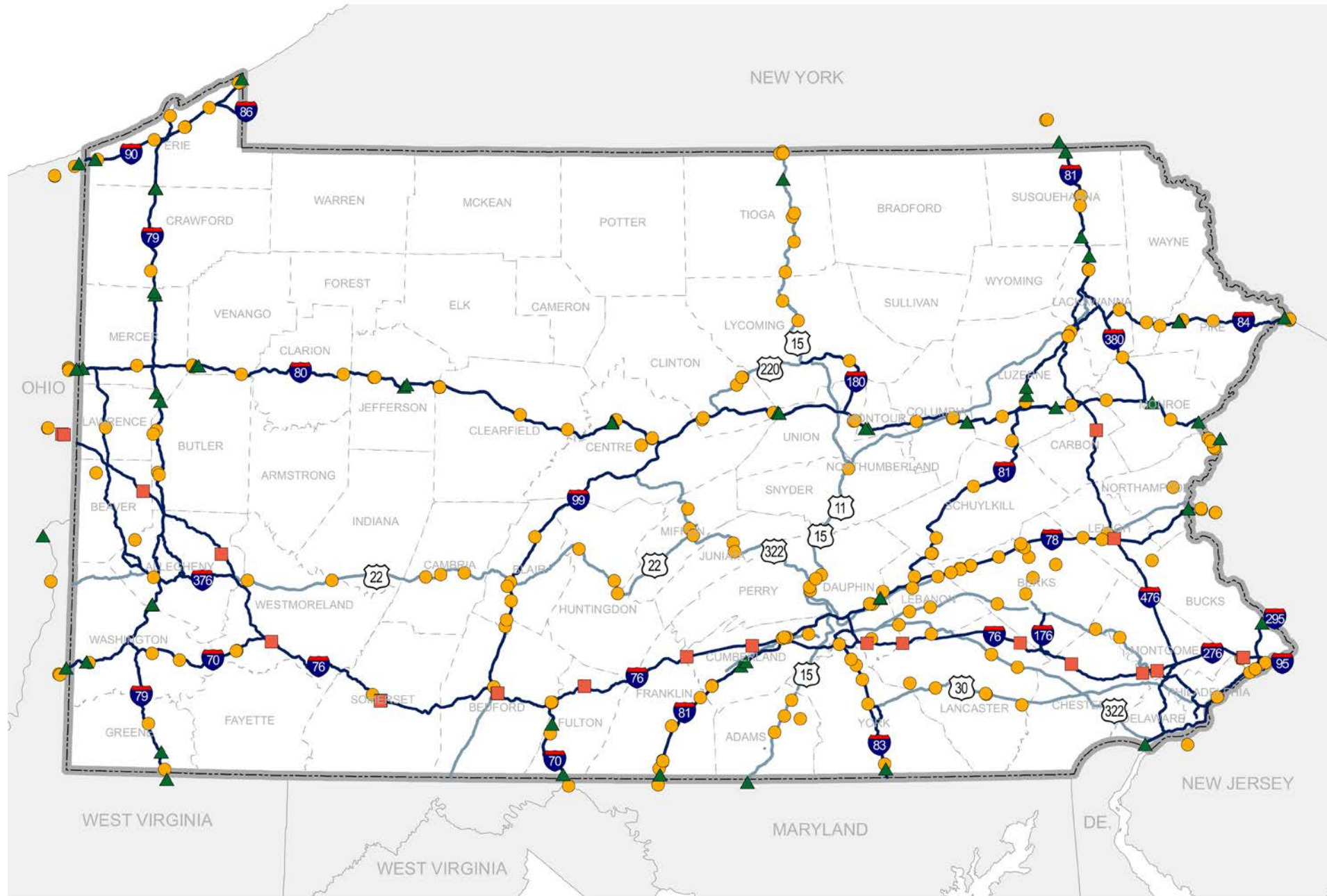
This report identifies priority stretches of highway and potential areas for parking expansion near those highways down to the general location level.

PennDOT does not have the responsibility or authority to dictate which parcels should be designated for truck parking. The Department’s responsibility for transportation planning, however, does help to determine corridors of greatest need—from which stakeholders can drill down on locations within the corridors and even particular parcels that might be suitable for truck parking.

Table 3 indicates the scope of this TAC analysis and the “segue point” (at the dotted line) where regional and local entities have primary authority and decision-making responsibility.

Priority Corridors and Segments

Figure 3: Highways Analyzed - Core PA Truck Network



- ▲ Rest Areas
- Turnpike Service Plazas
- Truck Stops, Gas Stations, Other Private Facilities
- Interstates
- Studied US Routes

Prioritization Methodology

Since 2007, PennDOT has collected detailed data about truck parking facilities and activity along the major highways in the Commonwealth. PennDOT also maintains extensive data resources about the highway network that are useful in helping to prioritize the highway corridors where truck parking needs are most acute in Pennsylvania.

The methodology for prioritizing highway corridors for truck parking is based on a three-level approach that aggregates criteria from the most granular level (links) to a coarser scale (segments) to the scale ultimately used for this analysis (corridors). The three levels are described in Table 3.

The prioritization methodology was applied to a roadway network that is consistent with the core truck network used in the original 2007 TAC *Truck Parking in Pennsylvania* study. This network is shown in Figure 3. A set of criteria was developed based on factors that influence truck parking demand, and a score for each criterion was assigned to each link in the highway network shown in Figure 3. These criteria reflect factors such as national highway designations, truck volumes, industrial development in the vicinity of these highways, the location and utilization of existing truck parking facilities throughout Pennsylvania, the presence of trucks parked outside designated facilities on highway shoulders and interchange ramps, and other factors related to truck safety and operations.

Table 4: Scoring Methodology

No.	Description	Max Score	Metric	Score
1A	Designated Network (NHFN)	10	NHFN: Primary	10
			NHFN: Non-Primary	5
			NHFN: CRFC/CUFC	2
			No NHS Designation	0
1B	Designated Network (NHS)	10	NHS: Interstate	10
			NHS: Other	5
			NHS: STRAHNET (Only)	5
			No NHS Designation	0
2	Truck Volumes (AADTT)	10	Quintile #5 (Top)	10
			Quintile #4	8
			Quintile #3	6
			Quintile #2	4
			Quintile #1 (Bottom)	2
			Fewer than 100 trucks/day	0
3	Regional Truck Parking Capacity (Existing Spaces within 20 Miles)	10	0-100	10
			101-200	8
			201-300	6
			301-400	4
			401-500	2
			500+	0
4	Demand/Supply Gap (Available Spaces within 20 Miles)	10	<0 (overloaded facilities)	10
			0-25	8
			26-50	6
			51-100	4
			101-150	2
			150+	0
5	Proximity to Major Freight Hubs (Port/Rail/Air Terminals)	5	Hub within 15 Miles - Y	5
			Hub within 15 Miles - N	0
6A	Freight-Related Employment (Manufacturing) within 10 Miles	5	Quintile #5 (Top)	5
			Quintile #4	4
			Quintile #3	3
			Quintile #2	2
			Quintile #1 (Bottom)	1
			Fewer than 100	0

continued

The 10 primary criteria for prioritization scoring by highway link are described below. Several of them have subcategories that are documented in detail in Table 4.

- **Highway links that are on Designated Highway Networks** such as the National Highway System (NHS) and/or National Highway Freight Network (NHFN) are more critical for long-haul truck travel and associated parking needs.
- **Truck Volumes** are obtained from the traffic count data resources compiled by the PennDOT Bureau of Planning and Research. The measure used in this analysis is the Average Annual Daily Truck Traffic (AADTT) for each link.
- **Regional Truck Parking Capacity** is based on the truck parking capacity available in designated parking facilities within a certain distance of each link. Demand/Supply Gap reflects the peak utilization of these facilities, based on the most recent peak overnight counts as shown in Figure 1.
- **Proximity to Major Freight Hubs** reflects the importance of a highway link for access to intermodal facilities that include marine port terminals, intermodal rail yards, and major air cargo facilities.
- **Freight-Related Employment** in proximity to a highway link is used as a proxy for freight-intensive industrial land uses that typically generate substantial volumes of truck traffic. This information reflects the special need for truck parking capacity in areas where trucks frequently stage while waiting to load or unload. Employment in the manufacturing and warehousing/distribution sectors was used in this analysis.
- **Shoulder/Ramp Parking Problem Locations** are those areas along major Pennsylvania highways where trucks frequently park on shoulders or interchange ramps due to a lack of available parking in designated facilities. The data behind this criterion was obtained from the most recent peak overnight counts of shoulder parking activity, mapped in Figure 2.
- **Truck Crash Rates** are used as a surrogate or proxy data source to identify links where the frequency of truck crashes with fatigue as a contributing factor are higher than normal across Pennsylvania. This type of crash highlights areas where driver rest needs related to fatigue and hours-of-service rules are most acute. This data was obtained through queries from PennDOT's Pennsylvania Crash Information Tool (PCIT).
- **Truck Bottlenecks** are those links on the Pennsylvania roadway network where recurring truck delays are most severe. These are locations where, from a standpoint of general probability, drivers are most likely to run out of operating hours under FMCSA hours-of-service rules. The information for this metric was obtained from PennDOT's internal bottleneck analysis tool that has been developed to meet FHWA reporting requirements.
- **Road Closure Time** is similar to the Truck Bottlenecks described previously, but it relates to unpredictable and non-recurring road closures and travel disruptions rather than recurring, congestion-related delays. The highway links where these road closures occur most frequently are those where truck drivers are most likely to find themselves needing to park under emergency conditions such as crash-related road closures, snow events, and other disruptions. The information for this criterion was obtained from PennDOT's Road Condition Reporting System (RCRS).

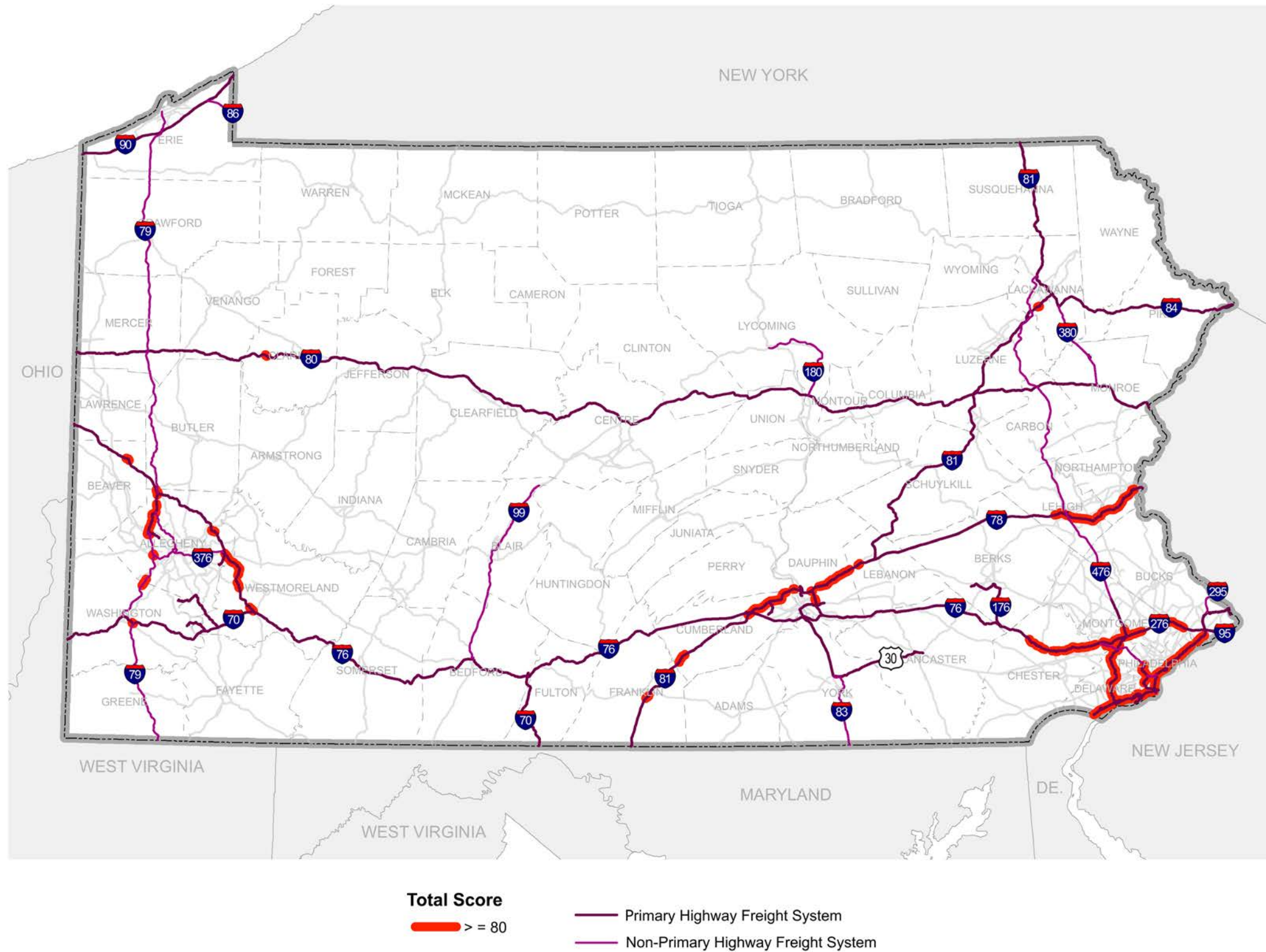
The scoring methodology used to measure truck parking needs along each link in the Pennsylvania roadway network described previously and illustrated in Figure 3 is shown in Table 4. The analysis included a total of more than 8,200 separate links. A score of 0 to 100 was computed for each link based on the data behind the criteria used in this methodology.

No.	Description	Max Score	Metric	Score
6B	Freight-Related Employment (Warehousing/Distribution) within 10 Miles	5	Quintile #5 (Top)	5
			Quintile #4	4
			Quintile #3	3
			Quintile #2	2
			Quintile #1 (Bottom)	1
			Fewer than 25	0
7	Shoulder/Ramp Parking Problem Locations (Rate per Mile, as per FMP Figure 6)	10	0.6059+	10
			0.3614-0.6058	8
			0.1790-0.3613	6
			0.05724-0.1789	4
			0.001-0.05723	2
			0.000	0
8	Truck Crash Rates (Rates per Mile, using PCIT total with Heavy Truck and Fatigue as contributing factors)	10	Quintile #5 (Top)	10
			Quintile #4	8
			Quintile #3	6
			Quintile #2	4
			Quintile #1 (Bottom)	2
			No crashes	0
9	Truck Bottlenecks (Top 250)	5	Bottlenecks #1-50	5
			Bottlenecks #51-100	4
			Bottlenecks #100-150	3
			Bottlenecks #150-200	2
			Bottlenecks #201-250	1
			Not in Top 250	0
10	Road Closure Time (Total Closure Time, from RCRS)	10	Quintile #5 (Top)	10
			Quintile #4	8
			Quintile #3	6
			Quintile #2	4
			Quintile #1 (Bottom)	2
			No closures	0
Total Max Score		100		



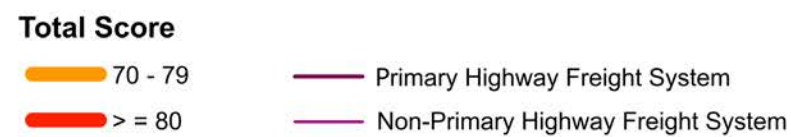
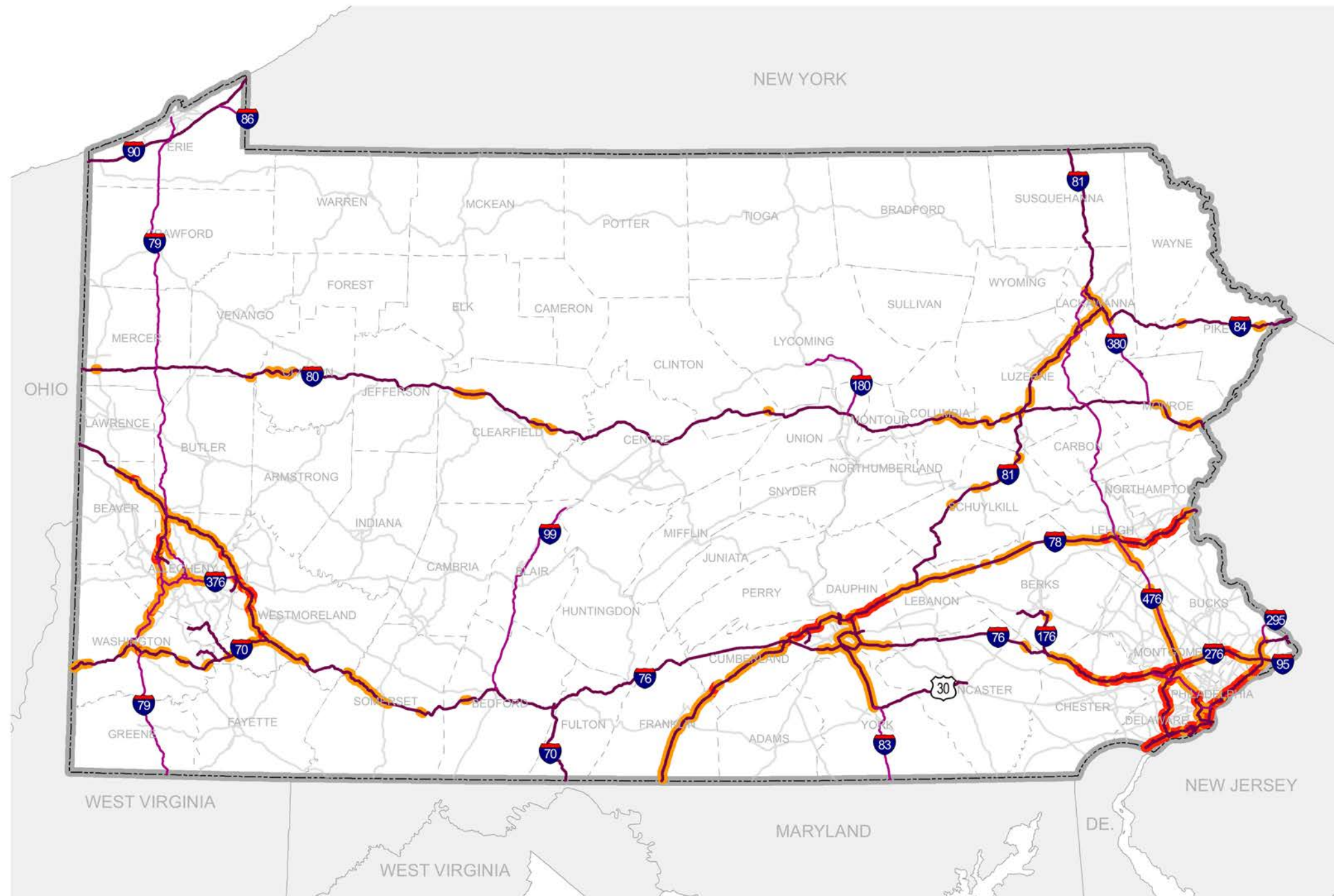
Prioritization Results

Figure 4: Corridors Scoring 80-100



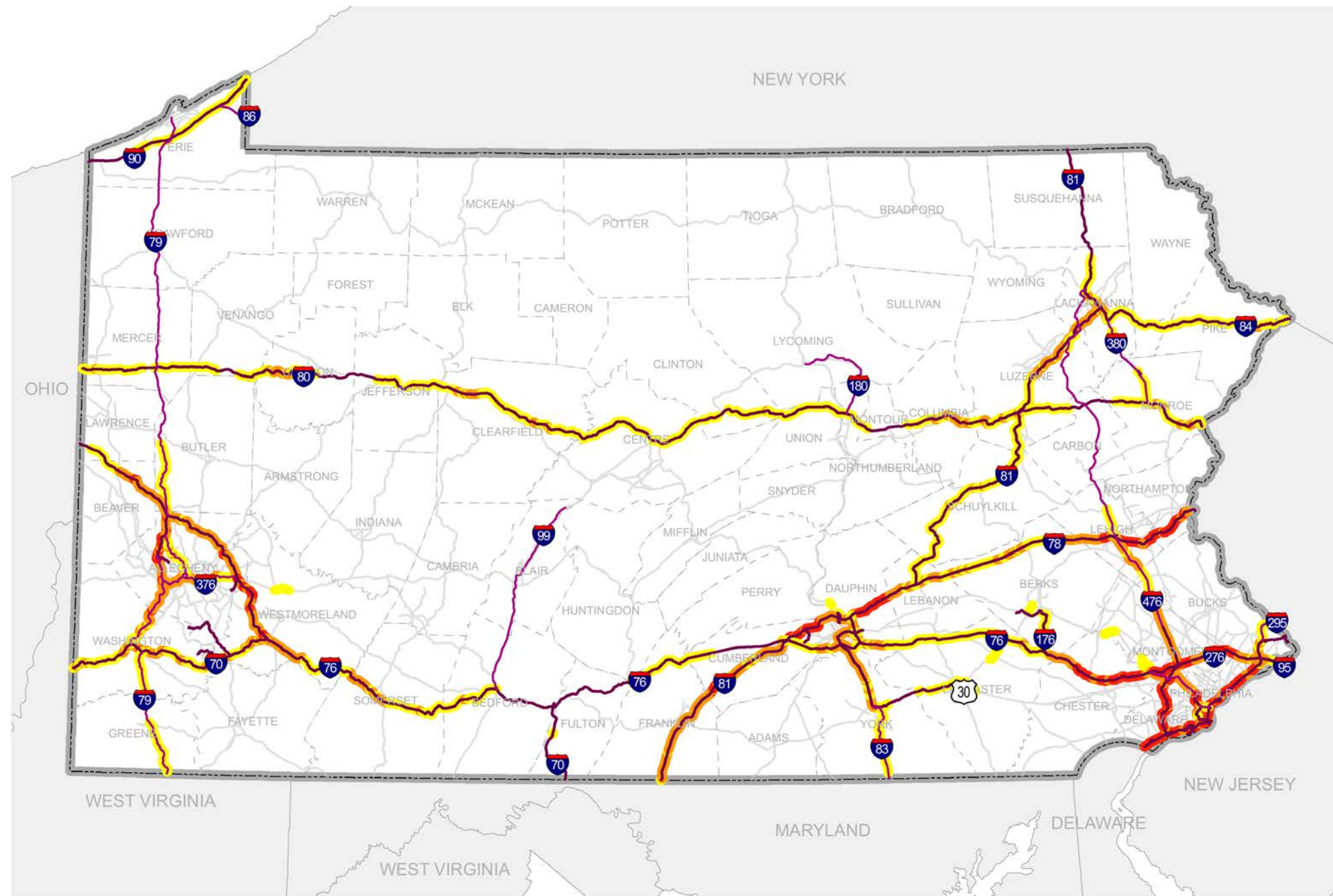
The roadway links with total scores of 80 and above are shown in Figure 4. The concentrations of links with high truck parking demand under the methodology used in this study are highly pronounced in this figure. Much of the roadway network around Philadelphia and Pittsburgh is comprised of links with scores above 80, along with the I-81 section in the Harrisburg area and the easternmost stretch of I-78 from the Allentown area to New Jersey.

Figure 5: Corridors Scoring 70-100



In Figure 5, all of the roadway links with total scores of 70 to 79 are added to the links shown in Figure 4. The links in this score range show an extended concentration of higher truck parking demand around the cities of Philadelphia, Pittsburgh, and Harrisburg, along with much of the I-81 corridor between the Maryland state line and the Scranton area, and along nearly the entire length of I-78 from Lebanon County to the New Jersey state line. Long stretches of the Pennsylvania Turnpike and some sections of I-80 are also included in this group.

Figure 6: Corridors Scoring 60-100



Total Score

- █ 60 - 69
- █ 70 - 79
- █ > = 80

- █ Primary Highway Freight System
- █ Non-Primary Highway Freight System

Figure 6 shows all of the roadway links with total scores of 60 to 69 added to the prior groups. Most of the links in Pennsylvania that are part of the Interstate Highway System have a score of at least 60 under the criteria outlined previously.



Recommended Priority Corridors

Tier I Corridors

Tier I corridors are those where most of the links have truck parking scores of 80 and above. There may be sporadic links in these corridors that fall into the 60-69 and 70-79 score groups, but the corridors primarily contain segments of links with scores of 80 or more.

- I-76 from US-1 to I-95 in Philadelphia
- I-78 from Exit 49 (PA 100) to PA-NJ state line
- I-79 from Ohio River to Exit 76 (Pennsylvania Turnpike)
- I-81 from Carlisle to Susquehanna River
- I-81 from I-83 to I-78
- I-83 from US 322 to I-81
- I-95 in the Philadelphia area from the Delaware state line to I-276.
- Pennsylvania Turnpike (I-76) from Exit 57 (US 22) to Exit 75 (I-70)
- Pennsylvania Turnpike (I-76) from Exit 298 (I-176) to Norristown (I-476)
- Pennsylvania Turnpike (I-276) from Valley Forge (I-76) to I-95

Tier II Corridors

Tier II corridors are those where most of the links have truck parking scores in the 70-79 range and intermittent links in the 80+ group. There may be sporadic links in these corridors that fall into the 60-69 score group, but these corridors primarily contain segments of links with scores of 70 or more.

- I-70 sections between I-79 and Pennsylvania Turnpike (I-76)
- I-76 from Pennsylvania Turnpike (Valley Forge Interchange) to Exit 340 (US 1)
- I-78 from I-81 to Exit 49 (PA 100)
- I-79 from Exit 49 (PA 576) to Ohio River
- I-80 in Emlenton and Bloomsburg areas
- I-81 from PA-MD state line to Carlisle (PA Turnpike)
- I-81 from Susquehanna River to I-83
- I-81 from Exit 164 (Sugar Notch) to Exit 194 (I-476)
- I-83 from York (US 30) to US 322 in Dauphin County
- I-84 from I-81 (Dunmore) to I-380
- I-376 from Exit 64 (I-79) to Exit 80 (US 22)
- I-476 from I-76 (Conshohocken) to I-276 (Norristown)
- Pennsylvania Turnpike (I-76) from Exit 13 (Homewood) to Exit 57 (US 22/Pittsburgh)
- Pennsylvania Turnpike (I-70/I-76) from Exit 75 (New Stanton) to Somerset North/South Service Plazas
- Pennsylvania Turnpike Northeast Extension (I-476) from I-276 (Norristown) to I-78 (Lehigh Valley)

Illustrative Locations in Tier 1 Corridors

The recommended location evaluation criteria presented in Table 5 were developed with input from a subset of the Truck Parking Task Force. Applying the location evaluation criteria results in an initial screening for trucking parking locations. After a potential truck parking site is selected, further screening would include site-specific analysis for

environmentally constrained lands (wetlands, floodplains), utilities, site access, etc.

The nine evaluation criteria provide a balanced framework from which to identify potential locations, considering factors that relate to the trucking industry's need and community compatibility.

Table 5: Potential Truck Parking Site Evaluation Criteria

Evaluation Criteria	Description
Parcel Size	10 acres or more (acreage)
Designated Networks	5 miles or less from a prioritized highway corridor (NHFN, NHS) (Y/N)
Compatible Zoning	Zoned industrial or commercial (Y/N)
Industrial Park	Located in an existing or planned industrial park (Y/N)
Existing Truck Parking Facilities	Located adjacent to an existing truck parking facility, expansion of existing, or under construction (N/Existing/Expansion/Under Construction)
Brownfield	Brownfield redevelopment opportunity (Y/N)
Community Impact	Location is in proximity to local schools, daycare, neighborhoods, or environmental justice communities (per EPA's EJ Screen) (Y/N)
Access via CUFC/CRFC	Location is accessible to NHFN/NHS via CUFC/CRFC (Y/N)
Property Ownership	Property ownership (Public/Private)

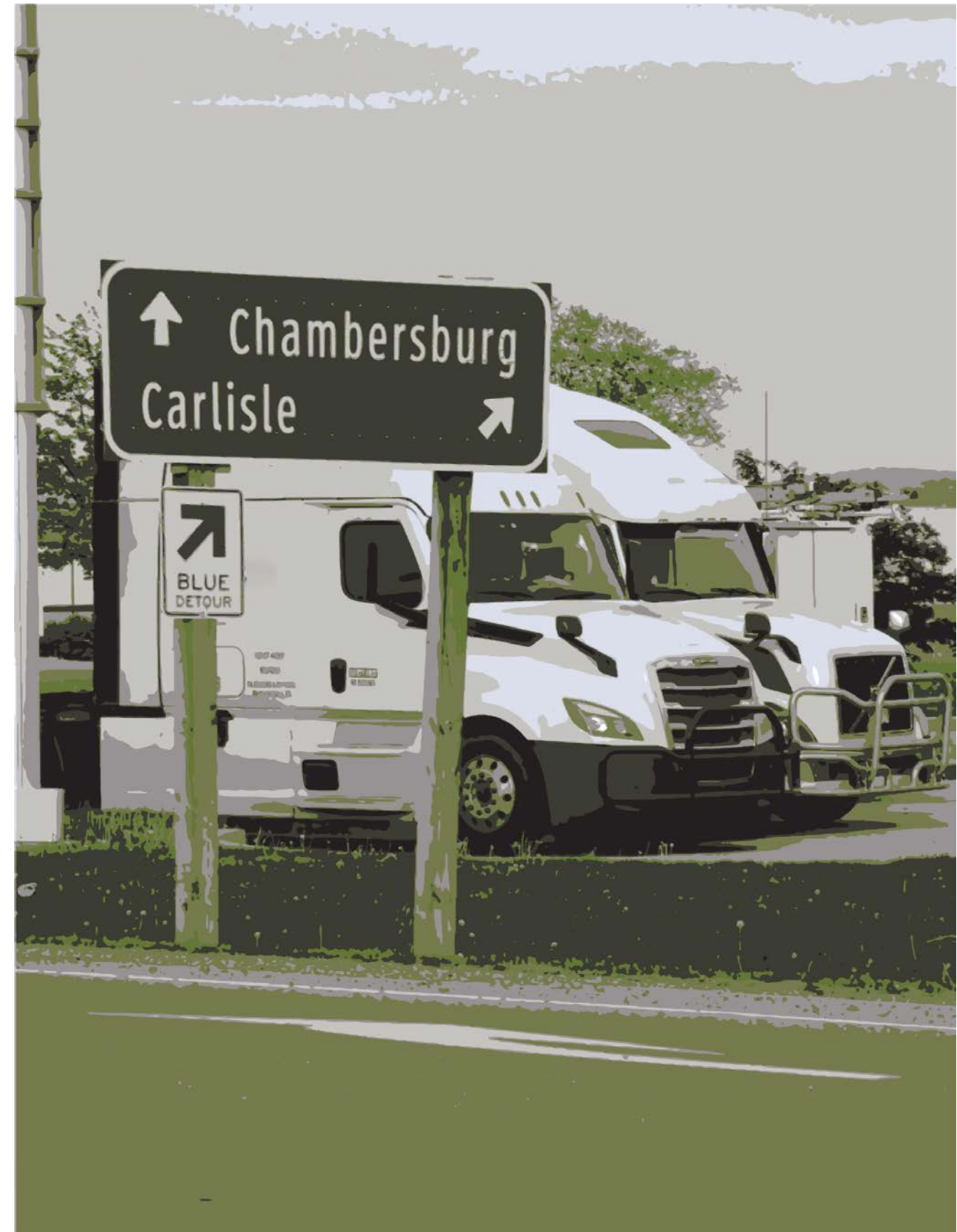


Table 6: Illustrative Potential Truck Parking Locations on Tier 1 Corridors

Tier 1 Corridor	Potential Locations	Comments
I-76 from US 1 to I-95 in Philadelphia	<ul style="list-style-type: none"> Incorporate truck parking and staging facility into the Bellwether District redevelopment. Heavily developed corridor with limited options outside the Bellwether District. 	<ul style="list-style-type: none"> Hilco Development is the project developer. Buildings 15 and 16 are slated for delivery in 2025. Additional options may exist in adjacent areas on the south side of PA 291 and north of Passyunk Avenue.
I-78 from Exit 49 (PA 100) to PA-NJ State Line	<ul style="list-style-type: none"> Location of Arcadia West and Arcadia East Industrial Parks at Exit 45 is just outside this corridor but would help meet this need. Redevelopment opportunities for older industrial sites along the PA 100 corridor, primarily south of I-78. Agricultural lands along Old US 22 between Adams Road and PA 100 in Fogelsville. 	<ul style="list-style-type: none"> Area along Old US 22 on the south side of I-78 could also be feasible, especially if done in conjunction with an interchange improvement project at Exit 45. Industrial development along the west end of this corridor is a major driver of freight activity. New parking capacity would address staging needs for these sites. Coordinate with LVPC and NJTPA for options across state line in New Jersey.
I-79 from Ohio River to Exit 76 (Pennsylvania Turnpike)	<ul style="list-style-type: none"> US 19 north of PA Turnpike from Cranberry Township to Zelenople is just north of this corridor but may have redevelopment opportunities at locations currently zoned for commercial or industrial use. 	<ul style="list-style-type: none"> Development opportunities on large parcels in this corridor are limited by the terrain and by existing development. Consider conducting a full inventory of parcels zoned for industrial/commercial use or designated for land uses compatible with truck parking and associated commercial development.
I-81 from Carlisle to Susquehanna River	<ul style="list-style-type: none"> Expansion of existing truck stops along US 11 between I-81 and PA Turnpike would meet this need. Explore options for new truck parking facility with direct access to/from I-81 in rural areas between Carlisle and Rich Valley Road overpass. 	<ul style="list-style-type: none"> Existing development in Cumberland County limits options closer to the Susquehanna River. Redevelopment opportunities may exist for older commercial properties along US 11 in vicinity of existing truck stops.
I-81 from I-83 to I-78	<ul style="list-style-type: none"> Expansion of Grantville Rest Areas on I-81 (East Hanover Township) Aging and/or under-utilized sites along US 22 corridor between PA 39 in Dauphin County and PA 72 in Lebanon County. New parking facility in industrial area around I-78/I-81 interchange. 	<ul style="list-style-type: none"> The Grantville rest areas were recently rehabilitated (2020); surrounding area is rural. There is more space for expansion on north (southbound) side of I-81. Zoning may be compatible along much of US 22. Access to I-81 is limited east of PA 924 (Exit 85 on I-81). Overhead bridge clearance constraint at PA 72. Expansion or new remote parking area associated with Love's Travel Plaza in Lickdale is a possibility. Would support staging for nearby industrial sites in Bordnersville area.

continued

Table 6 provides an illustrative identification of local areas within the Tier 1 corridors for the potential expansion or siting of truck parking facilities at parcels within these areas.

It is important to note that these are potential areas only. This list of potential locations is intended to be a starting point for further validation and refinement as part of the study's implementation. The potential locations shown are based on the evaluation criteria used to identify general feasibility for new truck parking locations in the priority corridors (Table 5) as well as the study team's preliminary review of the areas for suitability, access to the major highway system, and other considerations for site selection.

Validation of the potential locations would entail a more granular assessment involving regional stakeholders including, but not limited to, PennDOT, the MPOs/RPOs, economic development organizations, and even local municipalities and developers based on the status and potential for parcels at the time.

It is expected that in the near term, emphasis will be placed on the Tier 1 priority corridors where truck parking need is the greatest. Over time on an as-needed basis, locations can be identified for Tier 2 corridors as well.

Tier 1 Corridor	Potential Locations	Comments
I-83 from US 322 to I-81	<ul style="list-style-type: none"> N/A – This area is heavily developed already, with limited opportunities for developing new truck parking. 	<ul style="list-style-type: none"> Look to address this need in conjunction with recommendations for corridor along I-81 between I-83 and I-78 (see above). I-83 between York and US 322 is a Tier II corridor; new parking capacity there would help meet this need.
I-95 in the Philadelphia Area from the Delaware state line to I-276	<ul style="list-style-type: none"> Bellwether District location described previously for I-76 would also serve this corridor. Keystone Trade Center (KTC) in Falls Township (Bucks County). Redevelopment opportunities along State Road east of I-95, accessible via Exit 37. 	<ul style="list-style-type: none"> KTC under development by NorthPointe Development at former U.S. Steel Fairless Works site. Minimal community impacts due to location on large industrial site in low-lying area surrounded by water. A major truck parking facility at KTC would meet needs of I-95 corridor and staging for new surrounding industrial development. Coordinate with DVRPC and NJDOT for options across state line in New Jersey.
Pennsylvania Turnpike (I-76) from Exit 57 (US 22) to Exit 75 (I-70)	<ul style="list-style-type: none"> Industrial sites along North Center Drive in New Stanton. Redevelopment opportunities along US 119 in Youngwood. 	<ul style="list-style-type: none"> No PA Turnpike service plazas in this corridor; interchange spacing limits opportunities for access to potential off-highway facilities. Heavy existing development limits opportunities at north (US 22) and central (US 30) areas of this corridor.
Pennsylvania Turnpike (I-76) from Exit 298 (I-176) to Norristown (I-476)	<ul style="list-style-type: none"> Expansion of Peter J. Camiel Service Plaza (westbound). Expansion of Valley Forge Service Plaza (eastbound). Potential redevelopment opportunities in existing commercial/industrial areas of Ernest and Plymouth Meeting. 	<ul style="list-style-type: none"> Existing PA Turnpike widening project currently underway adjacent to Valley Forge Service Plaza. Options for expansion will depend on final configuration of roadway and ramps. Off-highway locations south of Norristown would serve as a hub for multiple Interstates (I-76, I-476, I-276) as well as staging for local deliveries.
Pennsylvania Turnpike (I-276) from Valley Forge (I-76) to I-95	<ul style="list-style-type: none"> Keystone Trade Center (KTC) location described under I-95 corridor would also serve this corridor indirectly. Potential industrial redevelopment opportunities in Hatboro-Warminster area between PA 263 and PA 232. 	<ul style="list-style-type: none"> Parking capacity was lost in this corridor when the Neshaminy Service Plazas (eastbound/westbound) were closed as part of the US 1 interchange project. Limited opportunities for new large development sites in this corridor due to existing residential and commercial development.



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Implementation Principles

TAC recommends that a systematic approach to implementing this study be based on the following principles:

Raising Awareness/Education

Early in the COVID-19 pandemic (2020), the general public's recognition of the importance of trucking to everyday living and survival increased greatly when store shelves were empty—and then restocked. The truck parking problem does not rise to that level of public awareness but does need a greater degree of recognition among the public and stakeholder organizations. The implementation of this report should consider the greater awareness and understanding as foundational to problem-solving.

State/Regional/Local Support

PennDOT and state government generally have a limited jurisdiction with regard to determining truck parking locations. The expectation is that the involvement will be targeted, such as to target to the greatest areas of unmet need.

Truck parking problem-solving will involve ongoing public-sector support, such as addressing truck parking in transportation planning and municipal ordinances.

Public-Private Collaboration

As the need for more truck parking has increased steadily and is projected to continue increasing, greater public-private collaboration will be essential to develop sound solutions.

General Consistency of Approach Statewide

State government's involvement going forward is not expected to be primary, but rather as-beneficial. Most of the problem-solving that does occur will likely be at the regional and local levels, suggesting the importance of having a generally uniform approach statewide, allowing for appropriate flexibility.

Sparking Innovation

Public-private problem-solving typically reflects a value on innovative solutions. The traditional siloed approach to truck parking has not solved the problem. Challenges such as designation of emergency truck parking areas during winter weather emergencies is an example of a problem in search of innovative solutions.



Collaborative Problem-Solving Framework and Recommendations

Cost of Real Estate

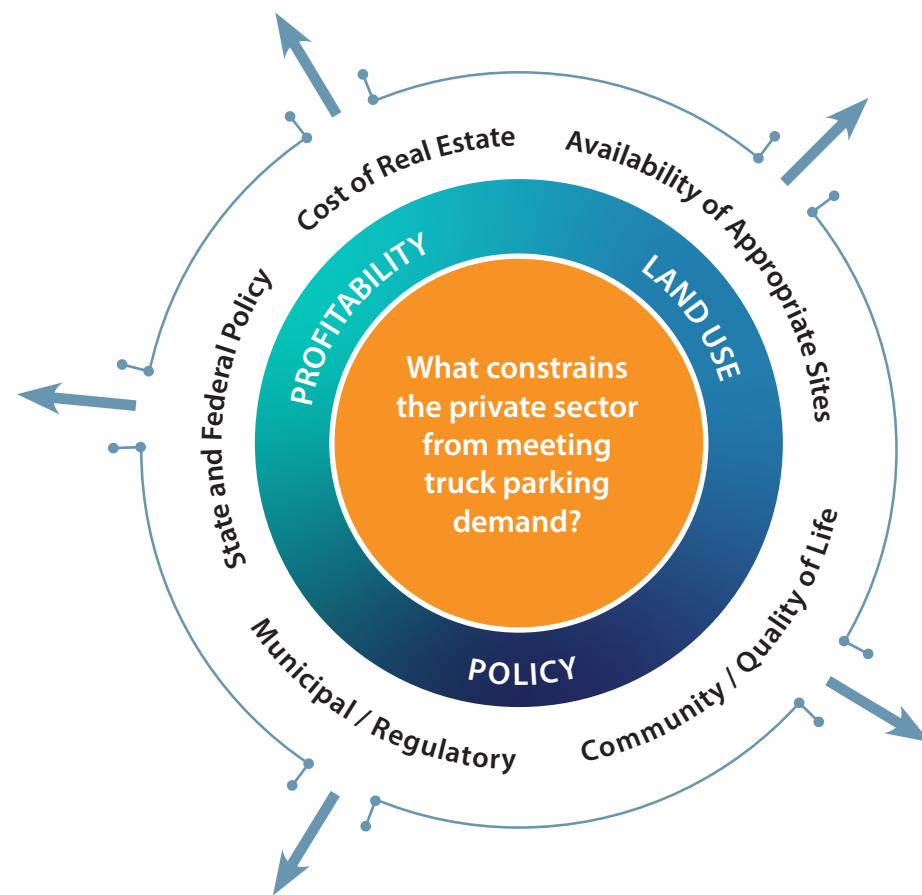
1. Reevaluate P3 opportunities.
2. Develop statewide incentives for providing truck parking.
3. Promote and pursue federal discretionary grants for truck parking.

Availability of Appropriate Sites

4. Repurpose select state-owned surplus properties.
5. Identify potential sites at a regional level using the TAC methodology.
6. Identify opportunities for shared parking and staging areas for multiple industrial sites.
7. Integrate truck parking with economic development projects.

State and Federal Policy

14. Promote truck parking in national and regional forums.
15. Undertake collaborative problem-solving with adjoining states.
16. Develop a Pennsylvania Truck Parking Handbook.
17. Integrate truck parking into regional planning.



Municipal / Regulatory

11. Update land use regulations (zoning and subdivision/land development) to include truck parking.
12. Address truck parking in county and local comprehensive plans.
13. Foster municipal involvement.

Community / Quality of Life Concerns

8. Implement community compatibility best practices.
9. Designate emergency truck parking in appropriate areas.
10. Educate residents about the importance of truck parking.

Institutional Initiatives

18. Designate a PennDOT Executive Sponsor for Truck Parking.
19. Establish an Implementation Task Force.

PennDOT and TAC have taken a greater interest in truck parking for more than a decade. Much of the early effort was to gain a greater understanding as to the extent of the truck parking need and the various aspects of the unmet need. Over time, as the need for truck parking increased it became clearer that the state convenor role as described in the previous section was taking on greater importance and possibilities. This TAC study has moved further than prior analyses by establishing the implementation framework for public-private collaboration.

The accompanying graphic depicts the problem-solving framework for public-private collaboration around the truck parking problem. It recognizes that meeting the demand for truck parking is essentially a private-sector responsibility. Because the demand is not being met across the nation or in Pennsylvania, it raises the question of what is constraining the demand from being met. The problem-solving model then moves to answering that question in terms of these encompassing constraints:

- Profitability
- Land Use
- Policy

Clearly, the public sector has a direct influence in the latter two and indirectly in some instances would be able to affect profitability indirectly, e.g., provision of surplus state property for truck parking.

Recommendations are presented to address each of the five main constraints:

- Cost of Real Estate
- Availability of Appropriate Sites
- Community/Quality of Life Concerns
- Municipal / Regulatory
- State and Federal Policy

Two overall institutional initiatives are also presented.

The notion of and need for "collaborative breakthroughs" must be more than hyperbole. TAC is evaluating truck parking at a point of inflection at which time it is widely recognized that breakthroughs and innovations are necessary and that this will best occur through public and private collaboration involving all levels of government and all key stakeholders—public and private. Pennsylvania has an opportunity to solve the problems through public-private and state-local coordinated approaches.

Recommendation Descriptions

Cost of Real Estate

1. Reevaluate P3 opportunities.

Because truck parking problem-solving is now a concern for both the private and public sectors, it follows that in some situations a public-private partnership for developing truck parking may be an appropriate vehicle. The P3 Board and PennDOT P3 support staff should consider developing a focused solicitation for truck parking public-private partnerships. Although the P3 Board addressed this topic through a solicitation in 2018 that was aimed at gathering information for a traditional P3 arrangement with prospective private-sector partners, there are other options that can be explored in conjunction with potential federal funding opportunities.

- » In a traditional scenario, a public agency such as PennDOT or the Pennsylvania Department of General Services (DGS) would seek a partner to develop Commonwealth-owned properties for truck parking along the Tier I and/or Tier II corridors.
- » An emerging type of scenario would involve a P3 arrangement where PennDOT or another public/quasi-public agency (economic development organization, municipality, etc.) would identify existing privately owned parcels that are well-suited for truck parking development in Tier I and/or Tier II corridors. PennDOT would partner with the property owner to seek a federal grant to develop the parking facility while keeping the management, maintenance, and operational responsibilities for the site in the hands of the private owner. PennDOT may need to secure ownership or a legal interest in the property to meet the requirements for a federal grant, but this would be done at a minimal cost (e.g., a \$1/year lease for an extended period) and would allow full control of the property to revert to the private owner when the lease term ends.

- » When federal funding is available for increasing truck parking capacity, using the methodology outlined above would provide PennDOT with a list of candidate truck parking locations. The potential locations would then be screened according to specific federal or state funding program requirements.

2. Develop statewide incentives for providing truck parking.

The Commonwealth should consider the feasibility of tax incentives for private investment in truck parking when such investment clearly demonstrates public benefit—such as in an area where parking is acutely needed. The U.S. DOT emphasizes benefit-cost analysis with BIL grants. The principle holds for truck parking as well. Public benefits, when well in excess of the cost of expanding truck parking, warrant incentives as public policy.

Note that this recommendation would require state legislative action.

3. Promote and pursue federal discretionary grants for truck parking.

The federal and state trend toward competitive grants as funding vehicles is a significant change. Congress and U.S. DOT/FHWA have given policy-level attention to addressing truck parking need. Pennsylvania could encourage this direction and position itself for any future grant opportunities, including innovative approaches such as applying for grants with neighboring states. In addition, state funds could be used as a grant for meritorious truck parking projects.

Availability of Appropriate Sites

4. Repurpose select state-owned surplus properties.

Traditional P3 opportunities are limited along the Interstate Highway System due to the federal restrictions on commercial services at rest areas under 23 U.S.C. 111. Surplus state-owned properties along major highway corridors outside the rights-of-way may, however, offer opportunities to develop or expand truck parking, particularly in the Tier I and Tier II corridors identified in this report. A thorough review of these potential opportunities would require access to comprehensive data resources that include surplus properties owned by various state agencies, including PennDOT, DGS, and others.

5. Identify potential sites at a regional level using the TAC methodology.

As a next step, it is recommended that the location evaluation criteria be tested with regional transportation planning organizations. DVRPC has offered to do so as part of its next work program to increase the region's truck parking inventory. PennDOT could then issue a Request for Truck Parking Locations and the evaluation criteria could be used as the tool to collect locations for initial evaluation. The request could be issued through several channels. An approach should be carefully considered to ensure efforts are not duplicated. A phased approach (working through one channel first, evaluating results, then working through a subsequent channel) would be most productive. Channels could include:

- » MPO/RPO Planning Partners – MPOs and RPOs have knowledge of properties within their regions. PennDOT could transmit the location evaluation criteria through the Planning Partners.

- » County Planning Directors – Each county planning director has insights on where industrial growth is planned and occurring in their county. PennDOT could transmit the location evaluation criteria to each county planning director.
- » GAT Alert – PennDOT may consider issuing a request for truck parking locations in conjunction with the Pennsylvania Governor's Action Team through a GAT Alert. An alert is issued when a site selection consultant is seeking an investment location in Pennsylvania. GAT transmits the request for site information through a network of economic development organizations throughout Pennsylvania. An alert could be developed to meet PennDOT requirements.

6. Identify opportunities for shared parking and staging areas for multiple industrial sites.

This approach to developing new truck parking capacity is a variation of the site-specific zoning requirements outlined below in the Municipal/Regulatory group of recommendations. In locations where concentrations of industrial development are already in place and it is not feasible to retrofit existing industrial sites to accommodate on-site parking on a parcel-by-parcel basis, a centralized parking location within an industrial park or a larger area that serves multiple parcels is a potential solution to provide parking capacity. A centralized location in lieu of separate parking and staging areas for each parcel also has the advantage of economies of scale that could support related commercial development such as truck stops or similar highway-oriented retail sites. The truck parking lots that have been developed in Berks County adjacent to convenience stores such as the Wawa in Fogelsville and the Sheetz location in New Smithville are good examples of this strategy.

continued

7. Integrate truck parking with economic development projects.

One of the major challenges in developing truck parking sites is the economics of land use. Where the need for truck parking is most acute, other land uses are more appealing economically. Incorporating truck parking into larger industrial and commercial development or redevelopment projects that have their own substantial economic

benefits is a sound practice for addressing truck parking needs in areas that are expected to become centers of freight activity as they are developed. This strategy is particularly attractive in locations where Pennsylvania and federal economic development funds and incentives can be brought to the table to help bolster the position of truck parking as it relates to the economics of land use. Some of the areas identified in the Tier I corridors in Table 6 were selected with this approach in mind.



Community/Quality of Life Concerns

8. Implement community compatibility best practices.

The [FHWA Truck Parking Development Handbook](#) provides guidance on minimizing community impacts of truck parking and other industrial uses. Freight activity and truck movement can have negative community impacts in areas where sound planning practices have not been used in siting industrial development. Practices to enhance compatibility of truck parking with nearby communities include buffers or physical features to provide separation, siting of parking facilities along major thoroughfares with good access to regional highways without traversing local neighborhoods, and the use of berms, retaining walls, landscaping, and directional lighting around parking locations.

9. Designate emergency truck parking in appropriate areas.

Emergency truck parking is a special operational consideration for emergency road closures on major highways due to inclement weather, traffic incidents, and other disruptive events. Truck parking is a critical issue under these constrained conditions, especially across much of Pennsylvania where winter weather disruptions and closures are not uncommon occurrences. Trucks that are temporarily prevented from operating freely on the highway system may need to be parked for several hours as their

operators contend with these delays while abiding by their hours-of-service limits. Existing truck parking facilities are not designed to accommodate the overflow demand under these conditions. PennDOT—and law enforcement and public safety agencies—should work with local municipalities to identify locations suitable for emergency truck parking with minimal impacts on local communities. Locations with large, paved areas such as shopping malls and sports/entertainment venues are often well-suited to this type of temporary use. The provision of resources such as traveler information, routing guidance, and potential amenities such as restrooms is an important component of an emergency parking operations plan. The problem-solving framework with multiple stakeholders focused on solutions will serve to advance this bona fide need. The Maryland experience should be examined as a potential model.

10. Educate residents about the importance of truck parking.

PennDOT has worked with partners such as PSATS to provide guidance on truck parking considerations in the context of land use planning and roadway operations. These resources should be enhanced for a wider audience that includes county and municipal planners, local elected officials, and community groups in areas of heavy freight transportation and industrial activity.

Municipal/Regulatory

11. Update land use regulations (zoning and subdivision/land development) to include truck parking.

The Implementation Task Force should build on the principles and practices outlined in PennDOT's existing truck parking municipal guidance document and work with municipal partners (PSATS, PSAB, etc.) to develop model ordinances for truck parking. These ordinances should include the following provisions for new industrial development sites:

- » A truck parking supply/demand assessment—an estimate of on-site or proximate off-site truck parking spaces needed for the proposed development.
- » On-site driver amenities such as restroom access (at a minimum).
- » Special considerations for drivers who must park for extended periods of time under federal hours-of-service rules while making deliveries (i.e., ensure that drivers can park on-site if they run out of driving or on-duty hours for the day under federal rules).

Collectively, these three items comprise the core of [Unilever's Safe Haven Program](#) that was described previously and has been adopted on a voluntary basis by that company.

12. Address truck parking in county and local comprehensive plans.

When a county or local government prepares an update to its comprehensive plan, it should be encouraged to incorporate truck parking into the land use and transportation elements. This will ensure that truck parking is integrated into each community's planning framework and provides the foundation for updating the land use regulations noted above.

13. Foster municipal involvement.

Working with DCED and others, the Implementation Task Force should strongly consider the municipal action items presented in the appendix. This can include raising municipal awareness, promoting the adoption of model ordinances, etc. Affected municipalities should also be involved with truck parking projects as they are considered, especially to help ensure complementary land use. The [FHWA Truck Parking Development Handbook](#) should be used as a resource for municipal involvement for projects.

State and Federal Policy

14. Promote truck parking in national and regional forums.

PennDOT and its partners have been actively involved in sharing ideas about truck parking solutions and providing updates on the agency's ongoing work in this area. Forums include FHWA Truck Parking Roundtables, Eastern Transportation Coalition and I-81 Corridor Coalition freight working groups, and freight and traffic safety conferences such as the Pennsylvania Traffic Engineering and Safety Conference, the Northeast Commercial Vehicle Safety Summit (2022), the Pennsylvania Motor Carrier Safety Advisory Committee, and ITS Pennsylvania (2023). These outreach and information exchange initiatives should continue as PennDOT works through these implementation items in the coming years. Regional and national venues for sharing information and collaborating with other public- and private-sector interests may include AASHTO meetings, trucking industry events such as trade shows (Mid-America Trucking Show, Great America Trucking Show, etc.) and the ATA Management Conference & Exhibition, and the annual convention of the National Association of Truck Stop Operators (NATSO). These outreach efforts should include collaboration with trucking industry representatives to explore options for industry practices that could potentially reduce parking demand by improving truck and driver operating efficiency.

15. Undertake collaborative problem-solving with adjoining states.

Freight transportation often takes place over long distances and across state lines. Pennsylvania's highway system accommodates a substantial volume of interstate truck traffic, and many of the Tier I and Tier II corridors identified as priority truck parking corridors in this study border neighboring states. Much of the truck parking activity in eastern Pennsylvania in particular (especially along the I-78 corridor) involves trucks making deliveries across the New Jersey state line to destinations in northern New Jersey, the New York City metro area, and New England. PennDOT should remain actively engaged with state DOTs and MPOs in these neighboring states to develop truck parking solutions that address parking needs in a regional context where necessary. As noted in Recommendation 3, truck parking solutions on multi-state highway corridors may be ideal opportunities for federal grant funding. The Eastern Transportation Coalition and the I-81 Corridor Coalition, as key multi-state compacts identified in PennDOT's *Freight Movement Plan*, should be seen as collaborative opportunities to pursue robust truck parking solutions that meet the needs of multiple states.

16. Develop a Pennsylvania Truck Parking Handbook.

PennDOT has developed several valuable resources in recent years that help identify, measure, and prioritize truck parking needs. The data and findings related to truck parking in the 2022 *Freight Movement Plan*, the April 2023 draft municipal guidance document included as an appendix to this report, the commercial site development case study in Schuylkill County, and the analytical tools developed for this study to prioritize highway corridors for truck parking need are a wealth of information for planners and policymakers at the state, regional, and local levels. PennDOT should develop a handbook that includes a compilation of this information into a guidance and policy document for agency users and its Planning Partners. The handbook can be modeled after the [FHWA Truck Parking Development Handbook](#), but with additional information about PennDOT's truck parking data collection procedures, relevant information from PennDOT's centralized data resources, timelines for updating condition information in the context of FHWA's requirements for updating state freight plans, guidance on funding opportunities (primarily at the federal level) for truck parking projects, P3 policies and guidance related to truck parking, state laws and regulations related to municipal planning and environmental protection, and relevant items from the aforementioned municipal guidance document.

17. Integrate truck parking into regional planning.

There is federal interest in promoting truck parking in freight planning as well as in regional long-range transportation plans and Transportation Improvement Programs (TIPs). PennDOT should take steps as needed so that each MPO/RPO addresses truck parking in a generally uniform way. The first opportunity would be to roll out the corridor priorities and the criteria-based approach that TAC has developed for area and site prioritization. PennDOT could hold regional meetings and/or a statewide webinar to introduce the approach. MPOs/RPOs and PennDOT District Offices should be part of the rollout and consideration should be given to including economic development organizations in each region/district. Further, PennDOT should establish a basic protocol for considering when truck parking spaces might be made possible through highway project development, particularly for larger, capacity-adding projects, road widenings, etc.



Institutional Initiatives

18. Designate a PennDOT Executive Sponsor for Truck Parking.

Because truck parking has not been a focus for state DOTs until recently there is not a convenient organizational model to draw upon. PennDOT staff have been highly interested in and supportive of this topic. Those staff have primarily been in the Planning and Highway Administration deputates. TAC recommends that PennDOT formally name an Executive Sponsor from among these two deputy secretaries or the Executive Deputy Secretary. A matrix organizational chart should be developed delineating the support roles of staff in both deputates, including PennDOT Districts and the P3 staff.

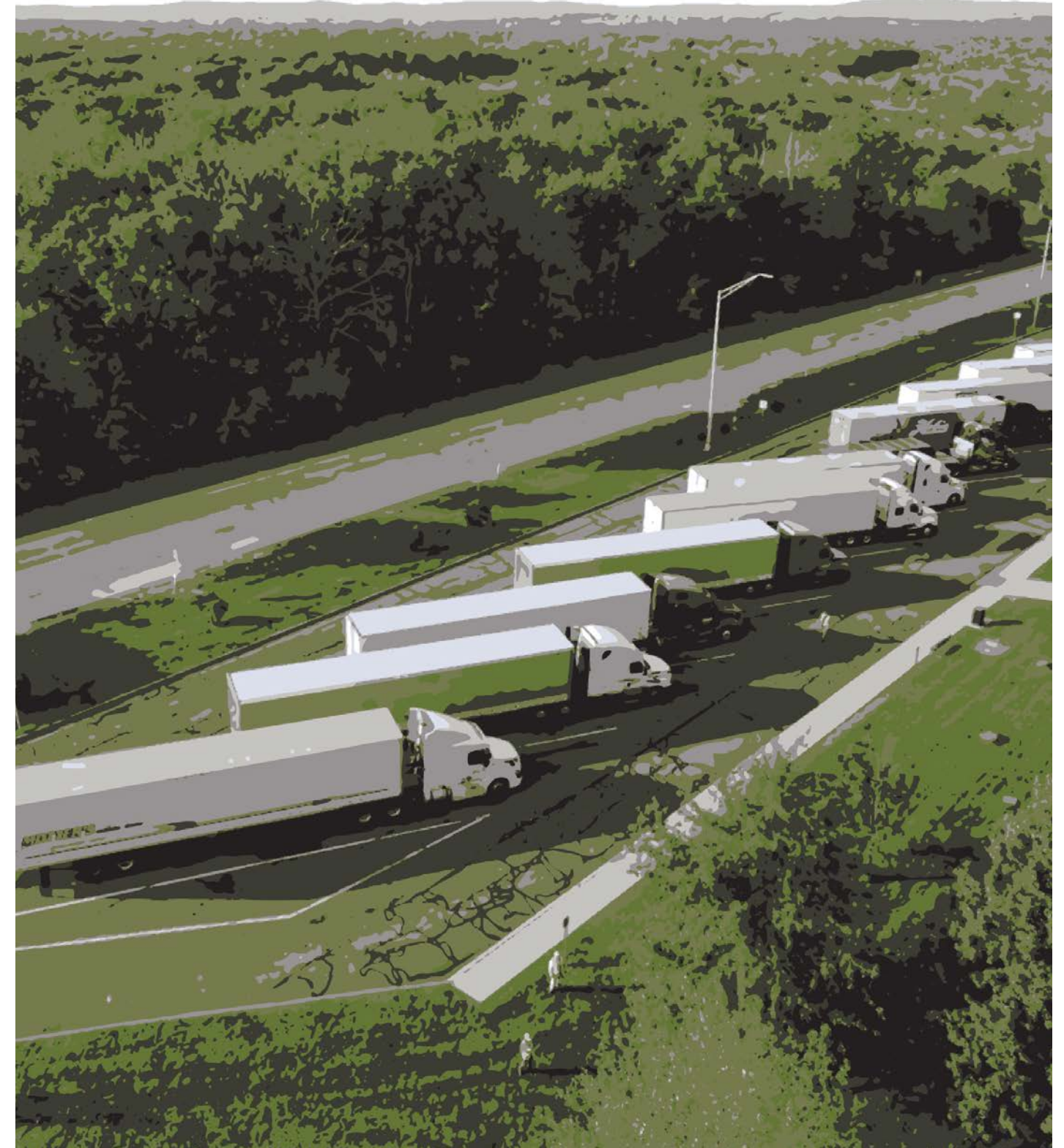
19. Establish an Implementation Task Force.

TAC recommends that PennDOT form a Task Force to move this study's recommendations forward to implementation. The Task Force should include a cross-section of appropriate public and private stakeholders and the development of an action plan to guide its activities. It is recommended that the PennDOT staff who have been involved in an advisory role on truck parking matters since the P3 RFI was issued in 2018 serve as the foundation of this Task Force. Further, the Task Force should work with PennDOT's Freight Work Group to coordinate the effective implementation of recommendations. Key Task Force activities should include:

- » **Conduct regional awareness-raising** to present the TAC study with particular attention to the corridor prioritization and the evaluation criteria for local sites.
- » **Pilot the approach for locations** based on need or opportunity and involve the regional problem-solving framework with the PennDOT District, MPO/RPO, and other stakeholders as needed.
- » **Municipal Truck Parking Pilot** – Conduct a Municipal Truck Parking Pilot Study in a municipality to be identified. The pilot would include an assessment of local truck parking conditions and challenges; identification of potential truck parking regulations to address supply/demand assessment, on-site/off-site

truck parking needs, driver amenities, and long-term truck parking; planning coordination; and development and ownership of shared truck parking. Outcomes from the pilot could be a model approach with applicability to municipalities across Pennsylvania. This pilot study should be conducted in a county and municipality that is currently facing industrial development pressure and is looking for guidance to address parking needs in the context of the development approval process. Locations along Tier I and Tier II corridors that might be well-suited for this study could include municipalities in Berks, Cumberland, or York counties.

- » **Brief the State Planning Board** on the TAC report and the implementation approach, particularly given the strong connection between land use and transportation.
- » Stay tuned to **PTC's continued implementation of its truck parking expansion efforts** and information management system (TPIMS)—each has potential for a broader statewide deployment.
- » The Commonwealth (primarily PennDOT and DGS) should consider incorporating truck parking expansion as feasible with **rest area modernization efforts**. Weigh stations that are not currently used but are still in place along highway rights-of-way should also be considered for temporary truck-only parking as an interim measure while new capacity is being developed.
- » Consider "[Trucking Moves America Forward](#)" as a potential framework or model for a possible **public relations campaign** among stakeholder organizations.
- » Obtain a greater understanding of **truck parking security concerns** for the obvious reason of truck driver safety and recognizing that the perceived dangers of truck parking are a recognized barrier to recruiting and retention of drivers—particularly women as noted in [recent Congressional testimony](#).
- » Finally, the Task Force should establish a process for **periodic reporting** of progress in addressing the Commonwealth's truck parking challenges.



Partnership Approaches

With PennDOT as convenor or facilitator, an appropriate question is who are the typical partners that should be at the table for addressing truck parking problems. It would vary based on whether the problem or need was regional or area-specific or might require attention at a statewide policy level. Table 7 is for illustrative purposes and indicates the varied partners and their general roles.

Table 7: Potential Implementation Partners

Partner	Summary of Potential Role
PennDOT Central and District Offices	<ul style="list-style-type: none"> Point agency convenor of partners for problem-solving, including public awareness about the importance of truck parking. Implementing agency for potential solutions within PennDOT rights-of-way. Update truck parking capacity, utilization, and needs on four-year cycle for Freight Mobility Plan (FMP) updates in conjunction with the implementation process. State agency applicant for federal grants for truck parking. Work with other state agencies to consider state incentives for truck parking. Consideration of potential options for emergency truck parking (e.g., severe winter storms).
P3 Board	<ul style="list-style-type: none"> Consideration of public-private partnerships for truck parking solutions.
State Planning Board	<ul style="list-style-type: none"> Champion truck parking as a statewide planning issue, including policy related to local land use and development. Consider modifications to the Municipalities Planning Code.
MPOs and RPOs/LDDs	<ul style="list-style-type: none"> Consider truck parking in regional transportation planning. Intermediary between PennDOT and county/municipal governments to identify potential opportunities for new truck parking capacity.
DCED/ Governor's Action Team	<ul style="list-style-type: none"> Support for identifying truck parking locations throughout Pennsylvania. Key advisors for truck parking locations to be developed in areas where economic development funding may be available (e.g., Appalachian Regional Commission). Promote the importance of truck parking in the context of larger industrial development initiatives.
DGS	<ul style="list-style-type: none"> Point agency on truck parking solutions involving state properties.

Partner	Summary of Potential Role
PTC	<ul style="list-style-type: none"> Coordination with other partners because the PA Turnpike carries a large volume of freight. Implementing agency for new truck parking capacity and parking technology solutions on PA Turnpike.
County and Local Government	<ul style="list-style-type: none"> Adopt land use regulations to support truck parking and improve community compatibility. Collaborate with developers to implement effective truck parking solutions. Support regional solutions and multi-municipal collaboration (counties).
County Government	<ul style="list-style-type: none"> Incorporate truck parking into county planning documents. Provide support to local government in adopting land use regulations to support truck parking.
Trucking Industry (PMTA, trucking firms, shippers, and others who might have a stake in the issue or the project)	<ul style="list-style-type: none"> Promote business practices to use existing parking capacity more efficiently or even reduce some truck parking demand.
Developers	<ul style="list-style-type: none"> Construct truck parking facilities and incorporate truck parking into development plans. Collaborate with local government to develop effective truck parking solutions.
Law Enforcement	<ul style="list-style-type: none"> Key voice in relation to security and safety matters.
Economic Development Organizations/Municipal Authorities	<ul style="list-style-type: none"> Support for incorporating truck parking efforts into local industrial parks and development plans. Develop local truck parking solutions in partnership with local government.
Emergency Management	<ul style="list-style-type: none"> Advisory with respect to truck parking under emergency conditions such as severe winter storms. Incorporate truck parking considerations in emergency operations and response plans for road closures.
Local Government Associations	<ul style="list-style-type: none"> Raise awareness about the benefits of truck parking planning with local governments.

Pennsylvania High School Students Design 'Eco-Stop' Truck Rest Area



PennDOT Secretary Michael Carroll, center right, presents certificates to the Innovations Challenge team from Lenape Technical School. From left: advisor Jason Zimmerman; students Robert John and Elijah Mumau.

<https://www.penndot.pa.gov/about-us/PennDOT2020/Pages/Innovations-Challenge-Winners.aspx#2023State>

Background

The PennDOT Innovations Challenge is a statewide competition that engages teams of students in 9th through 12th grade to solve real-world transportation challenges. Regional winners are selected by PennDOT's Engineering Districts; those winners advance to a statewide competition. The 2023 winner, a team from Lenape Technical School in Ford City, PA (Armstrong County, north of Pittsburgh), addressed the issue of truck parking.

The student-led team considered the lack of parking along Pennsylvania's Interstates and evaluated the core of the issue, short-term realities, and long-term goals. Their "Eco-Stops" project produced a rest stop design that considers local ordinances, community impact, restroom facilities, and parking to accommodate commercial trucks.

Project Goal

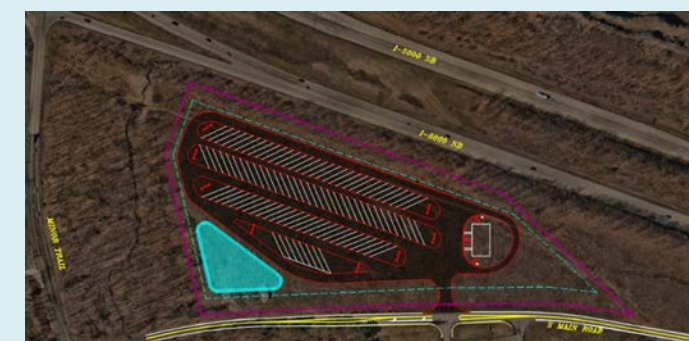
The students' concept was to develop a safe, affordable, and environmentally friendly rest stop design to help meet the demand for truck parking. Following their selection as the 2023 winner, the Lenape Tech team participated in a 16-week effort with the guidance of transportation professionals to develop their idea from a concept to a real-world implementable project. Work plans included site circulation evaluation, access management, stormwater management, utility engineering, and lighting design. The process also included determining the feasibility of the cutting-edge technology that was proposed in the original concept, including solar canopies, electric charging for freight vehicles, 3D printing construction, sustainable pavement materials, and an HVAC system to reduce the need for truck idling.

Siting and Design Challenges

The students' first challenge was identifying a parcel with appropriate zoning. As the team sifted through multiple zoning ordinances across the state, it became apparent that there are not many municipalities that identify truck parking/rest stops as an acceptable land use. Municipalities that do have zoning ordinances for these types of land uses are not in locations ideal for development. To help facilitate the project, a sample zoning checklist was created to allow for an "Eco-Stops" land use, which was used to develop a design checklist.

The project was designed in compliance with PennDOT guidance as the team progressed through the 16-week refinement process. The team used software such as Autoturn for site circulation and access management design. Next the team studied spreadsheets created by a transportation professional to determine traffic demands, utility demands, and stormwater quality and quantity calculations.

The team discussed possible partnerships that would help facilitate the implementation of "Eco-Stops." These included truck operators as the indirect customer for the rest stops; private truck stop and electric vehicle (EV) developers for further design considerations and guidance on freight vehicle chargers; and application developers to create or revise a software application to track parking availability and notify drivers of upcoming "Eco-Stops."



Project Results

With the original concept and further 16-week development, the Lenape Tech team produced templates of their design that can be applied throughout Pennsylvania. These templates can be utilized for available land within the right-of-way or for private development projects and can be applied to a variety of parcel sizes and configurations. These templates may be implemented by PennDOT, or when PennDOT is in the convener role, by private developers constructing "Eco-Stops."

In addition to these templates, the project demonstrated that a zoning checklist can be created to assist with identifying potential development locations within and beyond the right-of-way and to serve a design checklist for "Eco-Stops." TAC's analysis of truck parking placed much emphasis on land use, municipal planning, and zoning. TAC applauds the students for considering this important facet of the truck parking challenge.

"PMTA is working hard to teach young people about the essentiality of the trucking industry and career opportunities available. We need to get young people involved and engaged to ensure the industry's longevity. We are appreciative of any organization giving students opportunities to learn about the importance of trucking and truck drivers, especially when it's rooted in finding solutions. We were thrilled with the students' creativity in addressing the truck parking issue and embrace innovative solutions to this complex issue."

Rebecca K. Oyler, President & CEO
Pennsylvania Motor Truck Association



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An Opportunity for Pennsylvania Problem-Solving and National Leadership

As this study was nearing completion, a [Congressional hearing on roadway safety](#) placed substantial emphasis on the truck parking problem. Key points included:

- The trucking labor shortage and the difficulty recruiting women drivers, with parking safety cited as a common concern.
- Nationally there are far more trucks and truck drivers than available parking as the volume of goods movement by truck increases.
- Ripple effects of the truck parking shortage on the supply chain and economic productivity.
- Recognition that truck parking is part of the transportation infrastructure.
- Indications that drivers are operating at night because more parking is available during the daytime and that this could pose a safety risk.
- Testimony related to crashes with trucks parked on highway shoulders.

The need for additional truck parking nationally and in Pennsylvania calls for attention by each level of government and provides an opportunity for the private sector.

The TAC prioritization methodology for corridors, and locations within those corridors, provides a new tool and collaborative process that can be used statewide with the aim of continual expansion of Pennsylvania's truck parking capacity. This study sets forth an achievable implementation strategy advanced through public-private collaboration addressing cost challenges and spurring innovative problem-solving.

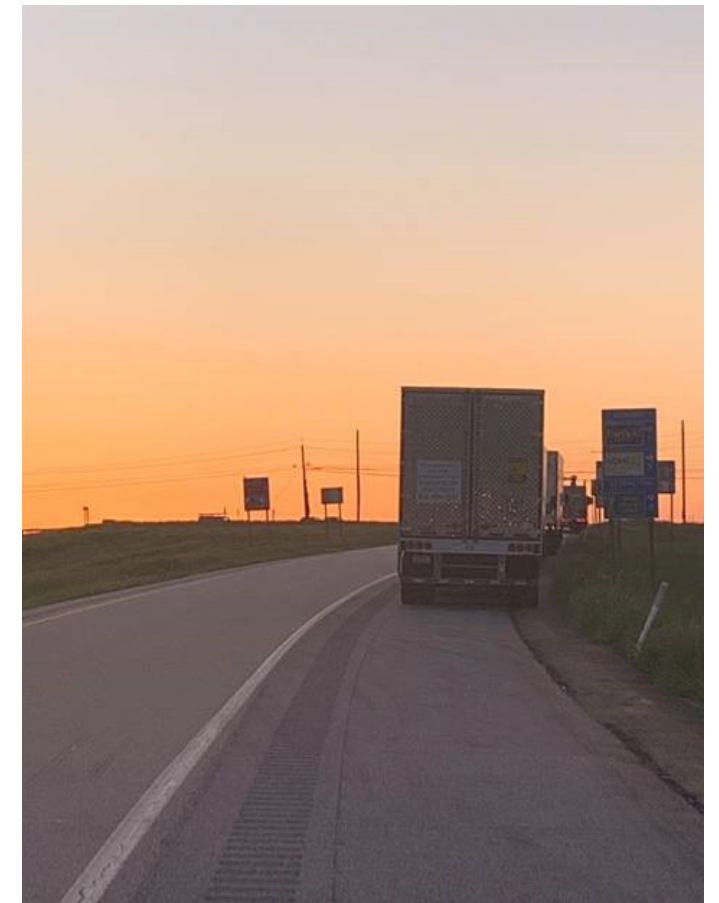
PennDOT has long been recognized as a leader in transportation programming and program management and for developing various tools that reflect this prominence. This step forward as recommended by the TAC, to have a prioritized network of corridors for truck parking, represents still another opportunity. The timing for it is excellent as truck parking is now commonly being referred to and recognized as transportation infrastructure.

The TAC Task Force's work demonstrated a high degree of confidence that much can be done to provide truck parking that meets the growing need. TAC believes that the recommended multi-stakeholder Implementation Task Force with an executive champion can make Pennsylvania a national leader in addressing this problem, as the Commonwealth has been in so many areas of transportation.

Although improved truck parking provides safety benefits for all motorists, it is worth stepping back and considering the people driving those trucks.

Operating a 40-ton tractor-trailer is significantly more demanding than driving a "four-wheeler" passenger vehicle. The job is physically and mentally grueling, compounded by irregular hours and unforgiving delivery schedules. Long-haul drivers are away from their homes and families for weeks at a time, criss-crossing the country to keep the economy moving. Regional and delivery drivers also face long, trying days. Even the most skilled and responsible driver who is running legally is often exhausted—and deeply aware of the hazards of diminished reaction time and judgment. When every truck stop and rest area within 100 miles is full, when a driver knows he or she is too depleted to drive safely—and in any case a federally mandated break is coming up, there are no good choices left.

It has been well-established that in many parts of the state and nation there is not enough truck parking for this segment of the workforce to do their jobs safely and legally. Practical solutions are complex, but the problem is not insurmountable. **The Keystone State, with its strategic position on major freight routes, must make decisive progress on this issue—for the safety of the motoring public and in support of the professional drivers who serve us all.**





ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

INTRODUCTION

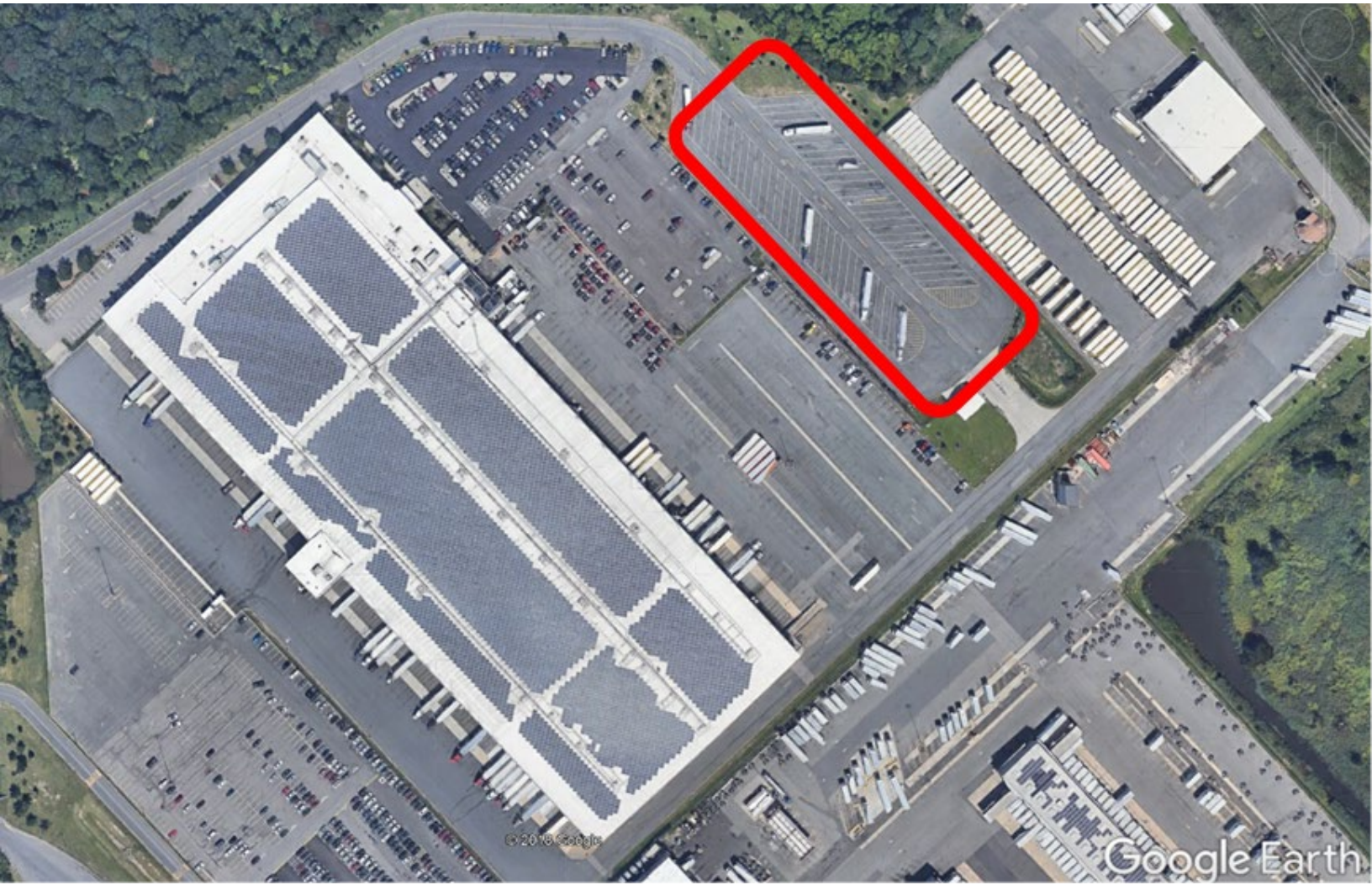
BACKGROUND

EXPANDING TRUCK PARKING: WHERE

EXPANDING TRUCK PARKING: HOW

CONCLUSION

APPENDIX



TRUCK PARKING IN PENNSYLVANIA Elements of Municipal Regulations



April 27, 2023

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Municipal Regulatory Elements to Address Truck Parking Needs

Introduction

Meeting the demand for truck parking is increasingly a concern at all levels of government. This guidance document outlines four targeted development provisions to comprehensively address the need for truck parking at or near the source of freight generation. More detailed background and national guidance is available from the Federal Highway Administration in the [Truck Parking Development Handbook](#) (September 2022).

Although the provision of truck parking facilities is not a core PennDOT responsibility, the availability of these facilities impacts transportation safety and freight mobility, in which both PennDOT and other state agencies have a major stake. State government can best support truck parking solutions as a convener and facilitator among the many organizations—public and private—that have a stake in this problem and potential solutions. In fact, effective solutions are likely only possible through a collaborative and systematic approach.

The following entities are among those with varied perspectives on the application of municipal regulatory provisions presented in this document:

- PennDOT’s Municipal Advisory Committee
- PennDOT’s Freight Work Group
- Local government associations
- County Planning Directors Association under the County Commissioners Association of PA (CCAP)
- PA Transportation Advisory Committee (TAC)
- PennDOT’s Districts/District Planners
- PA Department of Community and Economic Development (DCED)
- MPOs/RPOs
- PA Local Development Districts
- Pennsylvania State Police, including the PSP Motor Carrier Safety Enforcement Unit

This guidance document can be used as a starting point for Pennsylvania local governments to consider land use regulation changes to address truck parking.

Truck Parking Definition

Truck parking refers to a dedicated, secure facility where truck drivers can park a commercial vehicle during driver rest and/or delivery staging.

An on-site truck parking facility is a dedicated parking lot associated with a freight shipping and/or receiving facility that provides a safe and secure location for truck drivers to park their vehicles. The number of truck parking spaces and extent of amenities should correspond to the size of the facility and its operations.

Types of Truck Parking

There are three types of truck parking needs related to everyday trucking industry operations:

- Short-term driver stop (approximately 30 minutes to two hours) for restroom use, food break, etc.
- Longer-term driver rest (up to 24 hours) to meet [FMCSA hours-of-service rules](#).
- Staging for freight pick-ups or deliveries at commercial and industrial facilities.

A fourth type of truck parking need—emergency parking during road closures and travel disruptions—is not addressed in this guidance because it involves atypical and unpredictable truck operations.

Background:

Why Truck Parking Should be Addressed in Municipal Regulations

Trucks are vital to local industry and economic development: Tractor-trailers and similar commercial vehicles are the lifeblood of the local and regional economy, providing door-to-door transportation of raw materials, finished goods, and the stages of manufacture in between. Industrial development is especially reliant on trucks, and highway access is usually a prime consideration of developers and local governments through the municipal approval process. However, other accommodation for those trucks and their drivers is not always considered.

Trucks have specific parking needs: Trucks aren't always traveling on highways or docked at facilities to load or unload. Drivers may be awaiting a delivery appointment or an available dock at a local shipper or consignee. They may have just unloaded and be awaiting instructions from dispatch on their next load. They may also be juggling their schedule to follow the strict hours-of-service rules established by the Federal Motor Carrier Safety Administration (FMCSA), which require periodic short breaks and longer rest periods. The truck has to be parked, but where?

Truck stops and rest areas aren't enough: Commercial truck stops and public rest areas are not a complete solution. Particularly in areas with heavy industrial development, there are not enough truck stops or rest areas to meet demand, and the cost of real estate makes private development of additional or expanded truck stops cost-prohibitive. The nearest available facility might be 100 miles away, which is unworkable if drivers need to meet a tight delivery window in a congested area, and/or are required to have a rest period in the next 30 minutes. In many cases there is simply no safe, appropriate location to park the truck.

On-site truck parking can be an important part of the solution: Requiring freight-generating development to provide a basic staging area (a dedicated lot for trucks queued up to make deliveries to that facility), or in some cases truck parking facilities with greater capacity or amenities, allows efficient operations for local industry as well as trucking companies; improves safety for professional drivers and the general public; reduces congestion, miles traveled, and associated emissions; and encourages freight generators to bear more of the burden of their operations. This can be accomplished through modifying land use regulations.

Rather than offer prescriptive ordinance language that may not be applicable to the wide range of municipalities in Pennsylvania, the following table presents four aspects of truck parking that municipalities may want to consider when updating local ordinances.

Elements of Municipal Truck Parking Regulations

Element	Description	Rationale/Benefit	Guidance
A Truck Parking Supply/Demand Assessment	Provisions in the municipal Subdivision and Land Development Ordinance (SALDO) to require a truck parking assessment of proposed industrial land uses as a component of a traffic impact study.	Quantifies the existing truck parking supply and expected truck parking demand based on comparable operational use; informs specific truck parking requirements for the proposed facility.	Provisions should require documentation of: 1) Truck parking conditions and operations at an active industrial site similar to the proposed development; 2) Existing, truck parking spaces proximate to the proposed industrial site in nearby parking facilities, i.e., supply; 3) The total number of truck parking spaces needed to meet demand (see B); and 4) The net number of additional truck parking spaces required.
B On-site or Proximate Off-site Truck Parking Spaces	Provisions in the municipal zoning ordinance to require on-site truck parking spaces, or authorized use of spaces in a shared, off-site truck parking lot, for proposed industrial uses.	Accommodates truck parking for staging of scheduled deliveries at or near the delivery site without impact to public streets and highways. Provides security for drivers and loads.	The number of required truck parking spaces shall be scaled to the operational capacity of the proposed facility, e.g., one truck parking space per two loading bays, or size of the proposed facility, e.g., one truck parking space per 100,000 square feet gross floor area. Each space shall have sufficient maneuvering room to avoid conflicts with parking and traffic movements within and outside of the lot. No facility shall be designed or used in such a manner that it threatens a safety hazard, public nuisance, or a serious impediment to traffic off the lot. Each space and the needed maneuvering room shall be located entirely on the lot being served and be located outside of required buffer areas, paved area setbacks and street rights-of-way. Alternatively, a shared, off-site truck parking lot shall meet the same standards. Parking spaces shall be reserved for truck parking and shall not be utilized for trailer storage or other use.

continued next page

Element	Description	Rationale/Benefit	Guidance
<p><i>continued from previous page</i></p> <p>On-site or Proximate Off-site Truck Parking Spaces</p>			<p>A shared lot may be owned, managed, and maintained in a state of good repair (including winter maintenance) by a public or private entity. A public entity may establish fees for lot use.</p> <p>A shared, off-site lot shall be located within the industrial district or within 2 miles of the proposed facility, whichever is less. A longer maximum distance may be specified.</p> <p>Truck parking spaces or lot should at minimum be lighted, fenced, and gated. Additional security features may include security cameras, emergency phones, fire extinguishers, and defibrillators.</p>
C On-Site Driver Amenities	Provisions in the municipal zoning ordinance to require on-site driver amenities (essential facilities and comfort amenities) for industrial uses.	Provides essential facilities and comfort amenities for drivers during loading/unloading, staging, and parking.	<p>At minimum, driver amenities should include restrooms and drinking water. Optional amenities may include a lounge area, vending machines, and WiFi access.</p> <p>A full-service truck stop developed as part of a larger planned industrial park (see D) may include driver showers, laundry facilities, restaurant(s), fueling facilities, a convenience store, and other amenities at the discretion of the developer.</p>
D Long-term Truck Parking	Provisions in the industrial district of the municipal zoning ordinance to allow long-term, on-site parking per FMCSA hours of service regulations as a permitted-by-right use.	Accommodates truck parking for federally required driver rest periods in the interest of public safety.	Long-term truck parking would ideally be accommodated at facilities where driver amenities listed above in Item C are available. Options for this would include: (1) incorporating on-site amenities (a driver lounge with its own entrance separate from the employee access) at new industrial buildings, or (2) facilitating the development of a full-service truck stop as part of a larger master planned industrial park.

Other Considerations

1. **Coordination among local officials, planners, and county planning staff.** Coordination is encouraged for its mutual benefits:
 - a. Builds shared understanding of truck parking needs and county guidance.
 - b. Builds shared awareness of approaches in use across the county.
 - c. Contributes to consistency as required by the [Pennsylvania Municipalities Planning Code](#) (Section 301.4, Compliance by Counties) and potentially reduces review comments by the county planning agency to the local government (Section 504, Enactment of Subdivision and Land Development Ordinance).
2. **Ownership of shared truck parking lots.** Where public ownership and management of a shared truck parking lot is deemed desirable, any public entities with land and facility management responsibilities should be considered as potential owners. Examples, dependent on organizational structure and enabling legislation, could include:
 - a. Industrial Development Corporation
 - b. Economic Development Corporation
 - c. Municipal Parking Authority
 - d. Municipal Recreation Authority
 - e. Redevelopment Authority
3. **Development of shared truck parking lots adjacent to existing or new privately owned truck stop sites.** In areas of intensive industrial development activity, it may be feasible to address truck parking and staging needs for multiple industrial sites by developing new parking lots adjacent to existing retail sites (truck stops) with a wide range of amenities available to truck drivers. In many cases, the development cost for the parking is prohibitive for the private retail establishment owner, and the added truck parking spaces do not generate sufficient additional sales revenue to justify the substantial capital cost. In this scenario, a collaborative effort between a public entity that has access to outside funding (e.g., a federal grant through the USDOT, Appalachian Regional Commission, etc.) and the retail establishment owner can result in the cost-effective development of new truck parking capacity. This centralized parking arrangement adjacent to an existing retail site is generally preferable to dispersed parking at multiple industrial sites in an area for the following reasons:
 - a. Lower development cost per space.
 - b. Larger economies of scale for beneficial technology applications such as idle reduction technology and truck electrification.
 - c. Concentration of truck parking in locations where amenities are already available.
 - d. Minimizes noise, traffic, and other impacts to other areas of the community.

Existing truck stops with an adequate volume of parking located close to the Interstate Highway System can accommodate both long-term parking related to federal hours of service rules and staging for delivery to local industrial sites.
4. **State-Local Interface.** Strengthening communication and coordination between local governments and PennDOT, typically via the PennDOT District Planners, provides opportunities to share information, explore best practices, and draw upon technical assistance programs to put knowledge and experience into local practice.

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Addressing Municipal Challenges to Participating in Competitive Transportation Grant Programs



A study by the Pennsylvania Transportation Advisory Committee

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Acronyms

ANF.....	Allegheny National Forest	MTF.....	Multimodal Transportation Fund
ARC.....	Appalachian Regional Commission	NACo.....	National Association of Counties
BIL.....	Bipartisan Infrastructure Law	NADO.....	National Association of Development Organizations
CAGE.....	Commercial and Government Entity (code)	NCPRPDC...	North Central Pennsylvania Regional Planning and Development Commission
CCAM.....	Coordinating Council on Access and Mobility	NLC.....	National League of Cities
CCAP.....	County Commissioners Association of Pennsylvania	NTIA.....	National Telecommunications and Information Administration
CEDA.....	Chester Economic Development Authority	NTRPDC....	Northern Tier Regional Planning and Development Commission
CFA.....	Commonwealth Financing Authority	PDA.....	Pennsylvania Department of Agriculture
CIP.....	Capital Improvement Plan	PennDOT....	Pennsylvania Department of Transportation
DCED.....	Pennsylvania Department of Community and Economic Development	PFBC.....	Pennsylvania Fish and Boat Commission
DOI.....	U.S. Department of the Interior	PGC.....	Pennsylvania Game Commission
DVRPC.....	Delaware Valley Regional Planning Commission	PIB.....	Pennsylvania Infrastructure Bank
ECMS.....	PennDOT's Engineering and Construction Management System	PILOT.....	Payment in Lieu of Taxes (local)
EDA.....	U.S. Economic Development Administration	PILT.....	Payment in Lieu of Taxes (state or federal)
EIN.....	Employer Identification Number	PML.....	Pennsylvania Municipal League
FFY.....	Federal Fiscal Year	PSAB.....	Pennsylvania State Association of Boroughs
FTA.....	Federal Transit Administration	PSATS.....	Pennsylvania State Association of Township Supervisors
FY.....	State Fiscal Year	RPO.....	Rural Planning Organization
GCLGS.....	Governor's Center for Local Government Services	SB.....	Senate Bill
HB.....	House Bill	SPC.....	Southwestern Pennsylvania Commission
HRIS.....	Human Resources Information System	SRS.....	Secure Rural Schools
IJA.....	Infrastructure Investment and Jobs Act	TAC.....	Pennsylvania Transportation Advisory Committee
LDD.....	Local Development District	TASA.....	PennDOT Transportation Alternatives Set-Aside (grant program)
LTAP.....	PennDOT Local Technical Assistance Program	TIP.....	Transportation Improvement Program
MAP.....	DCED Municipal Assistance Program	U.S. DOT....	United States Department of Transportation
MOU.....	Memorandum of Understanding	USFS.....	United States Forest Service
MPC.....	Municipalities Planning Code		
MPO.....	Metropolitan Planning Organization		
MRI.....	Municipal Revitalization Index		

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Executive Summary

The increase in federal and state transportation funding through competitive grants poses significant challenges for Pennsylvania local governments—particularly for the municipalities most urgently in need of funding.

Study Purpose

The federal [Infrastructure Investment and Jobs Act](#) (IIJA), also known as the Bipartisan Infrastructure Law (BIL), makes available billions of dollars in much-needed new funding for U.S. transportation infrastructure. Approximately 40% of the IIJA/BIL funding is in the form of competitive discretionary grants. Similarly, the Commonwealth of Pennsylvania administers several competitive grant programs.

Many of Pennsylvania's 2,560 municipalities are at a disadvantage when competing for grant funding because they cannot afford matching funds. Further, preparing grant applications and administering grant funds requires specific technical expertise and significant staff time—many municipalities have neither.

The Pennsylvania Transportation Advisory Committee (TAC) conducted this study to examine the challenges associated with discretionary grants from both a local government and state government perspective, and to identify best practices and recommendations. The aim is to strengthen the competitive position of Pennsylvania's municipalities as they work to secure a share of federal and state grant funding to make vital transportation investments in our communities.

TAC attempted to strike a balance between local challenges and considerations and those of state government.

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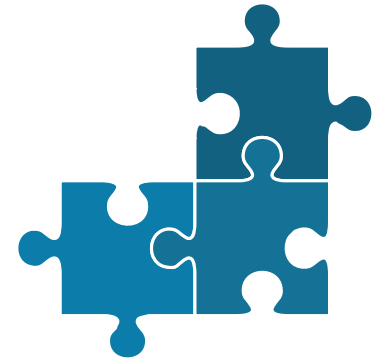


Methodology

The study was guided by TAC's Local Match Task Force, which provided direction and input at key milestones and through two task force workshops. Members are listed in the Acknowledgements section.

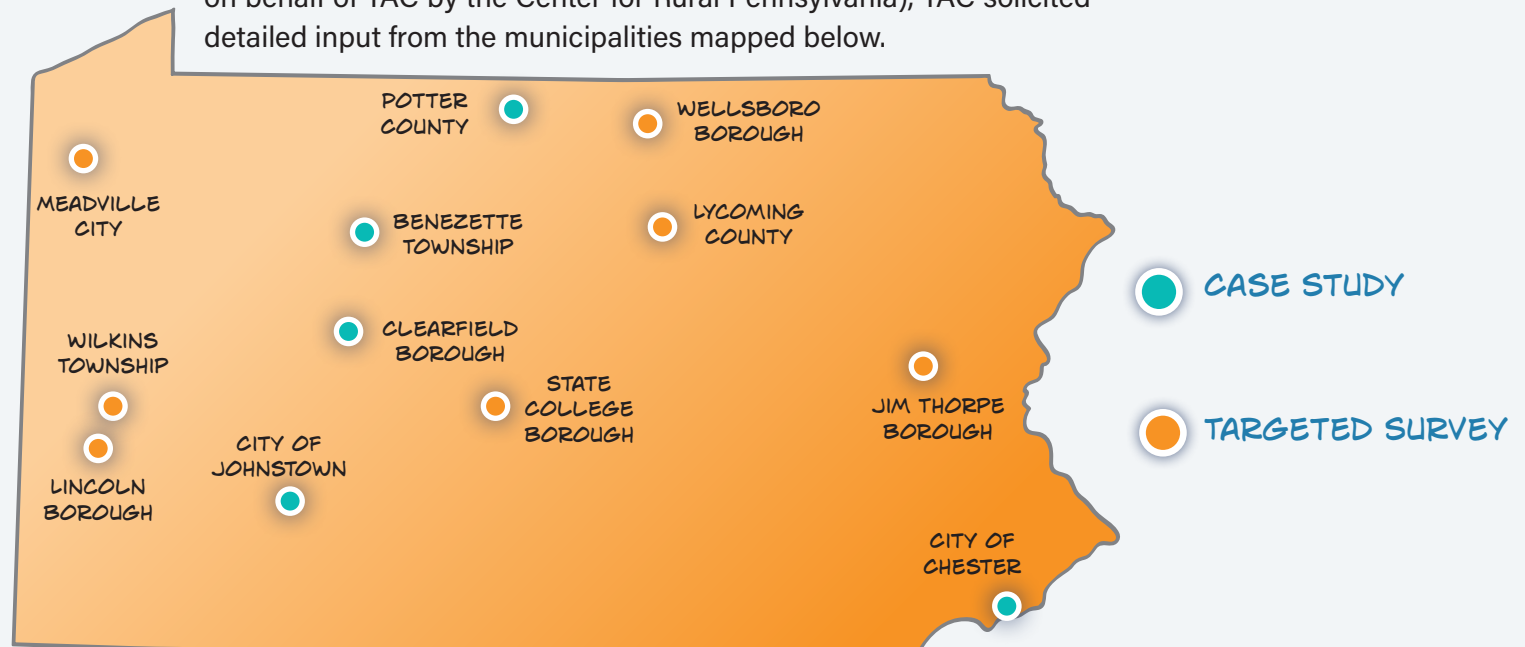
The data collection and analysis elements of the study included:

- Municipal outreach
 - › Statewide survey
 - › Case studies
 - › Targeted surveys
- Stakeholder interviews with grant program administrators
- National research



A BALANCED, STATEWIDE APPROACH

In addition to a statewide survey with 718 respondents (administered on behalf of TAC by the Center for Rural Pennsylvania), TAC solicited detailed input from the municipalities mapped below.



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Findings

- A. Match requirements are stringent.
- B. Application processes are complex.
- C. Grant application windows are short.
- D. Grant notices are easy to miss.

GRANT
REQUIREMENTS

- E. Many municipalities have large amounts of tax-exempt or tax-discounted real estate.
- F. Many county tax assessments are outdated.
- G. Revenue from some funding sources is limited by population density.
- H. The industrial and commercial tax base is declining in many areas of the state.
- I. Socioeconomic trends diminish the fiscal capacity of local governments.
- J. Municipal expenses are increasing.

MUNICIPAL
FINANCIAL
CONSTRAINTS

- K. Lack of in-house technical capacity is common and multi-municipal cooperation must be strengthened.
- L. Local governments often lack capital improvements planning.

MUNICIPAL
CAPACITY
CONSTRAINTS

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Recommendations

1. Adopt flexible match policy for state grants and modify program guidelines.
2. Consider local match waiver options.
3. Establish a state program to match federal grants.
4. Seek private-sector and non-profit match support.
5. Establish a local match revolving loan fund.

MATCH

6. Promote and incentivize multi-municipal cooperation.
7. Build local capacity through technical assistance.

CAPACITY

8. Consider property tax modifications.
9. Adopt additional municipal taxes or fees.
10. Encourage county-implemented transportation funding initiatives.

BUDGET

Implementing the proposed recommendations would require a concerted, accelerated effort to maximize opportunities for municipal success in applying for and receiving IJA/BIL funding, which is only available through FFY 2026.

TAC recommends that a Local Match Task Force be established to develop an Action Plan based on this study.

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Introduction

Approximately 40% of the federal IJJA/BIL transportation funding is in the form of competitive discretionary grants.

Many of PA's municipalities are at a disadvantage when competing for grant funding.

Background

The federal [Infrastructure Investment and Jobs Act](#) (IJJA), also known as the Bipartisan Infrastructure Law (BIL), makes available billions of dollars in much-needed new funding for transportation infrastructure for all modes, including roads and bridges. This is especially opportune for Pennsylvania with its vast and aging transportation system.

Approximately 40% of the IJJA/BIL funding is in the form of competitive discretionary grants (the remainder is provided on a formula basis). Similarly, the Commonwealth of Pennsylvania administers several competitive grant programs. Many of Pennsylvania's 2,560 municipalities are at a disadvantage when competing for grant funding because they cannot afford matching funds. Further, preparing grant applications and administering awarded grant funds is labor-intensive—an especially onerous hurdle for smaller and rural municipalities. Grants are highly competitive and require technical expertise and grant-writing capabilities that many communities do not have in-house—nor can they afford to hire consultants for such services.

In short, the increase in federal and state transportation funding through competitive grants poses significant challenges for Pennsylvania local governments—including the municipalities most in need of funding. The challenge is also felt at the state level. To compete for federal funding, PennDOT must invest heavily in grant preparation and management and must provide non-federal matching funds.

Recognizing the pressures on both state and local government, TAC pursued a balanced approach in conducting this study to consider both the needs of municipalities and the constraints of state government.

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Study Objectives

This study on transportation discretionary grant challenges was guided by the following objectives:



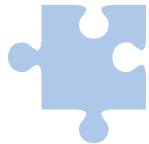
To identify **state constraints** limiting flexibility in waiving or reducing local match.



To understand the challenge that municipalities with an inordinate share of **tax-exempt real estate** face and how that challenge relates to local match.



To understand how **municipal capacity** affects the ability to apply for and manage grant funding.



To identify **best practices** nationally—as well as those in place in Pennsylvania—for consideration or adaptation to Pennsylvania’s local government needs.



To develop **recommendations** for assisting municipalities in meeting local match requirements for transportation projects.

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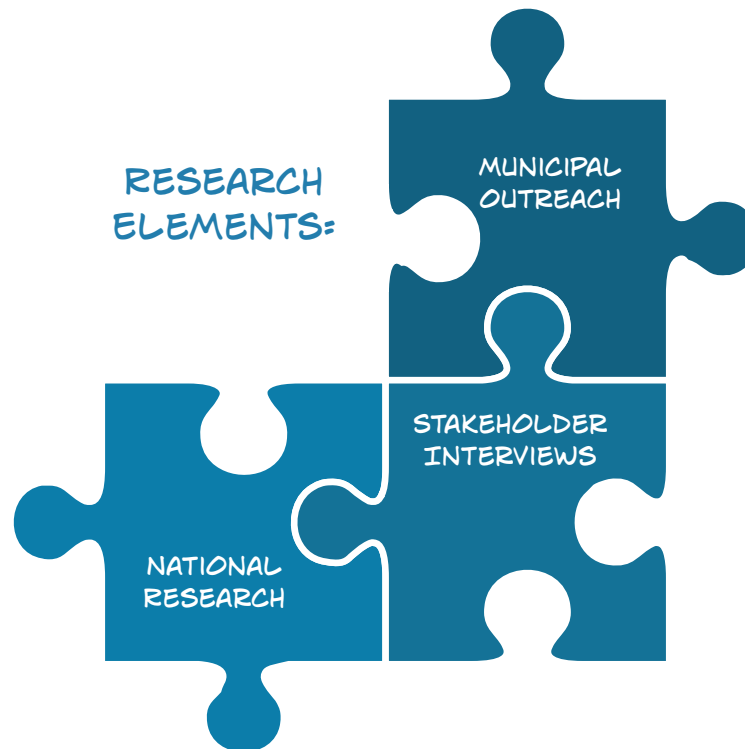
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Methodology

The study was directed by TAC's Local Match Task Force (members are listed in the Acknowledgements section). The Task Force helped define the problem and provided input on study tasks. The Task Force participated in two major workshops. At the first workshop, the Task Force discussed the wide range of issues and challenges associated with grant funding and local match. The second workshop solicited Task Force input on draft findings and potential recommendations.

The data collection and analysis elements of the study included municipal outreach, stakeholder interviews, and national research. Each is described on the following pages.



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Municipal Outreach

To ensure broad input from local governments, municipal outreach followed a three-pronged approach by conducting a **statewide survey, case studies, and targeted surveys**. Pennsylvania's myriad units of local government vary greatly in terms of population, geography (urban, rural, suburban), financial capacity, and other factors that bear on their ability to match federal and state grants.

Municipalities were selected for case studies and targeted surveys based on suggestions from Task Force members and local government associations, including:

- Center for Rural Pennsylvania
- North Central Pennsylvania Regional Planning & Development Commission
- Pennsylvania Department of Community and Economic Development (DCED)
Governor's Center for Local Government Services (GCLGS)
- Pennsylvania Municipal League (PML)
- Pennsylvania State Association of Boroughs (PSAB)
- Pennsylvania State Association of Township Supervisors (PSATS)

The following factors were also considered:

- Known or anticipated local funding match challenges or best practices;
- Local government class;
- Geographic distribution across Pennsylvania; and
- The potential for best practices that could be applied to similar Pennsylvania municipalities.

The intent was to include a cross-section of municipalities. TAC sought to learn directly from the varied experiences of local and state government as the foundation for its findings and recommendations.

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Statewide Survey

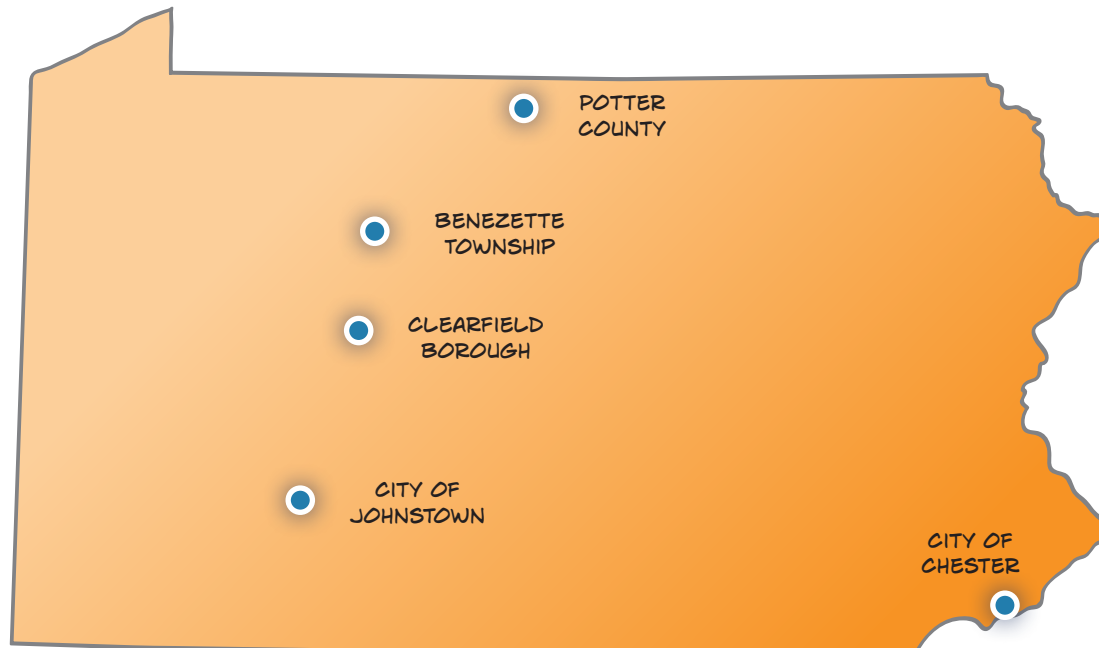
The Center for Rural Pennsylvania, on behalf of and in cooperation with TAC, administered a statewide survey sent to all Pennsylvania local governments.¹ Feedback from 718 respondents provided data about municipal challenges related to transportation funding programs.

Case Studies

The case studies included an analysis of a municipality's capacity to fund transportation infrastructure and services as well as the existing demographic, land use, and fiscal conditions that affect the ability to apply for and secure local funding match. Participants included:

- Benezette Township, Elk County
- City of Chester, Delaware County
- Clearfield Borough, Clearfield County
- City of Johnstown, Cambria County
- Potter County

Information from each of these municipalities is referenced throughout the study and individual case studies are included in the Appendix.



The Center for Rural Pennsylvania administered a statewide survey of local governments. A total of 718, or 28%, of Pennsylvania local governments representing 66 counties responded.

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¹ The municipalities selected for a case study or targeted survey were not included in the statewide survey.

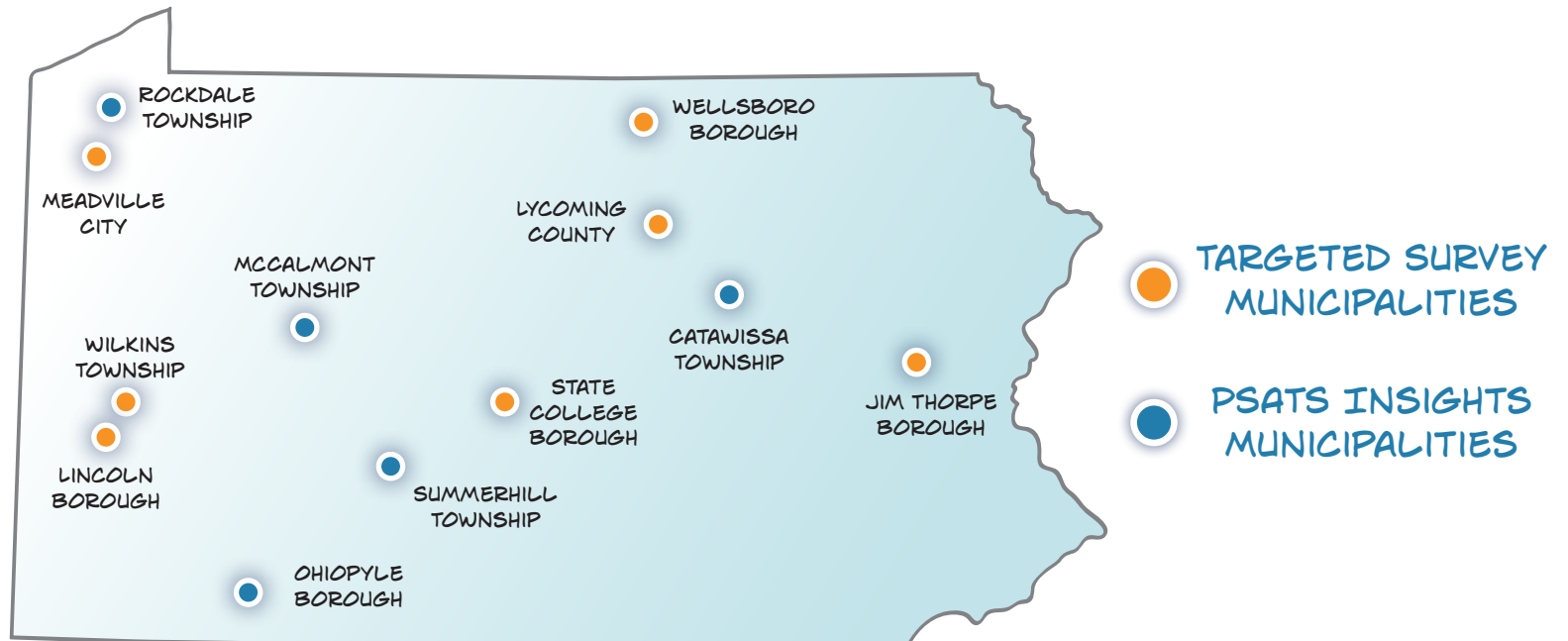
Targeted Survey

The targeted survey collected detailed information on municipal transportation funding challenges, particularly in applying for and matching funding. Targeted surveys also solicited best practices used to fund transportation improvements. The following municipalities participated:

- Jim Thorpe Borough, Carbon County
- Lincoln Borough, Allegheny County
- Lycoming County
- Meadville City, Crawford County
- State College Borough, Centre County
- Wellsboro Borough, Tioga County
- Wilkins Township, Allegheny County

In addition, PSATS provided insights on the transportation challenges of five municipalities:

- Catawissa Township, Columbia County
- McCalmont Township, Jefferson County
- Ohiopyle Borough, Fayette County
- Rockdale Township, Crawford County
- Summerhill Township, Cambria County



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The TAC aimed to analyze this subject in a balanced way that considered both the needs of local government and the constraints and responsibilities of state government.

Stakeholder Interviews

The administrators of the transportation grant programs listed below were interviewed to capture the state-level perspective. The TAC deemed it important to analyze this subject in a balanced way that considered both the needs of local government and the constraints and responsibilities of state government.

- PennDOT Green Light-Go
- PennDOT Multimodal Transportation Fund
- PennDOT Transportation Alternatives Set-Aside (TASA)
- Commonwealth Financing Authority (CFA) Multimodal Transportation Fund
- DCED Appalachian Regional Commission (ARC) Allocation

National Research

Information on national-level trends and issues pertaining to local match and capacity was obtained from the National Association of Counties (NACo), the National Association of Development Organizations (NADO), and the ARC. Both NACo and NADO provided insights on organizations and agencies addressing local match and capacity and specific states that are effectively addressing the challenge.

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Current Situation

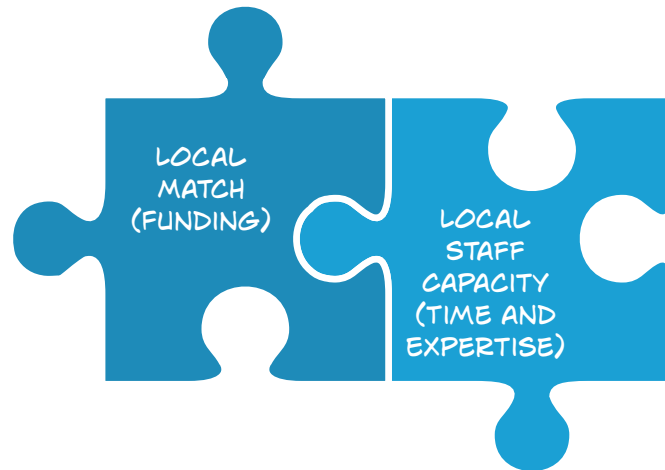
What is Local Match?

Local match for the purposes of this study can be understood as a cash or in-kind contribution a grant applicant is required to contribute toward a project funded by a state or federal grant.

For public transportation projects in Pennsylvania, local match is usually provided by a municipality (either a county, city, borough, township, municipal authority, or school district), a council of government, non-profit economic development organization, or a public transportation agency.

This study analyzes local match required by municipalities (defined as counties, cities, boroughs, and townships) to compete for transportation funding. It also addresses local capacity, which is linked to local match. Beyond having cash or in-kind contributions in place, applicants need available staff (or financial resources to contract for services) to assess funding opportunities, develop and submit grant applications, and manage any grant awards in compliance with program requirements.

TO COMPETE FOR A GRANT, A
MUNICIPALITY NEEDS:



Local match is a cash or in-kind contribution a grant applicant is required to contribute toward a project funded by a state or federal grant.

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National Observations

Nationally, several organizations have indicated that lack of local match and limited local government capacity thwart applications for needed funding. This section outlines the programs, initiatives, and legislation that are underway at the national and state levels to address the challenges local governments face in matching and applying for federal funding. It is worth noting that many of these efforts across the nation are a recent response to local concerns.

Local Match and Capacity are a Challenge Nationally

The passage of IIJA/BIL with its competitive grant funding has shed light on the challenges many local governments face in securing local match and applying for funding. Bruce Katz of Drexel University's Nowak Metro Finance Lab underscores local concerns that federal funding will be unevenly awarded because smaller communities or communities lacking financial resources do not have the capacity to prepare winning grant applications. He states, "There's a complete mismatch between the capacity that the federal government assumes and what actually exists." Katz notes that entities with the professional infrastructure in place—such as experienced local government officials, planners, engineers, business leaders, community organizations, and foundations—can prepare winning applications. "However, the unintended consequence is that those communities with low capacity will not be competitive and will fall further behind their counterparts with more capacity."

A coalition including NACo, the National League of Cities (NLC), and others representing the nation's counties, cities, and government finance officers sent [correspondence to the White House Office of Management and Budget](#) in March 2023. The correspondence requested reducing local government administrative burdens through policy and procedure reforms associated with federal agency grants and agreements. Recommendations suggested by the coalition included:

- Simplifying requirements based on entity size.
- Reducing local government confusion by simplifying the codes required by federal agencies (e.g., CAGE Code, Unique Entity ID, Federal EIN numbers).
- Using plain-language instruction for the layman whenever possible.
- Extending timelines to accommodate local governments' due process.
- Streamlining application processes.

“...communities with low capacity will not be competitive and will fall further behind their counterparts with more capacity.”

~ Bruce Katz
Drexel University
Nowak Metro Finance Lab

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National organizations have supplied data verifying that a capacity problem exists, particularly for rural² communities. Headwaters Economics, an independent, non-profit research organization that works to improve community development and land management decisions, developed the [Rural Capacity Index](#) and accompanying map to identify communities across the U.S. with limited capacity to access climate resilience funding. The index quantifies the capacity of communities on a scale ranging from 0 (low capacity) to 100 (high capacity) by analyzing indicators such as location in a metropolitan area, local planning and educational capacity, broadband access, and socioeconomic conditions.

Headwaters Economics suggests improving local capacity by:

- **Providing direct funding.** Eliminate competitive grants and provide formula funding for lower-capacity communities that lack the resources and expertise to apply for and administer grant funds.
- **Improving access to competitive grants.** Allow funding to be used for staff capacity by hiring new staff and technical assistance, eliminate or reduce match requirements, and revise requirements for benefit-cost analyses, which are expensive and can often undervalue the benefits of projects in lower-capacity and lower-income communities.
- **Funding technical assistance.** Technical assistance programs provide expertise to identify, design, and implement projects and develop grant proposals.
- **Increasing funding for multi-jurisdictional projects.** Reward regional projects that leverage urban-rural partnerships and those benefiting low-capacity communities. This may require investment in regional institutions and organizations that can help coordinate resources and prioritize projects.
- **Addressing root problems.** Strengthen policies that encourage economic diversification to help communities generate predictable local revenue needed for infrastructure and adaptation.

Another national non-profit, the Aspen Institute Community Strategies Group, developed a [Thrive Rural Framework](#) aimed at attaining equitable rural prosperity. A foundational element of the framework is to identify and eliminate ongoing practices that have disadvantaged rural communities based on place, race, and class.

²A municipality is considered "rural" when its population density is less than the statewide density of 284 persons per square mile, or the total population is less than 2,500, unless more than 50 percent of the population lives in an urbanized area as defined by the U.S. Census Bureau. All other municipalities are considered "urban."

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Significant Technical Assistance Exists

Varied technical assistance, information, and resources have been developed for communities by federal and state agencies and national advocacy organizations since IIJA/BIL was signed into law in November 2021. The level of effort and amount of available technical assistance indicates some understanding of the capacity challenges discussed above.

Table 1: Existing IIJA/BIL Grant Application Resources

Organization/Agency	Technical Assistance
The White House	<ul style="list-style-type: none"> Developed the White House Guidebook to provide cost-share information for programs under BIL for applicants and partners. Developed the Bipartisan Infrastructure Law Rural Playbook to help rural communities understand available BIL funding, including rural set-asides and flexibility and other benefits for rural communities.
U.S. DOT	<ul style="list-style-type: none"> Prepared the Justice 40 Non-Federal Match Flexibility website identifying U.S. DOT funding programs with non-federal match flexibility.
Federal Transit Administration (FTA)/ Coordinating Council on Access and Mobility (CCAM)	<ul style="list-style-type: none"> Prepared the Federal Fund Braiding Guide which defines how funds from one federal program can be used to match another.
PennDOT	<ul style="list-style-type: none"> Developed an IIJA Grant Funding website including funding opportunities and a Guide for Developing Grant Proposals. Through PennDOT Connects, conducted 2023 Municipal Outreach Sessions (in-person and online meetings) that included an overview of IIJA grant opportunities and available support.
National League of Cities (NLC), U.S. Conference of Mayors, and others	<ul style="list-style-type: none"> Developed a Local Infrastructure Hub providing technical assistance, including Grant Application Bootcamps. Posted articles and online content providing advice on securing local match.
National Association of Counties (NACo)	<ul style="list-style-type: none"> Published a catalog of funding opportunities and summaries of open and upcoming funding opportunities.
National Association of Development Organizations (NADO)	<ul style="list-style-type: none"> Developed Funding Mechanisms for Public Transportation: A Review of Local Match Practices and Public-Private Partnerships to assess local match for transit projects.

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States are Providing Local Match Dollars for Federal Grants

To assist with the challenges their local governments are facing in meeting federal match requirements, a few states have passed legislation and developed policy and programs providing the needed cash match for local governments to apply for federal funding.

Arizona

The Arizona Commerce Authority will administer the \$23 million [Rural Broadband Accelerated Match Fund](#) enacted in May 2023. Rural communities will apply for the funding to match the U.S. Department of Commerce's National Telecommunications and Information Administration (NTIA) Broadband Equity, Access, and Deployment Program.



Colorado

The Colorado General Assembly passed the Infrastructure Investment and Jobs Act Cash Fund in June 2022, allocating \$80 million in state general funds for the local match support required by IIJA. Of that amount, \$60 million was appropriated in state Fiscal Year (FY) 2022-23. A total of \$6 million (10%) was allocated to the [IIJA Local Match Program](#) to be used by local governments to meet the non-federal match requirement when applying for an IIJA grant program. The state local match program is open to counties, municipalities, Special Districts, and federally recognized tribes.



The program's application [scoring matrix](#) assesses criteria such as alignment with state-level priorities, need, equitable impacts, workforce/job creation, and shovel-ready status to help state officials rank applications.

Minnesota

In April 2023 the Minnesota State Legislature enacted the [Minnesota State Competitiveness Fund](#) which will provide non-federal matching funds for local governments applying for energy-related IIJA and federal Inflation Reduction Act grant opportunities. The \$156 million Minnesota State Competitiveness Fund includes:

- \$140 million for matching federal funds.
- \$13.75 million for grant development assistance through the state's Regional Development Commissions.
- \$1.5 million for information system development to support the fund program.
- \$750,000 for required reports and audits through 2035.



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Table 2: Top Five States in Number of Municipalities

State	Number of Municipalities	Rank in U.S.
Illinois	2,726	1
Minnesota	2,633	2
Pennsylvania	2,560	3
Ohio	2,239	4
Kansas	1,890	5

The program will help the large number of Minnesota local governments. Minnesota is second to Illinois in having the most local governments in the nation. Pennsylvania is number three³ (Table 2).

State Programs are Adopting Flexible Match Policies

State programs are responding to local government match challenges by adopting flexible local match policies to help rural and lower-income communities compete for much-needed grant funds. Two examples follow, one from Pennsylvania and the other from New Jersey.

Pennsylvania

Under the Commonwealth Financing Authority Multimodal Transportation Fund administered by DCED ([CFA MTF](#)), municipalities are not required to provide the program's 30% match per a provision in Pennsylvania's 2017 fiscal code (Act 44 of 2017) and enacted each year since through the state's fiscal code. In addition, the state's fiscal code allows PennDOT's Secretary to waive local match for the PennDOT MTF for good cause⁴ for municipal applicants. SB 760, referred to the Senate Appropriations Committee in June 2023, would extend the municipal match waiver requirement until December 31, 2024.



³U.S. Census Bureau, 2017 Census of Governments. Released October 29, 2019. Accessed June 12, 2023, at: <https://www.census.gov/data/tables/2017/econ/gus/2017-governments.html>.

⁴The state fiscal code allows a local match waiver at the Secretary's discretion for good cause if the applicant for assistance is a municipality, but does not specify what "good cause" is.

PA DCED's Single Application for Assistance and the reimbursement process have each been streamlined.

The CFA MTF program does not require a match waiver process and less than 5% of municipal applicants provide a 30% match. Projects are evaluated on factors such as community economic conditions, public safety, and job creation potential.

DCED's Single Application for Assistance, the online application tool used by the CFA, has been streamlined, as has the reimbursement process. The improvements help grantees with funding administration. Several smaller municipalities use PennDOT's Municipal Service Specialists to help with the application.

New Jersey

The [Boardwalk Preservation Fund](#) is a new \$100 million program of the New Jersey Department of Community Affairs, established for repairing and rebuilding boardwalks along the New Jersey shore.

Local match is 5% and some municipalities are exempt from the local match requirement based on their [Municipal Revitalization Index](#) (MRI) ranking. The MRI is New Jersey's official measure and ranking of municipal distress using eight indicators measuring diverse aspects of social, economic, physical, and fiscal conditions. The MRI is a factor in distributing certain need-based funds. This example underscores a low matching requirement and an objective basis for match waiver.



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Community Capacity-Building is a Priority

Several federal agencies have established programs that complement IJA/BIL by improving community capacity—making technical expertise and qualified personnel available to strengthen the ability of local governments to apply for and manage grant awards. States like Pennsylvania are also working on solutions to address capacity.

Table 3: Existing Capacity-Building Programs

Agency/Program	Description
<p align="center">U.S. DOT/ Thriving Communities Program</p>	<ul style="list-style-type: none"> ▪ The Thriving Communities program funds Cooperative Agreements with Capacity Builders to provide planning, technical assistance, and capacity-building support to disadvantaged and under-resourced communities. ▪ The program will facilitate infrastructure projects to increase mobility, reduce pollution, and expand affordable transportation options. ▪ The program requires no local match. U.S. DOT funds up to 100% of the eligible project costs provided by Capacity Builders. ▪ Capacity Builders were selected to provide support in three Communities of Practice: Main Streets, Complete Neighborhoods, and Networked Communities. ▪ Chester Economic Development Authority and the Borough of Pottstown were selected as FFY 2022 program community recipients under Networked Communities. Networked communities are located near ports, airports, freight, and rail facilities. Capacity Builders will focus on addressing mobility, access, housing, environmental justice, and economic issues to improve wealth-building and economic development opportunities. ▪ Twelve additional Pennsylvania communities were identified as Runners Up in FFY 2022—communities that submitted eligible Letters of Interest but were not selected to receive support due to a high level of program interest. The 2023 program round closed in November 2023.
<p align="center">U.S. DOT/ Rural and Tribal Assistance Pilot Program</p>	<ul style="list-style-type: none"> ▪ Prepared the Justice 40 Non-Federal Match Flexibility website identifying U.S. DOT funding programs with non-federal match flexibility.

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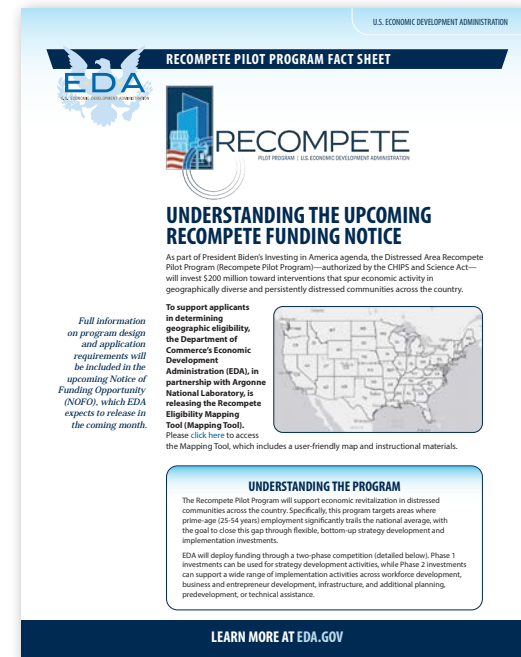
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Agency/Program	Description
<p>Appalachian Regional Commission (ARC)/ <u>READY Appalachia</u></p>	<ul style="list-style-type: none"> ▪ READY Appalachia is a community capacity-building initiative providing funding to prepare Appalachia communities for economic growth and identifying, accessing, and implementing federal funding through IJJA and other funding sources. ▪ Funding is available to four types of organizations: READY Local Development Districts (LDDs), READY Non-profits, READY Local Governments, and READY Foundations. ▪ According to DCED, Pennsylvania LDDs did not apply for READY LDDs funding because DCED through its ARC allocation provided \$200,000 in PA Area Development funding to assist each LDD with capacity-building. ▪ Funding was distributed in state fiscal years 2022-23 and 2023-24 for LDDs to provide increased technical assistance to municipalities and other eligible entities in applying for state and federal funds. ▪ LDDs have been encouraged to develop a sustainable model to continue the provision of municipal technical assistance. ▪ In August 2023, The Learning Lamp in Johnstown received a READY Non-profit award to purchase and implement a new Human Resources Information System (HRIS).
<p>Pennsylvania General Assembly/ <u>DCED Municipal Grant Assistance Program</u></p>	<ul style="list-style-type: none"> ▪ A bill introduced in Pennsylvania’s 2023-24 legislative session would create a Municipal Grant Assistance Program within DCED. ▪ The program outlined under HB 1216 would provide municipal grant-writing training, connect professional grant writers with municipalities to provide services, and provide funding for municipalities to secure professional grant-writing assistance. ▪ The proposed legislation responds to the challenges many municipalities face due to lack of expertise and resources to prepare effective grant applications. ▪ The bill was referred to the Senate Community, Economic, and Recreational Development Committee for consideration in July 2023.

Beyond capacity-building, the U.S. Economic Development Administration's (EDA's) Recompete Pilot Program seeks to promote economic development and increase population in "geographically diverse and persistently distressed communities across the country." The pilot program targets areas where "prime age" (25–54 years) employment lags behind the national average.⁵ Several Pennsylvania communities were eligible to apply per the [Recompete Eligibility Mapping Tool](#) developed for the pilot program.

According to the Brookings Institution the pilot program needs to effectively leverage both place-based and people-based strategies, which is challenging in the targeted areas with limited local government staff and financial resources.⁶

Applications have been prepared and submitted for several eligible areas in Pennsylvania, including in the Northwest, Southwest, and North Central areas of the state. Awards will be announced in early 2024.



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⁵ U.S. Economic Development Administration Recompete Pilot Program Fact Sheet. Accessed 10/20/23 at: https://www.eda.gov/sites/default/files/2023-06/EDA_Recompete_Pilot_Program_Fact_Sheet.pdf

⁶ Brookings Institution, Will EDA's Recompete Pilot Program reach rural America?, October 4, 2023. Accessed: 10/20/23 at: <https://www.brookings.edu/articles/will-edas-recompete-pilot-program-reach-rural-america/>

State Stakeholder Interviews

Program administrators for several Pennsylvania transportation funding programs were contacted to discuss local match requirements, constraints, and potential considerations for program improvement. The interviews confirmed that several Pennsylvania transportation grant programs have been modified in recent years to address local government match and to improve the application process.

Pennsylvania Green Light-Go

Pennsylvania Green Light-Go provides grant funding to improve municipal traffic signals. In general, municipalities with greater financial capacity have more resources to maintain traffic signals. The total statewide Green Light-Go allocation varies annually.

- **Match Reduction** – Act 101 of 2016 reduced the program’s local match from 50% to 20%. Future legislation would be required for further match modifications.
- **Timelines and Lapsing Funds** – The program’s annual calendar and the need to sync with the state fiscal year has resulted in extra complexity for grant recipients and program staff to ensure funds do not lapse.
- **Scaling Match Requirements** – Consideration could be given to modifying the program’s guidelines to grade or scale municipal matching requirements based on financial, location, or capacity factors.
 - › Larger municipalities have the capacity to manage larger signal projects and tend to be awarded \$1 million or more in funds.
 - › Smaller municipalities do not have as many signals but replacing one signal may cost \$400,000 or more, and they are unable to provide the local match.
- **Municipal Official Turnover** – Smaller municipalities experience more frequent turnover, which hinders project completion. One group of supervisors may have had a vision for a project; however, a new group of elected officials may not see the project as a priority.

Several Pennsylvania transportation grant programs have been modified in recent years to address local government match challenges and simplify the application process.

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PennDOT Multimodal Transportation Fund

PennDOT's Multimodal Transportation Fund (MTF) was enabled through Act 89 of 2013. Funding for improvements for any mode of transportation require a local match and is reimbursement-based. Investments are made to improve transportation assets to enhance communities, pedestrian safety, and transit revitalization. As noted above and per the annually adopted State Fiscal Code, PennDOT's Secretary may waive the 30% local match for good cause for municipal applicants.

Program guidelines could potentially be modified to:

- Address distressed communities.
- Reduce local match or provide a sliding scale for local match.

Commonwealth Financing Authority Multimodal Transportation Fund

The Pennsylvania Commonwealth Financing Authority (CFA) Multimodal Transportation Fund (MTF) is administered by DCED. Each year since 2017, the state's fiscal code has allowed the program's 30% local match to be waived for municipal applicants.

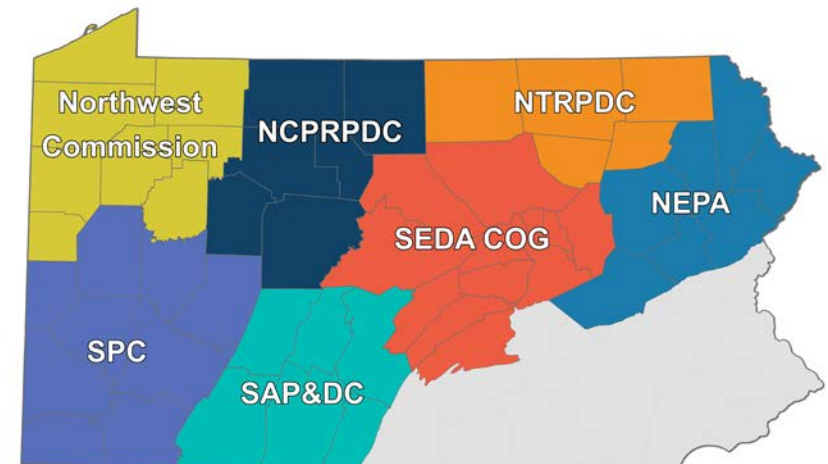
- Less than 5% of municipal applicants provide the 30% match.
- Projects are evaluated on municipal-specific economic conditions, public safety mitigation, and job creation factors.
- DCED Single Application, the online tool used by applicants to submit for agency funding, has been modified and the reimbursement process has been streamlined.

PA Appalachian Regional Commission Allocation

Pennsylvania's ARC annual allocation is administered by the DCED Technology & Entrepreneurship Deputate. DCED has been working with Pennsylvania's seven LDDs (Figure 1) to improve municipal capacity to apply for funding.

- **Capacity-Building Funding** – Pennsylvania Area Development Funding of \$200,000 has been provided to each LDD for capacity-building.
- **Sustaining Capacity** – LDDs are being encouraged to develop sustainable models for municipal technical assistance within their region.

Figure 1: PA's Local Development Districts



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Statewide Survey

Overview

The Center for Rural Pennsylvania partnered with the TAC to develop and administer a statewide survey of Pennsylvania local governments. The Center for Rural Pennsylvania grouped survey results into two categories based on the number of full-time municipal employees: zero to three, and four or more. Four was a logical breaking point because:

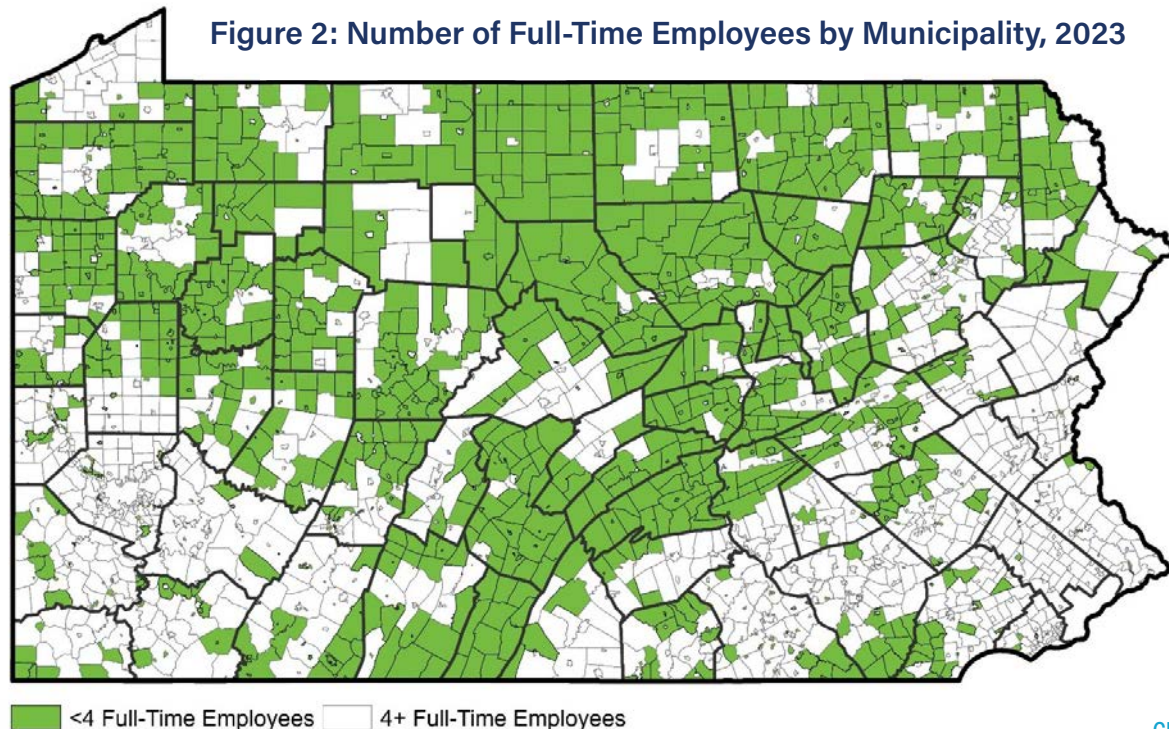
- The median number of full-time employees from survey responses was 3.0.
- Municipalities with zero to three full-time employees generally had different survey responses than those with four or more employees. Smaller municipalities reported

a greater need for technical assistance and local match assistance.

- There are notable financial and population differences between municipalities with zero to three employees and those with four or more employees.

Figure 2 illustrates the geographical locations of local governments with a smaller vs. larger number of full-time employees. As would be expected, local governments with a smaller number of employees are concentrated in Pennsylvania's rural areas and those with a larger number of employees tend to be in urban and suburban locations.

Figure 2: Number of Full-Time Employees by Municipality, 2023



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Table 4 demonstrates the financial and population differences between the municipalities based on the number of full-time employees, excluding Philadelphia and Pittsburgh. Of note is the average number of full-time employees in smaller municipalities (1.0) versus municipalities with more than

four employees (27.3), signaling potential capacity issues for smaller municipalities applying for transportation funding. Smaller municipalities have higher highway expenditures as a percentage of total expenditures (41% vs. 14%), resulting in fewer dollars available to address municipal needs beyond transportation.

Table 4: Financial and Population Data by Number of Municipal Employees

	Municipalities with <4 Full-time Employees	Municipalities with 4+ Full-Time Employees (excludes Philadelphia & Pittsburgh)
Number of Municipalities	1,298	1,260
Average Municipal Population, 2021 ^(a)	1,071	7,719
Average Number of Part-Time Employees ^(b)	1.0	2.73
Full-Time Employees per 1,000 Residents	0.9	3.5
Average Miles of Roadway, 2023 ^(c)	16.5	38.6
Average Expenditure for Highways, 2021 ^(b)	\$525,100	\$1,206,600
Highway Expenditure as a Percentage of Total Expenditures, 2021 ^(b)	41%	14%
Highway Expenditure per Capita, 2021 ^(b)	\$198	\$158

Data Sources:

(a) U.S. Census Bureau 2021 Population Estimates

(b) Pennsylvania Department of Community and Economic Development; Governor’s Center for Local Government Services

(c) PennDOT

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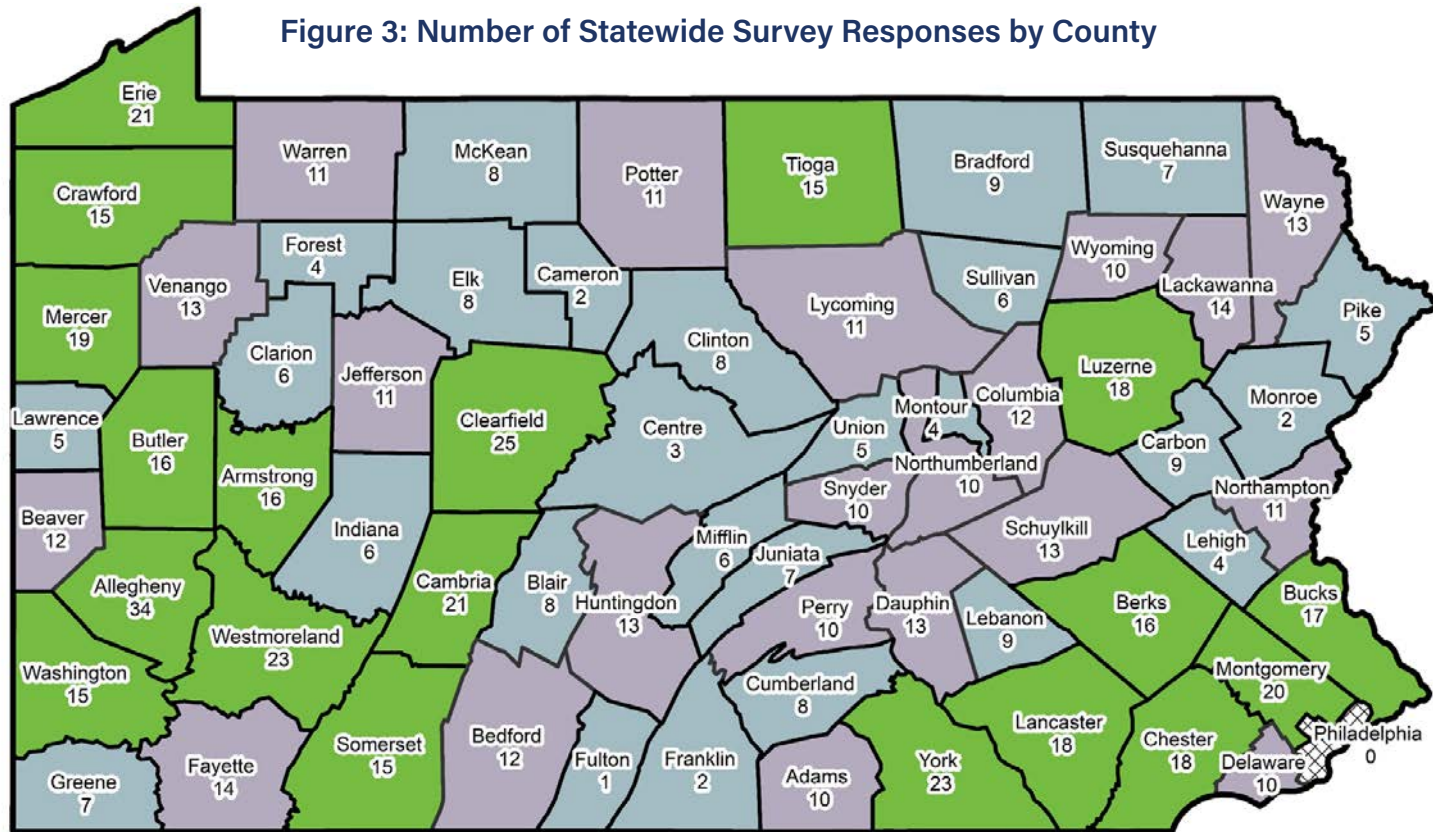


Survey Results

28% Response Rate

A total of 718 (28%) of local governments completed the survey. Responses by county are shown in Figure 3. Responses were received from local governments in 66 counties with over 50% of local governments in Elk, Erie, and Clearfield counties participating.

Figure 3: Number of Statewide Survey Responses by County



Final Number of Responses = 758



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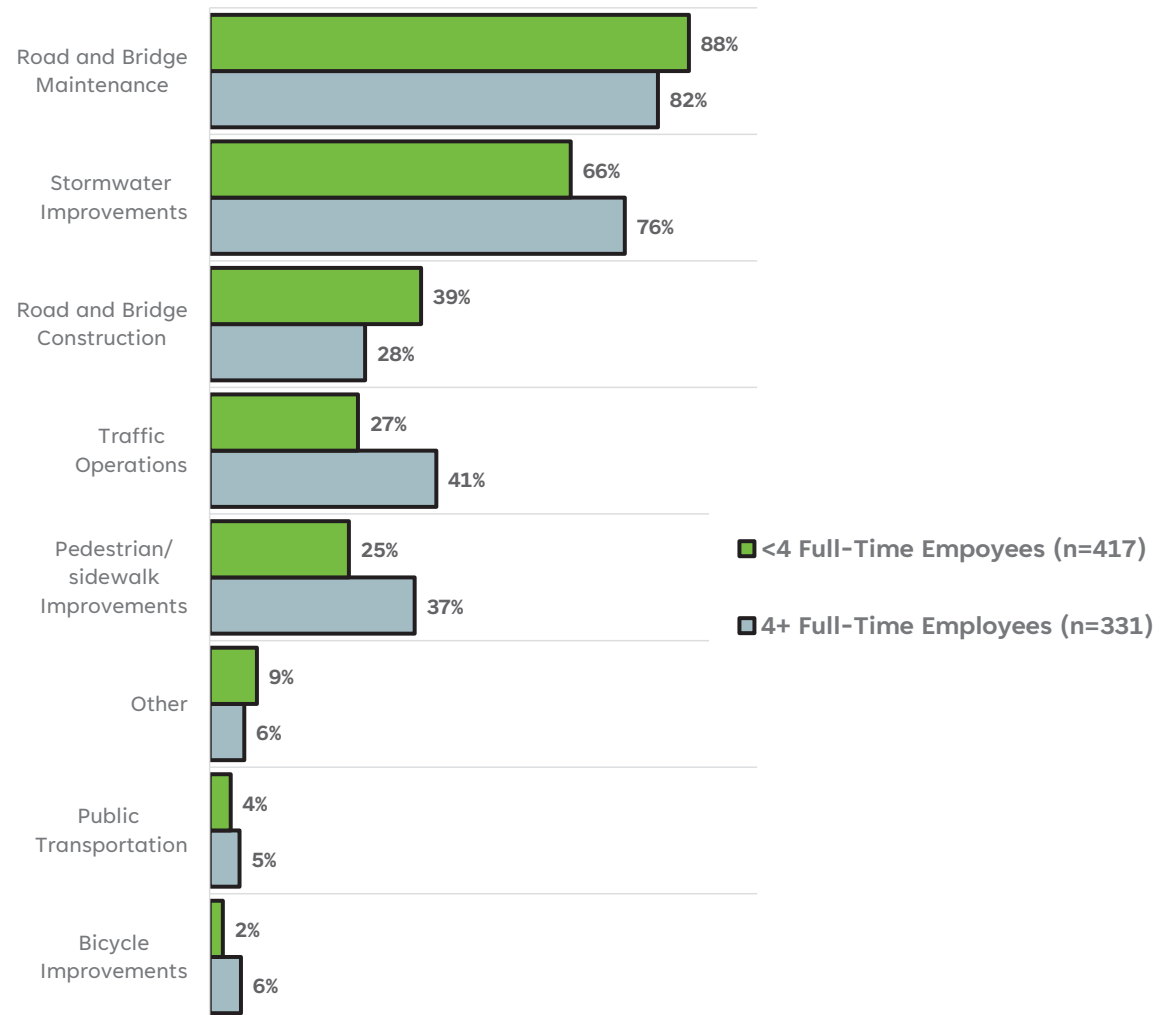


Roads, Bridges, and Stormwater Top Transportation Funding Needs

Respondents identified their top municipal transportation funding needs as road and bridge maintenance, stormwater improvements, and road and bridge construction (Figure 4). Top categories of need are fairly consistent across municipalities regardless of the number of employees. However, municipalities with more employees tend to have a greater need to fund traffic operations and pedestrian improvements, which likely reflects their more urban and suburban locations.

Generally, stormwater funding was reported to be deficient. One respondent commented that Pennsylvania should increase the funding available for stormwater improvements.

Figure 4: Top Three Municipal Transportation Funding Needs



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Larger Municipalities Tend to Pursue Competitive Transportation Grants

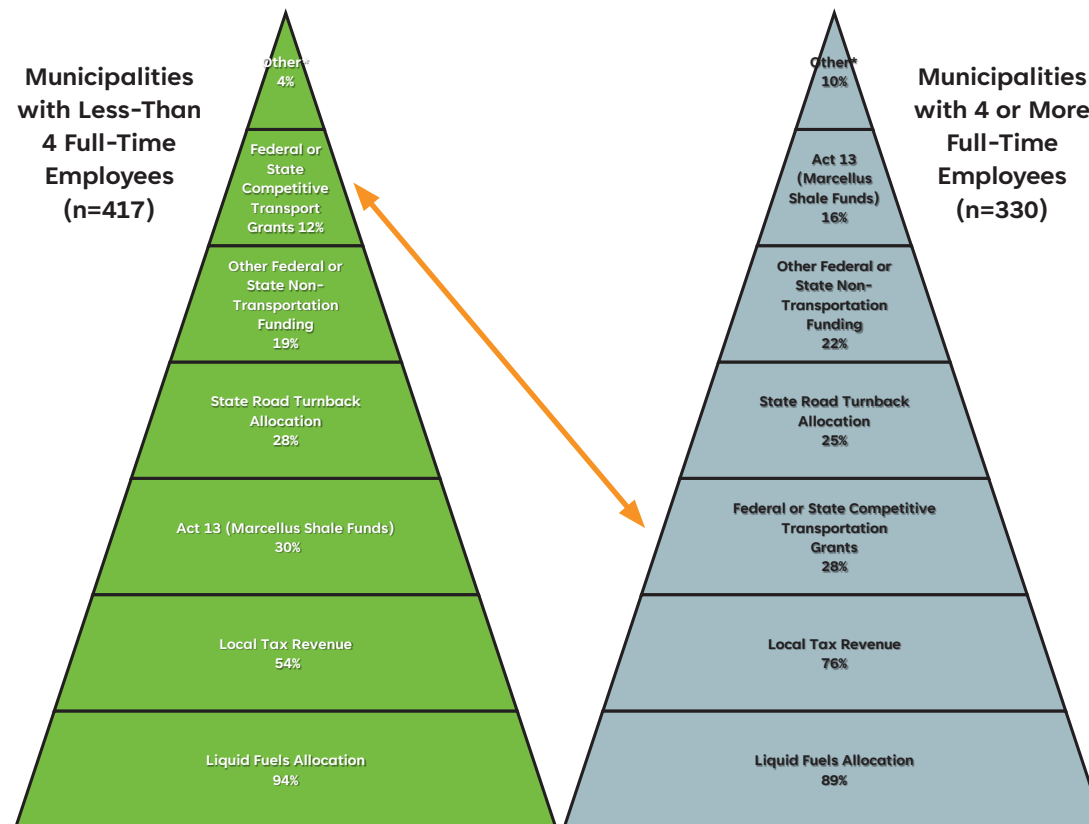
Local government relies heavily on the state Liquid Fuels allocation and local tax revenue to fund transportation projects, as shown in Figure 5.

Larger municipalities (those with four or more employees) tend to pursue competitive transportation grants. This likely reflects that larger municipalities have the capacity to prepare grant applications or hire outside assistance for application development.

Smaller municipalities (those with fewer than four employees) rely more on Act 13 funds for transportation improvements. Act 13 funds are decreasing each year due to reduced gas exploration.

A respondent commented that there seems to be no funding for smaller municipalities. Competing with larger municipalities for funding is a challenge.

Figure 5: Funding Sources for Recent Municipal Transportation Projects



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Limited Capacity and Match Hinder Pursuit of Grant Funds

More than half of the survey respondents indicated the top reasons for not applying for transportation grants are limited local capacity to prepare applications and limited resources to provide the local match (Figure 6).

- **Other Municipal Priorities** – Municipal priorities other than transportation was cited as a reason why more than 40% of respondents do not apply for grant funding. Housing, human services, and emergency response are examples of other pressing needs that local officials must address.
- **Lack of Awareness of Funding** – Not knowing about funding opportunities was another reason cited for not applying for funding. This factor was cited by nearly the same percentage of smaller and larger municipalities: 41% and 40%, respectively.
- **Prevailing Wage and Davis Bacon Act Requirements** – A few respondents commented on the impact that prevailing wage and Davis Bacon Act requirements have on their municipality’s ability to implement transportation projects.
 - › Prevailing wage and Davis Bacon increase transportation project costs.
 - › The provisions make projects so expensive that municipalities usually need help to provide matching funds.
 - › Federal prevailing wage rates determine project costs.
 - After the match amount is determined using that wage rate, the cost of the project becomes prohibitive.
 - Often, project costs are “actually cheaper without the grant than with it.”
 - Adding the cost of a paid grant preparer and/or engineering costs can make the application counterproductive.
 - “...the lack of hope in getting a smaller allocation of money based on our needs makes applying a waste of time and money for a municipality our size.”

Federal wage requirements can make projects “cheaper without the grant than with it.”

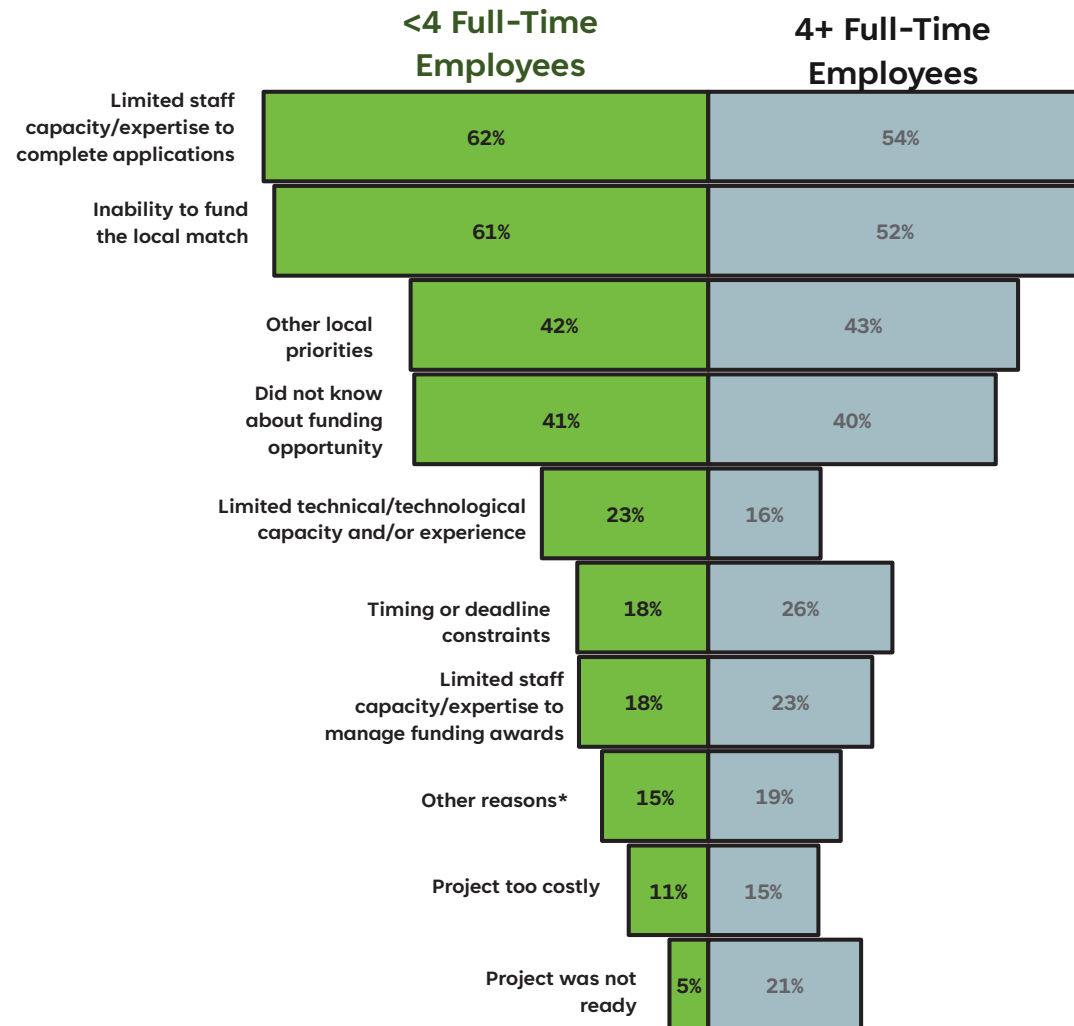
~Survey Respondent

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Figure 6: Municipal Reasons for Not Applying for Grants



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Municipalities Face Local Match Challenges and Need Application Assistance

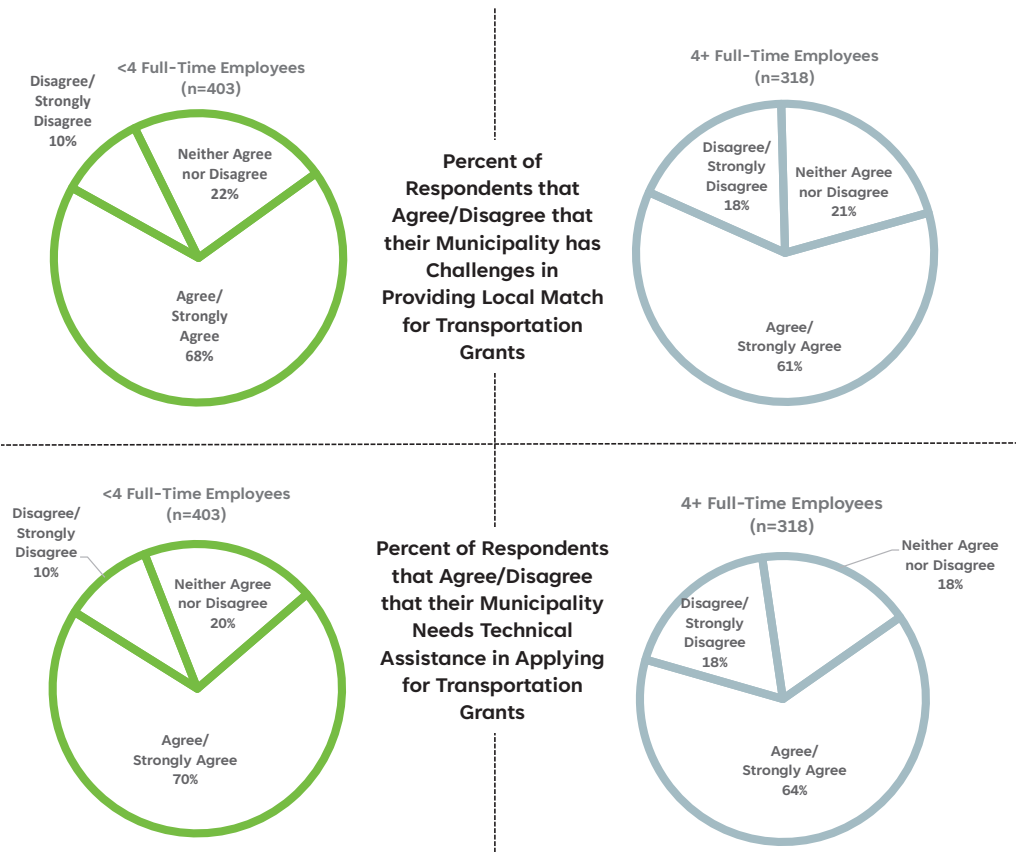
More than 60% of respondents to the state-wide survey agreed or strongly agreed that their municipality has challenges meeting local match requirements (Figure 7). Respondents offered several ideas for addressing their local match challenges:

- Eliminate matching requirements for municipalities with a population less than 1,000.
- Eliminate matching requirements for municipalities with a Liquid Fuels allocation of less than \$5,000.
- Provide match relief to small municipalities with limited tax bases.
- Lower the amount of matching funds required.
- Waive local match for both the PennDOT MTF and CFA MTF programs based on municipal hardship.

Over 60% of all respondents—and 70% of those with a smaller number of employees—agreed or strongly agreed that assistance in applying for grants is needed.

- One respondent suggested identifying a local grant liaison for each county to:
 - › Meet annually with each local government in the county to identify funding needs.
 - › Assist with grant writing and submission.

Figure 7: Municipal Challenges in Providing Match; Need for Technical Assistance

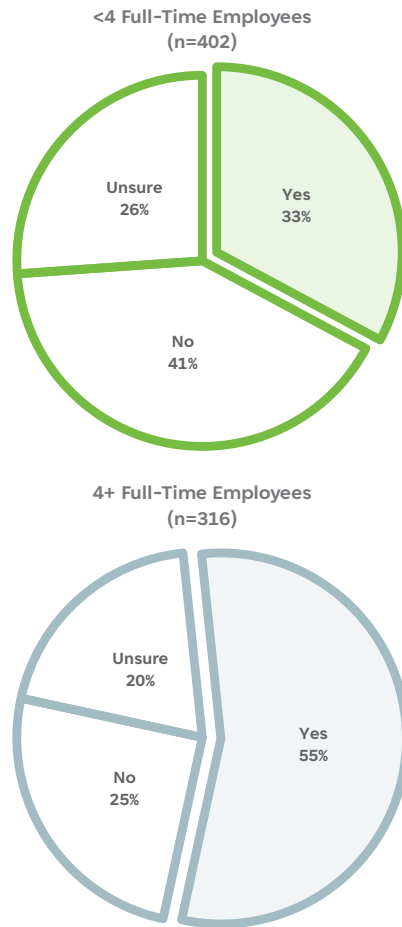


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A Greater Percentage of Larger Municipalities Apply for Grants as Compared to Smaller Municipalities

Figure 8: Municipalities Applying for Federal or State Transportation Grants



Respondents that Said “Yes”, that in Recent Years, their Municipality had Applied for a Federal or State Transportation Grant by Program

	<4 Employees (n=132)	4+ Employees (n=174)
Green Light Go	15%	45%
PennDOT Multimodal Transportation Fund	48%	67%
Commonwealth Financing Authority	23%	48%
Discretionary (competitive) Grant	7%	7%
Transportation Alternatives Set-Aside Program	4%	18%
Automated Red-Light Enforcement	11%	41%
County Local Use Fund	8%	7%
Other	34%	10%

The survey results confirm that those municipalities with greater capacity (four or more full-time employees), apply for more transportation grants (Figure 8). Of the larger municipalities surveyed, 55% have submitted grant applications in recent years as compared to only 33% of the smaller municipalities surveyed.

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Local Government Outreach

As noted in the Methodology section, select municipalities were surveyed or interviewed about the challenges they face in meeting local match and their capacity challenges in applying for transportation grant programs. Municipalities were also asked for insights on best practices they have deployed in funding their transportation infrastructure.

The following points summarize input received from one-on-one outreach. Case Studies for five municipalities are included in the Appendix and are referenced throughout this report. In general, the case study findings align with comments from the statewide survey as well as national-level findings.

Municipal Fragmentation, Limited Cooperation

Pennsylvania has 2,560 local governments—the third highest number of local governments in the nation behind only Illinois and Minnesota. Collaborating to submit multi-municipal applications for funding larger projects requires complex and time-consuming coordination and impacts overall capacity to address transportation issues.

For example, for Johnstown, the challenge of coordinating with 17 surrounding local governments to advance cohesive initiatives is formidable. Several years ago, Johnstown established an aggressive strategic plan for its redevelopment. Vision Together 2025 included a comprehensive set of priorities for community redevelopment. All sectors were involved in the direction-setting. In various stakeholder workshops it was noted that the greatest barrier to future growth may be the large number of local government units in relation to the geographic area and population (Figure 9).

The City of Chester, in Delaware County, is a distressed municipality with limited financial and technical capacity for grant application development to advance transportation projects. However, transportation improvements are needed to support Chester’s vision of being a destination city with its modern soccer facility, major league soccer team, and a casino. Recognizing the importance of transportation to economic development initiatives, the MPO (Delaware Valley Regional Planning Commission), Delaware County, and the Chester Economic Development Authority provide technical assistance to Chester for grant applications and administration.

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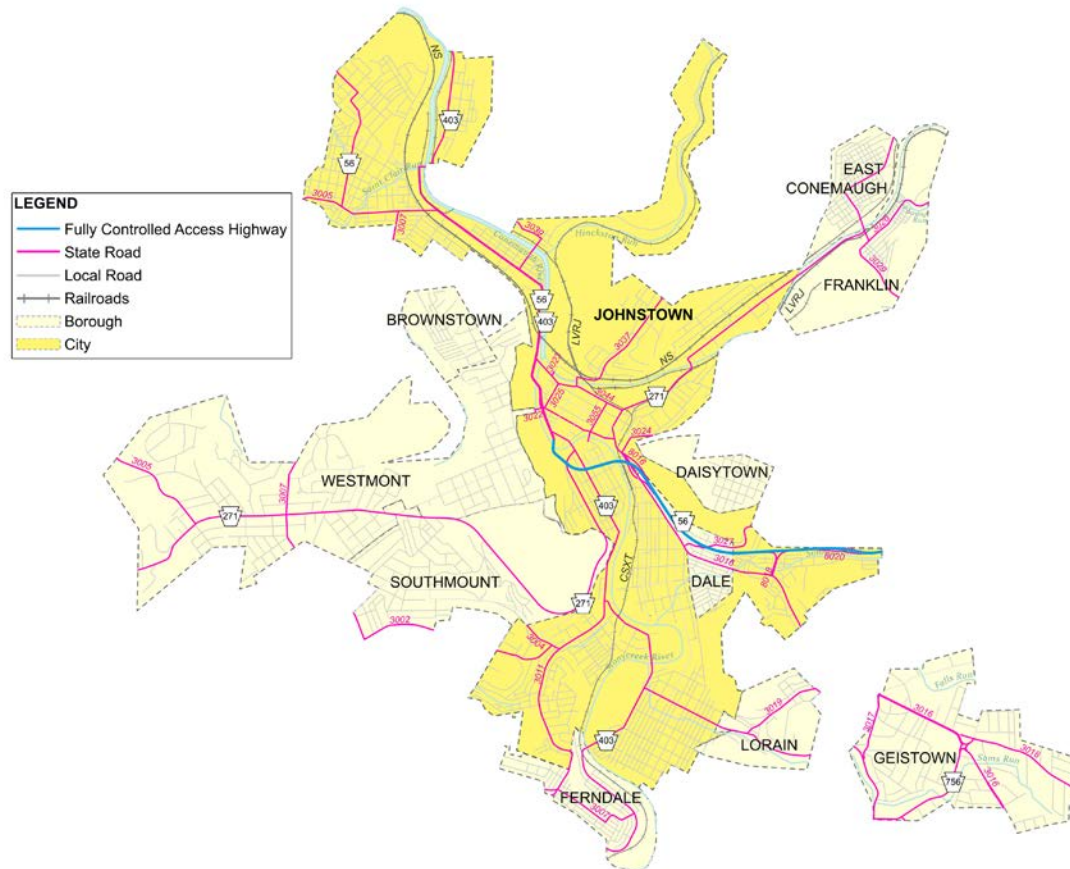
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Some municipalities have limited collaboration with other agencies or government entities in making grant applications. In some cases, collaboration is limited to exchanging agency support letters as compared to collaborating on application development.

While fragmentation and cooperation present challenges, MPOs/RPOs provide coordination and collaboration to municipalities across Pennsylvania.

Figure 9: The City of Johnstown and Surrounding Environs



The City of Johnstown is surrounded by 10 boroughs and 7 townships. The boroughs' collective population of 14,888 rivals that of the city (18,411). The large number of local governments poses various resource related challenges.

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Flexible Match Requirements Needed

Making state and federal grant programs more flexible with respect to match requirements was identified as a priority. Many municipalities cannot meet local match due to other financial obligations.

Municipalities suggested the possibility of scaling local match requirements based on municipal budget and/or population as well as providing technical assistance.

Effectiveness of Some Transportation Funding Sources is Limited by Population Density

The Act 89 \$5 Registration Fee (Fee for Local Use Fund under Act 89 of 2013) may be adopted by counties and used to fund transportation projects such as highway and bridge reconstruction, maintenance, and repair.

Although county adoption of the Fee for Local Use Fund yields significant revenue for counties with greater population density (and therefore more vehicle registrations), it is not necessarily worthwhile for rural counties with smaller populations and a lower number of vehicle registrations. This was noted as a concern by Potter County.

Lycoming County has addressed this challenge by combining its Fee for Local Use Fund with other funding sources to develop a county-wide transportation funding program. Lycoming County's Local Bridge Bundling Program leveraged its Fee for Local Use Fund with revenue sources from Liquid Fuels funds, Act 13 funds, and a \$7 million Pennsylvania Infrastructure Bank (PIB) loan to replace/rehabilitate 17 locally owned bridges. The County administers a local bridge project on behalf of the municipality, hires engineers and contractors to design and construct the local bridge, and the municipality retains ownership of the bridge upon project completion. Each municipality participating in the program provides a 5% local match per a Memorandum of Understanding (MOU) with the County.

Cumberland County has a program similar to Lycoming County's, known as the Bridge Capital Improvement Program. It combines revenue from Fee for Local Use Fund with Act 13 funds, Liquid Fuels funds, Act 44 Local Bridge funds, and Act 26 funds.

McCalmont Township in Jefferson County has 1,137 residents. The Township needs to resurface local roads but cannot commit to providing the 30% match for PennDOT MTF while also meeting its other financial obligations.

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Significant Fiscal and Capacity Constraints

Those municipalities with greater fiscal constraint (limited municipal revenue) have less capacity to apply for and administer grants.

Most municipalities do not have budget surpluses or rainy-day funds that make applying for and managing grants or local matches feasible. In fact, some municipalities do not even have sufficient revenue to maintain their existing transportation infrastructure.

In addition to lacking capacity and resources needed to apply for discretionary grant funding, municipalities also struggle with administering grants that may be awarded. This includes complying with state and federal contracting, bidding, and procurement processes as well as other reporting and compliance requirements. While some municipalities want to pursue grant funding, they note that they lack the resources to make an application the “best it can be,” and resort to “throwing our hat in the ring” rather than developing a competitive application. Again, providing some level of technical assistance to offset municipal capacity and budgetary constraints was suggested.

Outside Grant Application/Management Helpful

In some cases, one public entity serves as the grant applicant while another administers the grant. The City of Chester relies on the Chester Economic Development Authority (CEDA), Delaware County, and the Delaware Valley Regional Planning Commission (DVRPC) for support and assistance. These partnerships have been helpful in supporting the City’s economic development priorities in terms of transportation infrastructure. Chester’s fiscal situation is challenging. Its leaders have a compelling vision for economic development as a destination city building on attractions such as the Subaru Park home of the MLS Philadelphia Union and other premier soccer matches, and the area’s casino. Transportation access and mobility is a key element of Chester’s redevelopment. While help comes from the CEDA there are some grants that the city cannot access, underscoring the need to place a high priority on distressed communities for grant funding.

Benezette Township in Elk County received grant application assistance from Elk County Planning and North Central Pennsylvania Regional Planning and Development Commission (NCPRPDC) for a recent funding application for a \$2 million road improvement project. Applications were prepared for PennDOT MTF and CFA MTF. Funding from both programs was awarded for the project.

**Ohiopyle Borough
in Fayette County
has an estimated
37 citizens yet
maintains road
access to and
provides public
safety for Ohiopyle
State Park, which
receives over
1.2 million visitors
annually.**

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Leveraging the resources of county and regional planning and economic development organizations would help smaller or fiscally constrained municipalities in applying for transportation funding.

Value of In-House Planning Staff

Municipalities with in-house planning staff have an advantage in that the planning staff can help set transportation project priorities. While some municipalities have noted the benefit of having in-house grant-writing/administration resources and staffing, it was noted that having in-house planning staff at the local level to forecast transportation needs allows communities to better align projects with grant opportunities. Planning provides the data-driven information needed to support grant applications.

Locally Owned Infrastructure May Not Be Eligible

Municipalities experience challenges with maintaining or rehabilitating locally owned infrastructure, which typically does not qualify for state or federal discretionary funding. The City of Chester, for example, expressed such concerns. For Chester, much of the transportation system is City-owned and in need of improvement.

Increase in State PILT Needed

Increasing state payment in lieu of taxes (PILT) could be helpful for municipalities with a higher percentage of tax-exempt properties. Benezette Township in Elk County is an example.

- Only 9% of land in Benezette Township, Elk County, is taxed at market value. A total of 82% of the township's 67,969 acres (55,446 acres) are either state forest or state game lands. Although the township receives state PILT (\$98,616 in 2021), it only received \$42,142 in real estate taxes that same year. By comparison, if the 55,446 acres of state forest and state game lands were taxed at market value, the township would receive total revenue of \$346,759.
- An increase in state PILT per proposed SB 225 would yield an additional \$55,290 in revenue. This increase would make it easier for the township to complete needed roadway projects to continue to support the Elk Country Visitor Center and make other needed township building and infrastructure improvements.

**Only 9% of land
in Benezette
Township,
Elk County, is taxed
at market value.**

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Findings

Overview

The reasons behind local match challenges are numerous and relate to factors such as population, tax-exempt land, and overall municipal capacity. Each of Pennsylvania’s 2,560 local governments is required to provide the same basic services to taxpayers. This uniform standard imposes local government service and operational costs disproportionately, particularly for smaller and economically distressed municipalities. The uniform standards impact the ability of many

local governments to implement new transportation infrastructure projects—mainly due to their lack of staff capacity to seek funding and administer grants and lack of local match to develop a complete funding package.

The 12 findings were identified through the outreach methodology described previously and fall into three broad categories as shown in Table 5. Details and implications of each finding are presented on the following pages.

Table 5: Findings Summary

Category	Finding
Grant Requirements	A. <u>Match requirements are stringent.</u>
	B. <u>Application processes are complex.</u>
	C. <u>Grant application windows are short.</u>
	D. <u>Grant notices are easy to miss.</u>
Municipal Financial Constraints	E. <u>Many municipalities have large amounts of tax-exempt or tax-discounted real estate.</u>
	F. <u>Many county tax assessments are outdated.</u>
	G. <u>Revenue from some funding sources is limited by population density.</u>
	H. <u>The industrial and commercial tax base is declining in many areas of the state.</u>
	I. <u>Socioeconomic trends diminish the fiscal capacity of local governments.</u>
	J. <u>Municipal expenses are increasing.</u>
Municipal Capacity Constraints	K. <u>Lack of in-house technical capacity is common and multi-municipal cooperation must be strengthened.</u>
	L. <u>Local governments often lack capital improvements planning.</u>

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Finding A – Match requirements are stringent.

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Description

Some grant programs have high local match thresholds (e.g., 30% or more) and do not allow for flexible substitutes for local match, such as in-kind services. This is challenging and may be prohibitive for small, rural, or fiscally constrained municipalities.

Like local match, caps on indirect costs—those costs incurred by a grant awardee that cover general business operations but are not attributed to a funded project—can also impact a small and/or rural local government’s ability to apply for transportation funding. In particular, the 10% *de minimis* indirect cost rate maximum on federally funded projects disproportionately impacts small and/or rural local governments with reduced budgets. Municipalities with larger budgets and more staff capacity are better equipped to absorb a 10% *de minimis* indirect cost rate due to economies of scale. Although a local government grant awardee can work with a funding agency to certify a higher indirect cost rate, the time and expense to do so is unrealistic for small and/or rural local governments.

Implications

While grant distribution policy generally encourages investment in rural or distressed areas, these very communities often do not have the financial means to meet high local match requirements.

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Finding B – Application processes are complex.

Description

State and federal grant applications are frequently long, data-intensive, exacting, and complex, and make it challenging for smaller rural or distressed municipalities to compete with larger, more experienced municipalities.

Implications

Grant applications with complex or confusing application processes and requirements can hinder the ability of smaller rural or distressed municipalities to complete grant applications.

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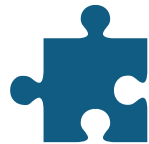
Finding C – Grant application windows are short.

Description

Grant application windows are short, around 30 days for most state grant applications. Federal grant application windows are on average 10 weeks. For smaller municipalities with limited staff time or technical capacity to develop a complete application, meeting submission deadlines can be difficult or prohibitive.

Implications

Many smaller rural or distressed municipalities do not pursue certain grant programs because they do not have the time or technical capacity to develop a complete and competitive application.



Finding D – Grant notices are easy to miss.

Description

The opening of a grant application period is often announced on the host agency's website and a few related publications or webpages. Available grant programs, and associated details about when to apply, application requirements, etc., are often not communicated directly with municipalities. Municipalities often must check federal or state websites or rely on intermediaries (county departments, metropolitan planning organizations/rural planning organizations (MPOs/RPOs) to keep them up to date.

Implications

Municipalities may miss the opportunity to apply for grants because they were not aware of the program or that an application window had opened. This can especially be true for small, rural, or distressed municipalities that do have the staff time to be regularly monitoring state or federal sources for grant program updates.

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Finding E – Many municipalities have large amounts of tax-exempt or tax-discounted real estate.

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Description

Many municipalities, particularly in Pennsylvania’s rural counties, have a disproportionately high percentage of tax-exempt or tax-discounted acres. Types of tax-exempt or tax-discounted properties are provided in Table 6.

As described in Table 6 and the pages that follow, government payments in lieu of taxes (PILT) and local PILOT payments partially offset municipal tax revenue losses for property that is owned by federal or state government or non-taxable government or non-profit property.

Federal conservation initiatives are also impacting revenue generation, particularly in Pennsylvania’s rural municipalities. The federal America the Beautiful Initiative has a goal of conserving 30% of the nation’s land by 2030. The added preservation focus is increasing the amount of tax-exempt or tax-discounted properties in some of Pennsylvania’s rural northern counties, further decreasing local government revenue and their ability to construct transportation projects and advance economic development.

Implications

Jurisdictions with a large percentage of tax-exempt or tax-discounted properties have a smaller amount of land taxed at market value, reducing overall property tax revenue. This disproportionately impacts rural Pennsylvania communities where large amounts of real estate are state-owned forests, game lands, and recreation lands. With the current federal priority on land conservation, the impacts will likely increase.

Many larger and more urban municipalities are also affected. The City of Pittsburgh, for example, is home to several universities, hospitals, and county government facilities. In 2021, tax-exempt entities owned a total of \$4.3 billion in property that was exempt from City taxes.⁷

When local governments and school districts need to raise property taxes due to increasing expenditures, the burden is placed largely on homeowners. For example, only 14% of property in Cameron County and 14% of property in Centre County are taxed at market value.

Municipalities with large amounts of tax-exempt or tax-discounted properties have less tax revenue and hence less ability to match grants.

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⁷ Allegheny County Controller, City of Pittsburgh Office of the City Controller, Special Report Tax-Exempt Properties. May 2022, p. 1.

Table 6: Types of Tax-Exempt or Tax-Discounted Properties and Associated PILT

Land Type	Description
<p>Federal Lands</p>	<ul style="list-style-type: none"> ▪ In Pennsylvania, federal lands are owned by the U.S. Forest Service, National Park Service, and U.S. Army Corps of Engineers. ▪ Counties receive an annual payment in lieu of taxes (PILT) to offset losses in tax revenues associated with the presence of federal lands within their jurisdictions. ▪ Federal PILT amounts are announced annually by the U.S. Department of the Interior (DOI). ▪ Pennsylvania counties within the Allegheny National Forest also receive annual payments from federal timber sales (see Federal Timber Revenue discussion below).
<p>State Forests and State Parks</p>	<ul style="list-style-type: none"> ▪ Counties, school districts, and local governments each receive an annual PILT per acre payment for state forests and state parks in their borders owned by the Pennsylvania Department of Conservation and Natural Resources (DCNR). ▪ The state PILT rate in effect since 2016 is \$2.00 per acre for the county, school district, and local government, or \$6.00 per acre total. ▪ Pennsylvania SB 225 would increase the annual PILT rate from \$2.00 per acre to \$2.85 per acre (\$8.55 per acre total) with annual adjustments based on fluctuation in the U.S. Department of Labor Consumer Price Index. ▪ Unlike national forests, counties and local governments do not receive proceeds from timber sales on state forested property. Proceeds from timber sales on DCNR state forests go into an agency account and are used to fund bureau operations.
<p>State Game Lands</p>	<ul style="list-style-type: none"> ▪ Counties, school districts, and local governments each receive an annual PILT per acre payment for Pennsylvania Game Commission (PGC) and Pennsylvania Fish and Boat Commission (PFBC) lands within their borders. ▪ The state PILT rate in effect since 2016 is \$1.20 per acre for the county, school district, and local government, or \$3.60 per acre total. ▪ Pennsylvania SB 225 would increase the annual PILT rate from \$1.20 per acre to \$1.70 per acre (\$5.10 per acre total) with annual adjustments based on fluctuation in the U.S. Department of Labor Consumer Price Index. ▪ Unlike national forests, counties and local governments do not receive proceeds from timber sales on state forested property. Proceeds from timber sales on PGC game lands go into an agency account and are used to fund bureau operations.

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continued

Land Type	Description
Flood Lands	<ul style="list-style-type: none"> School districts, counties, and municipalities receive an annual PILT at market value for lands acquired by the Commonwealth for flood control purposes.
Tax-Exempt Land and Buildings	<ul style="list-style-type: none"> Land and buildings owned by state, local, educational, faith-based, and non-profit organizations are tax-exempt, resulting in no tax revenue for their local governments. Some Pennsylvania local governments recoup a portion of the lost real estate tax revenue by entering into local payment in lieu of taxes (PILOT) agreements. To assist municipalities with a large percentage of tax-exempt properties, proposed HB 451 would authorize the Tax-Exempt Property Municipal Assistance Fund which would provide funding to municipalities with more than 15% tax-exempt properties. The program would be funded by a Pennsylvania 18% liquor tax.
Agricultural Preservation	<ul style="list-style-type: none"> Properties under the state’s Agricultural Preservation Program are assessed at a reduced tax rate determined annually by the Pennsylvania Department of Agriculture (PDA).
Clean and Green	<ul style="list-style-type: none"> Properties under the PDA Clean and Green Program are assessed at a reduced tax rate determined annually by PDA.

Additional Analysis of Payment in Lieu of Taxes

As described in Table 6, federal and state PILT and local PILOT payments partially offset municipal tax revenue losses for property that is owned by federal or state government or non-taxable government or non-profit property.

Municipalities throughout Pennsylvania receive federal, state, and local payments in lieu of taxes. To illustrate the geographic dispersion of the payments, the Governor’s Center for Local Government Services provided data on payments made to Pennsylvania local governments in 2021, summarized in Table 7 and detailed on the following pages.

Table 7: Payments to PA Local Governments

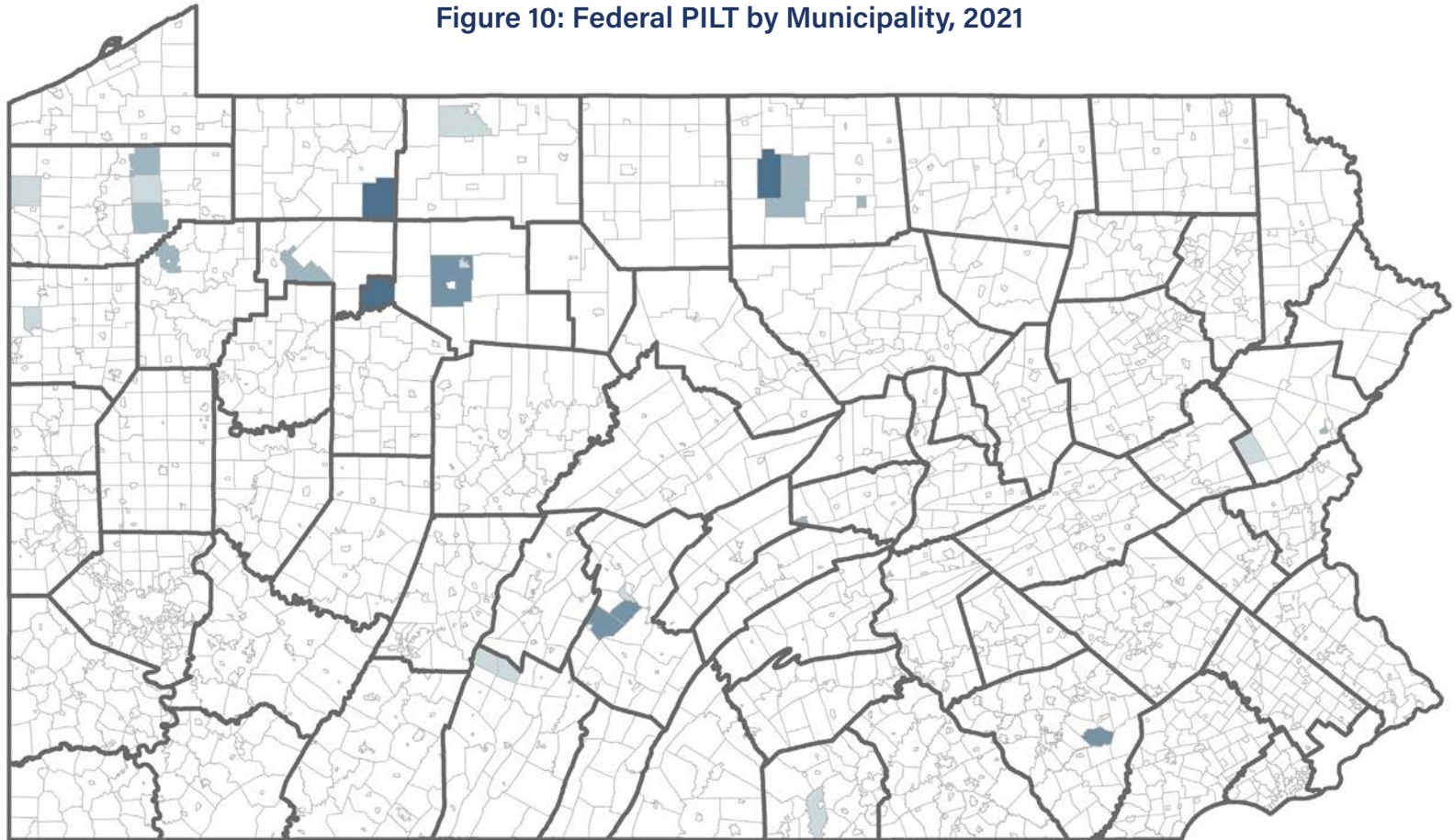
PILT Type	FY 2021 Total
Federal PILT	\$303,322
State PILT	\$6,264,907
Local PILOT	\$53,227,789

Source: Pennsylvania Governor’s Center for Local Government Services, August 21, 2023.

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Figure 10: Federal PILT by Municipality, 2021



Source: Governor's Center for Local Government Services; Michael Baker International

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Federal PILT

Information on federal PILT payments received by Pennsylvania municipalities is announced annually by the U.S. Department of the Interior (DOI). In Pennsylvania, federal lands are owned by the U.S. Forest Service, National Park Service, and U.S. Army Corps of Engineers.

Figure 10 presents federal PILT payments received by Pennsylvania local governments in 2021. The mapping does not include federal PILT payments received by county or state governments. In Pennsylvania, the 2023 average federal PILT per acre was \$2.08.

Federal PILT by Municipality (2021)



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Federal Timber Revenue

Since 1908, the U.S. Forest Service (USFS) has paid 25% of timber sales receipts (25% payments) to counties where national forests are located and timber is harvested. USFS remits annual payments to each state treasurer who in turn transmits to counties to benefit public schools and roads. In Pennsylvania, counties within the Allegheny National Forest (ANF) receive annual 25% payments from the sale of timber harvested. Once a reliable revenue source, timber sales have significantly decreased over the past 15 years primarily due to USFS staffing, fluctuating timber markets, and the quality of timber output.

In response to the decline in federal timber sales, the Secure Rural Schools (SRS) program was established in 2000 (P.L. 106-393) within USFS. The program aids rural counties and school districts impacted by declining timber revenue. SRS funding amounts are determined annually by USFS and sent to each state treasurer's office for disbursement to counties. In October 2008, the SRS program was reauthorized (P.L. 110-343) and amended to continue on a sliding payment scale.

Counties may elect to receive either a 25% payment or SRS funding. If a county elects to receive SRS funding, that amount is subtracted from their annual federal PILT amount. For example, Forest County has elected to receive an SRS payment. The county, which has 119,362 acres within the ANF, received a \$1.5 million SRS payment in 2022, and its federal PILT was reduced to \$55,100 in 2023. Elk County, which has slightly fewer acres in the ANF (112,369) received a 25% payment of \$459,909 in 2022 and total PILT of \$241,200 in 2023.⁸ The 25% payment is based on a seven-year rolling average. Forest County's SRS payment yields a higher per-acre timber

revenue payment (\$11.55/acre) than Elk County's 25% payment (\$4.09/acre).

Some states have been creative in preserving their counties' full PILT payment while also receiving SRS payments. Montana, Colorado, and Oregon have done so by legislatively establishing a special district. For example, Montana's state legislature established road improvement districts to receive SRS payments. A road improvement district—and not the county in which it is located—receives an SRS payment from the state treasurer. This eliminates a reduction to and preserves the full amount of county PILT.

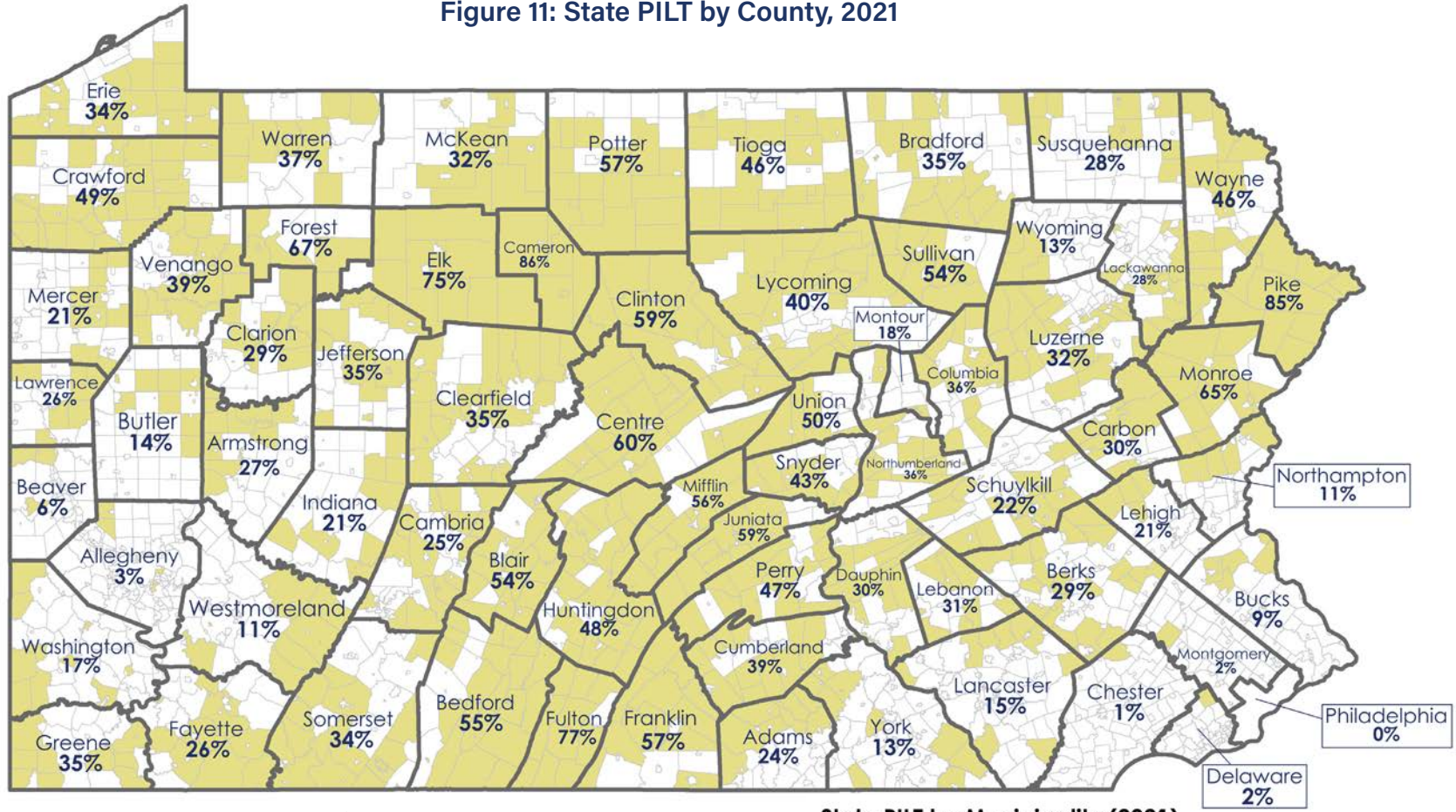
A significant challenge to note with SRS is that it is subject to annual reauthorization. If the federal budget does not pass on time, counties do not receive their annual SRS allocations and local governments are not able to effectively forecast local budgets. Therefore, NACo has been working with county officials to advocate for long-term federal legislative solutions to address SRS and PILT funding, and to advocate for improved forest management practices to increase timber revenue sales for national forest counties.

Exploring SRS funding as well as special districts may potentially increase the amount of federal revenue to Pennsylvania counties within the ANF.

Unlike national forests, counties and local governments do not receive proceeds from timber sales on state forested property. Proceeds from timber sales on DCNR state forests and PGC game lands go into agency accounts and are used to fund bureau operations. State PILT is provided to local governments for state property within their jurisdictions (see Table 6).

⁸USFS, Secure Rural Schools Final Payment Detail Report PNF (ASR-10-03). April 10, 2023. National Association of Counties, County Explorer.

Figure 11: State PILT by County, 2021



Note: Percentages indicate the share of municipalities in each county receiving state PILT.
 Source: Governor's Center for Local Government Services; Michael Baker International

State PILT by Municipality (2021)



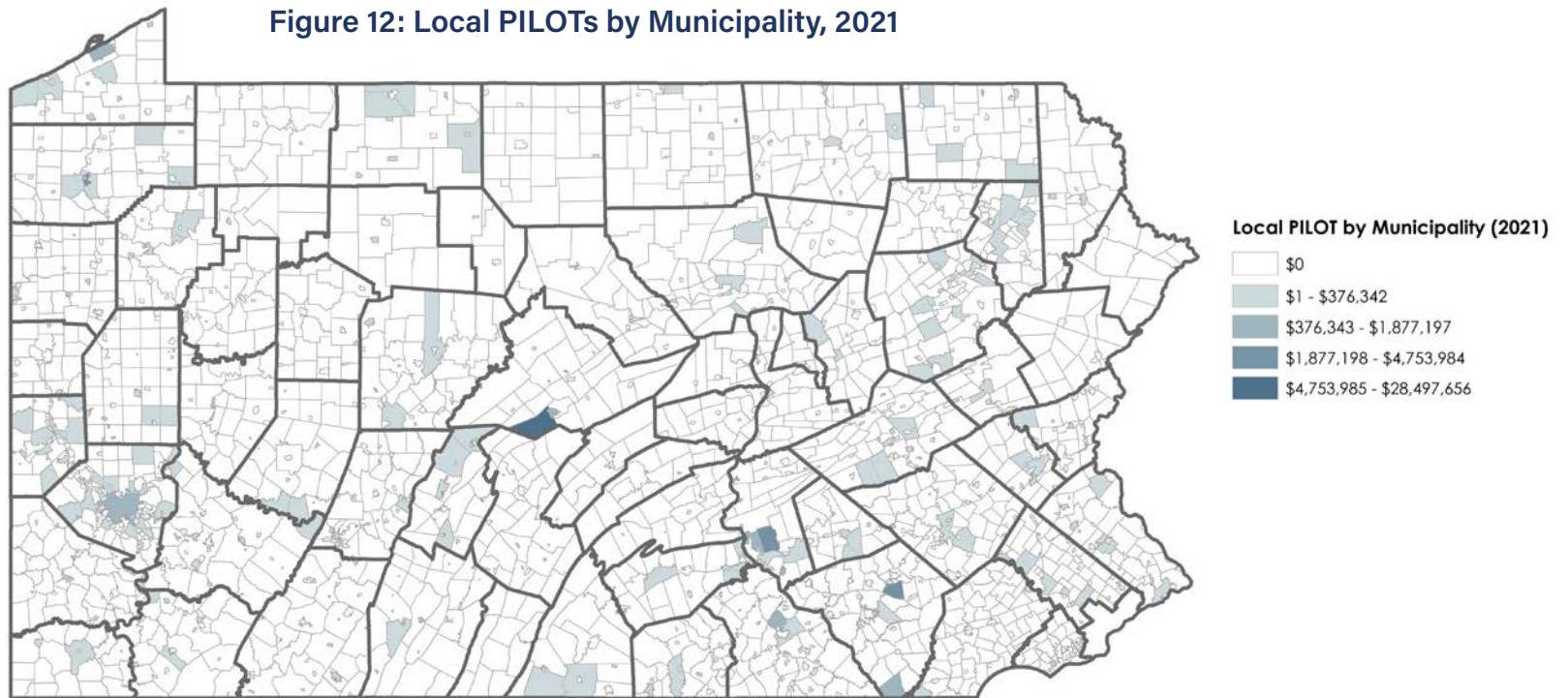
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State PILT

As shown in Figure 11, many municipalities in Pennsylvania's rural areas receive a state PILT. These communities are home to state parks, forests, and game lands, and are mainly located in Pennsylvania's rural areas. In 2021, \$6.3 million in state PILT was paid by the Commonwealth.



Figure 12: Local PILOTs by Municipality, 2021



Source: Governor's Center for Local Government Services; Michael Baker International

Local PILOT

Local PILOT is enabled by the Pennsylvania Constitution under Title 53 with additional legislative provisions found in the Municipalities Financial Recovery Act (Act 47 of 1987) and the Institutions of Purely Public Charity Act (Act 55 of 1977). Municipalities enter into local PILOT agreements with tax-exempt property owners such as non-profit hospitals and universities. A local PILOT is voluntary, and a significant partnership commitment is required to establish and maintain an effective local program.

The level of effort to establish a Local PILOT is clear in that only 285 local governments received PILOT payments in 2021. Sensitivity about encouraging non-profits focused on

community good to participate in a PILOT was identified as a challenge. Local PILOT program payments averaged \$87,078 in 2021. See Figure 12.

Discussions with both Johnstown and State College Borough confirmed that while a local PILOT agreement is challenging to establish, it can be a useful tool to collect additional revenue to pay for municipal services. Centre County has been helpful in leading local PILOT discussions with several municipalities and Penn State University. Both Johnstown and State College note, however, that smaller communities lack both awareness and staff capacity to establish a local agreement. Municipalities need to carefully consider the financial and

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time costs necessary to establish a PILOT program versus the payment benefit.

As few communities have established a local PILOT program, it appears to have significant potential as a means of expanding revenue. The local PILOT makes a lot of sense, particularly as consideration for the benefits that non-taxable property owners receive through local government services.

The main areas of emphasis going forward to expand local PILOT use are to:

- Raise awareness (including showcasing those communities that have successfully used local PILOT);
- Provide technical assistance; and
- Prepare a user’s guide or manual that helps communities.



Finding F – Many county tax assessments are outdated.

Description

The annual municipal tax assessment is determined on a county’s base year assessment. In Pennsylvania there is no requirement for a county to conduct a tax reassessment. A countywide reassessment resets the base year and all properties receive an updated assessment. Reassessments can be expensive and labor-intensive, and sometimes controversial, but ultimately the tax burden is distributed more fairly among property owners by adjusting for property appreciation and depreciation that has occurred since the last reassessment.

According to a Pennsylvania Economy League Report, [It’s Not 1965 Anymore: State Tax Laws Fail to Meet Municipal Revenue Needs](#), about 23 counties completed their most recent reassessment prior to 1989. See Figure 13.

Implications

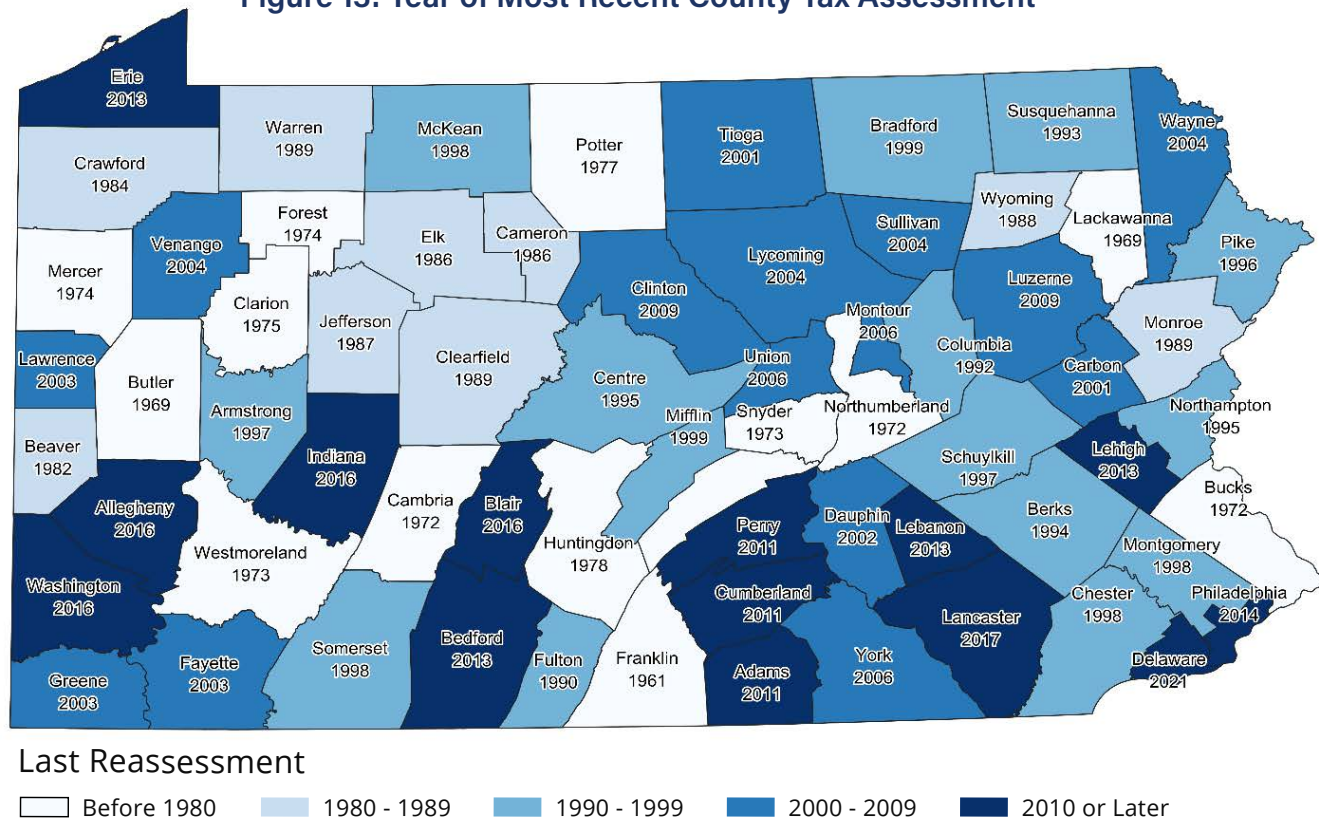
Local tax revenues can stagnate under an outdated assessment and a municipality might not be able to keep up with increasing expenditures. This reduces property tax revenue that could be used to meet local match requirements.

For example, a countywide reassessment would capture the current value of the numerous seasonal homes constructed in Benezette Township since Elk County’s last reassessment. See the Benezette Township Case Study in the Appendix.

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Figure 13: Year of Most Recent County Tax Assessment



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Source: Pennsylvania Economy League, [It's Not 1965 Anymore: State Tax Laws Fail to Meet Municipal Revenue Needs](#), p. 12.



Finding G – Revenue from some funding sources is limited by population density.

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Description

As noted in the Municipal Outreach section, the Act 89 \$5 Registration Fee (Fee for Local Use Fund under Act 89 of 2013) is not a transportation funding source of particular value for all rural municipalities. As of October 2023, 25 Pennsylvania counties (37%) had adopted a Fee for Local Use Fund. Among county adopters, Allegheny County has the greatest number of vehicle registrations; therefore, it is generating the most revenue from the fee (Figure 14).

While county adoption of the Fee for Local Use Fund makes sense for counties with greater population density, it is not cost-effective for all Pennsylvania counties, such as those with fewer vehicle registrations. In fact, it would take decades to accumulate enough funding to implement transportation projects, particularly in rural counties. For example, it would take Cameron County more than 35 years to accrue \$1 million should it adopt a Fee for Local Use Fund (Table 8).

Implications

Municipalities with low population density find it challenging to utilize transportation funding that is more beneficial for densely populated areas. Implementing best practices from counties that have leveraged multiple transportation funding sources could prove beneficial. See best practices on the following page.

Table 8: Years Needed to Accrue \$1 Million in Revenue From a County \$5 Fee, Selected Counties

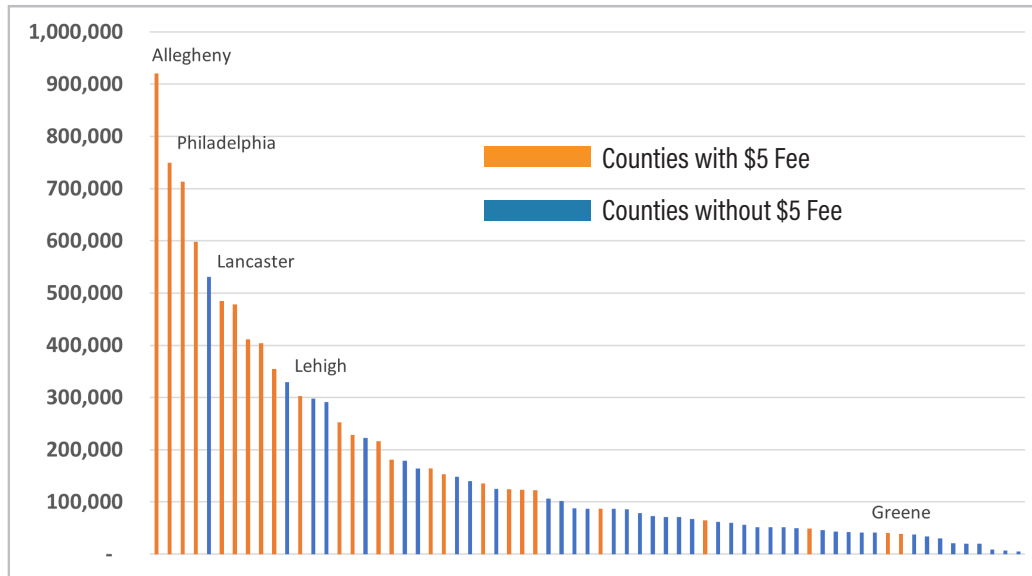
County	Years
Greene	5.2
Elk	5.3
Wyoming	5.8
Juniata	6.6
Potter	9.7
Fulton	9.8
Montour	9.9
Sullivan	23.5
Forest	29.9
Cameron	35.6

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Figure 14: County Fee for Local Use Fund by Total Registrations



Source: PennDOT

Counties that have adopted the Act 89 \$5 Local Use Fee are largely urban, including:

- 9 of the top 10 by total registrations;
- 14 of the top 20; and
- 20 of the top 30.

To maximize the benefit of a Fee for Local Use Fund, some counties combine the funding with other funding sources to develop a county-wide transportation funding program. A county-wide program provides local governments with dedicated funding for their road and bridge projects. For example, as described in the Municipal Outreach section, Lycoming County’s Local Bridge Bundling Program and Cumberland County’s Bridge Capital Improvement Program have leveraged the Fee for Local Use Fund with revenue sources from Act 13 funds, Liquid Fuels funds, Act 44 Local Bridge funds, and Act 26 monies to fund a Bridge Capital Improvement Program.

Lycoming County has also been successful in leveraging transportation funding to complete multimodal and economic development projects, including:

- **Susquehanna Riverwalk** – The county’s Act 13 funding was combined with a DCNR Community Partnership

Grant to design a three-mile extension to the Susquehanna Riverwalk system, a top 10 statewide trail gap with construction estimated to cost \$4 million.

- **Timber Run Industrial Park Access Road** – Developing an access road for this county-owned industrial park will facilitate business growth in the southern portion of Lycoming County near I-80. The approximately \$3 million road project is being funded by state transportation programs and ARC’s Local Access Road Program.

Pennsylvania’s MPOs and RPOs are also pooling resources to help fund local transportation needs. For example, North Central RPO uses approximately \$1 million of its TIP allocation to fund a local bridge program—matched by county Act 13 funds or a PIB loan—because it has identified maintaining local bridges in a state of good repair as a critical local issue. See the Potter County case study in the Appendix for additional details.

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Finding H – The industrial and commercial tax base is declining in many areas of the state.

Description

Pennsylvania has suffered significant industry closures since the 1970s, particularly in the manufacturing sector. Many rural or undiversified areas faced closure of their main revenue generators and employers.

With the decline in resource extraction, this trend is particularly evident in Pennsylvania’s northern rural counties that were once prosperous coal, oil, gas, and timber communities. Today, municipalities in the Allegheny National Forest struggle to maintain their tax base due to the decline in national forest timber sales. Once a reliable revenue source for municipalities in the Allegheny National Forest, timber sales have significantly decreased over the past 15 years due to U.S. Forest Service staffing, fluctuating timber markets, and the quality of timber output. Note that municipalities with state forest or state game lands (versus national forest) do not receive timber revenue from those lands; instead they receive PILT. SRS program funding is available to counties to offset declining timber revenue. In 2022, Forest County’s SRS payment was \$1.5 million (see Federal Timber Revenue under Finding E).

Implications

A reduced industrial or commercial tax base results in decreased real estate tax revenues and lost jobs, meaning that residents will continue to relocate to seek employment. Dwindling tax revenue makes it difficult to meet regular municipal expenditures, and local match requirements become cost-prohibitive. Further, the focus on job creation in federal and state funding programs is a burden for rural communities that have existing challenges finding and retaining workers.

Shuttered businesses pay no taxes and provide no jobs, creating a downward spiral for communities, with severe implications for local government tax revenue and ability to provide basic services.

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Finding I – Socioeconomic trends diminish the fiscal capacity of local governments.

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Description

Certain socioeconomic trends that are common across Pennsylvania create increasingly difficult financial conditions for local governments:

- Declining population
- Aging population
- Large number of vacant/blighted properties
- Lower median home values

Data is presented below.

Implications

Each of these trends translates into reduced property tax revenue, which places greater financial constraint on a local government and makes it less feasible to meet local match requirements.

Municipalities with a small population lack the critical mass to generate sufficient local tax revenues. In general, real estate taxes are the main source of funding for local government operations, so a smaller population equates to fewer properties and lower tax revenue. Municipalities with aging populations often have decreased real estate tax revenue generation combined with increased expenditures required to provide services.

Municipalities with many vacant and blighted properties often lose real estate tax revenue that would otherwise be generated from the properties. Further, lower-value homes (including those in proximity to blighted areas) generate less real estate tax revenue.

- **Declining Population** – A total of 1,990—nearly 78%—of Pennsylvania’s local governments have a population of less than 5,000.⁹ Some municipalities have experienced population decline, due in part to a net outmigration caused by decline of the industrial sector that began in the 1970s. Projections by the Center for Rural Pennsylvania show that

Pennsylvania’s overall growth rate between 2020 and 2050 will be only 1.6%, decreasing to -0.2% between 2040 and 2050. Population in Pennsylvania’s rural counties is projected to decrease by 5.8%.¹⁰

- **Aging Population** – When a large percentage of younger people move out of a jurisdiction, or not enough young

⁹Center for Rural Pennsylvania; 2020 U.S. Census

¹⁰Center for Rural Pennsylvania, Center for Rural Pennsylvania Releases Population Projections through 2050, October 4, 2023. Accessed 10/20/23 at: <https://www.rural.pa.gov/latest-news/news>

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people move in, the citizen base becomes steadily older on average. Older residents may not have the financial resources to pay real estate taxes. The aging citizen base might also require extra municipal services.

- **Large Number of Vacant/Blighted Properties** – Municipalities with net outmigration are often faced with many vacant properties and blighted buildings and

properties. In some cases, properties are abandoned and real estate taxes go unpaid.

- **Lower Median Home Values** – Property taxes are based on property values. Median home values vary across the state based on market demand, but remain lower in less-populated areas.



Finding J – Municipal expenses are increasing.

Description

Many municipalities face increasing expenditures. Costs such as debt service, new employees, pension obligations, and new services impact municipal budgets. Inflation also poses a further fiscal challenge for local governments as costs rise faster than revenue.

Implications

Increased municipal expenditures combined with decreased revenues and decreased buying power can result in budget deficits/contraction and a reduced ability to meet local match requirements.

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Finding K – Lack of in-house technical capacity is common and multi-municipal cooperation must be strengthened.

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Description

Municipalities may lack in-house technical capacity to develop compliant grant applications. This finding is reinforced by the statewide survey in which more than 50% of respondents indicated that lack of capacity influenced their decision not to pursue funding. This could be due to a small number of municipal employees, and/or their lack of technical expertise, as well as the inability to retain/afford professional grant-writing assistance to prepare required technical data and analyses, such as benefit-cost analyses.

Implications

Municipalities lacking the in-house technical capacity to prepare complete, competitive grant applications are not able to access funding to complete needed transportation improvements.

Available Technical Assistance

Pennsylvania state and planning agencies and local government associations develop and deliver programs and services to help meet local technical assistance needs. A few are noted below.

- **MPOs/RPOs** – Provide as-needed technical assistance for transportation projects to municipalities throughout their respective regions.
- **PennDOT Connects** – Provides transportation and land use planning technical assistance for municipalities across Pennsylvania. It is important to note that the demand for this free planning technical assistance has been minimal despite PennDOT’s active promotion. This may be indicative of local municipalities choosing to focus on their day-to-day responsibilities and foregoing other efforts.

- **PennDOT LTAP** – Transfers transportation technology through free training, technical assistance, and other services to municipalities across Pennsylvania. In contrast to PennDOT Connects technical assistance, municipal demand for LTAP support is high.
- **Governor’s Center for Local Government Services (GCLGS)** – Provides technical assistance through its Peer Program which focuses on all aspects of local government operation. It also offers online training through the PA Training HUB for Municipal Learning (PATH) and partners with the Local Government Academy to deliver training.
- **Pennsylvania’s Municipal Associations** – Pennsylvania State Association of Township Supervisors (PSATS), Pennsylvania State Association of Boroughs (PSAB),

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Pennsylvania Municipal League (PML), and the County Commissioners Association of Pennsylvania (CCAP) each provide training and other resources for their member municipalities.

While technical assistance offerings are available, effective, and beneficial, not all municipalities take advantage, and the need is still great.

Multi-Municipal Efforts

Following are examples of current multi-municipal efforts in Pennsylvania. This list is not exhaustive.

- Pennsylvania municipalities are enabled under the Pennsylvania Municipalities Planning Code (MPC) (Act of 1968, P.L. 805, No. 247 as reenacted and amended) to cooperate across municipal boundaries.
 - › **Article XI of the MPC** addresses Intergovernmental Cooperative Planning and Implementation Agreements. Two purposes of the article are to:
 - Complement the economic and transportation needs of the region and the Commonwealth.
 - Provide for coordinated highways, public services, and development.
 - › **Intergovernmental Cooperative Agreements** may be entered into “between and among counties and municipalities for areas that include municipalities in more than one county, and between and among counties, municipalities, authorities and special districts providing water and sewer facilities, transportation planning, or other services within the area of a plan and with the opportunity for the active participation of State agencies and school districts.”

- › **Tax Revenue-Sharing** – The MPC allows for the sharing of tax revenues and fees by municipalities, noting that municipalities that adopt a joint municipal zoning ordinance or have entered into Implementation Agreements to carry out a county or multi-municipal plan may share tax revenues and fees.
- State funding programs currently provide increased consideration for multi-municipal collaboration and cooperation. For example, DCED’s Municipal Assistance Program (MAP) awards funding based on the degree to which proposed projects advance partnerships as well as performance, innovation, commitment, results, and competition. The program includes four categories of shared service activities:
 - › **Regionalization/consolidation/sharing of services.**
 - › **High-impact projects** providing a significant service or problem-solving impact for a large geographic area or population.
 - › **Shared capacity** to defer costs associated with a group of two or more municipalities/counties who seek to create by intergovernmental agreement a shared position that will perform specific functions or services for all partners.
 - › **Boundary change** – Applications for funding for financial analyses, feasibility studies, and public outreach and education programs for locally initiated boundary change activities will receive priority consideration and consideration for a reduced local match.

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Finding L – Local governments often lack capital improvements planning.

Description

Many Pennsylvania municipalities prepare capital improvement plans to identify, prioritize, and schedule capital projects, including transportation infrastructure. The process can also help forecast shortfalls in revenue and/or increases in expenditures that may limit the ability to complete needed infrastructure projects. Capital improvement plans can include strategies to increase revenues and decrease expenditures to meet capital needs.

Implications

Lack of municipal capital improvement planning hinders a local government's ability to plan for and develop a strategy to fund transportation improvement projects.

Typically, a capital improvement plan will identify project priorities. A grant-proposed project might have a greater chance of being awarded if it is a priority in a capital improvement plan.

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Recommendations

Overview

This section discusses potential solutions to local match challenges based on the Current Situation and Findings in this report. Recommendations are summarized below and described on the following pages.

Table 9: Recommendations Summary

Category	Recommendation
Match	1. <u>Adopt flexible match policy for state grants and modify program guidelines.</u>
	2. <u>Consider local match waiver options.</u>
	3. <u>Establish a state program to match federal grants.</u>
	4. <u>Seek private-sector and non-profit match support.</u>
	5. <u>Establish a local match revolving loan fund.</u>
Capacity	6. <u>Promote and incentivize multi-municipal cooperation.</u>
	7. <u>Build local capacity through technical assistance.</u>
Budget	8. <u>Consider property tax modifications.</u>
	9. <u>Adopt additional municipal taxes or fees.</u>
	10. <u>Encourage county-implemented transportation funding initiatives.</u>

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Recommendation 1

Adopt flexible match policy for state grants and modify program guidelines.

Authorize state agencies to adjust local match requirements based on municipal characteristics, and modify program guidelines to make it more feasible for municipalities to participate.

Description

TAC recommends continuing to modify state programs through legislation and policy to allow for flexible match requirements to reduce the burdens on smaller, rural, or fiscally distressed municipalities. For example, local match was reduced from 50% to 20% for the Green Light-Go program, resulting in a combination of increased applications and program demand. Flexibility, of course, needs to be governed by a framework of program guidelines. State program guidelines should be evaluated to:

- Incorporate a consistent statewide local match scale that would weight and rank municipal fiscal and technical capacity. For example, New Jersey's Boardwalk Preservation Fund has a 5% local match with some municipalities exempt from the local match requirement based on their Municipal Revitalization Index (MRI) ranking. The Colorado IJJA Local Match Program scores applications against state-level priorities.
- Allow state programs to match each other or ensure local match for all state grant programs includes in-kind services or donation of right-of-way.
- Evaluate program timelines to be sensitive to the capacity of local governments. For some programs, such as Green Light-Go, local governments do not always have the capacity to complete projects within the funding constraints of each state fiscal year. Modifying program guidelines could minimize the lapse of state funds.

Sample Local Match Scale Criteria

- Population
- Number of full-time municipal staff
- Percentage of tax-exempt property
- Millage rate
- Municipal budget
- Median household income
- Unemployment rate
- Poverty rate
- State priority

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- Consider program set-asides specifically for small or distressed local governments. Doing so would ensure that a percentage of available funds is provided to smaller or municipally distressed communities that otherwise would not be able to compete with larger municipalities for funding.

Evaluation

Pros	Cons
<ul style="list-style-type: none"> ▪ More communities with significant needs would be able to apply for and benefit from funding. 	<ul style="list-style-type: none"> ▪ Requires justification and documentation of decision-making. ▪ Balancing flexibility with the need for fair and consistent policy and guidelines could be challenging.

Implementation Considerations

Developing a consistent, statewide municipal evaluation scale and modifying existing state program guidelines would be necessary to implement this recommendation.

- Consider municipal evaluation scales to help rank applications. Examples include the New Jersey MRI ranking, which measures municipal distress based on eight indicators measuring diverse aspects of social, economic, physical, and fiscal conditions, and the Colorado IJA Local Match Program, which includes a scoring matrix assessing criteria such as alignment with state-level priorities, need, equitable impacts, workforce/job creation, and shovel-ready status.
- A set of decision-making factors could be an alternative to a municipal evaluation scale per se. This might include factors such as fiscal distress, unique economic development opportunities associated with the grant project, [environmental justice/EJ40](#) considerations, etc.
- Look for existing models within Pennsylvania programs that use criteria, evaluation factors, etc.
- Consider which state transportation programs should be evaluated. At minimum start with Green Light-Go, PennDOT MTF, and CFA MTF.

GETTING STARTED

BEGIN IDENTIFYING
CONSISTENT
CRITERIA FOR
WAIVING MATCH

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Recommendation 2

Consider local match waiver options.

Consider options to waive, either permanently or on a discretionary basis, local match requirements for state transportation grant programs.

“We are a government entity, so I feel it should be easier to apply and get awarded funds with less stipulations.”

~ Statewide survey respondent

Description

Currently, through annual adoption of Pennsylvania state fiscal code, both the PennDOT MTF and CFA MTF are authorized to waive local match. The CFA MTF waiver is applicable to all municipalities and the PennDOT MTF waiver is at the discretion of the Secretary. Such discretion recognizes that a potential project may have unique significance, which could relate to the sample local match scale criteria listed under Recommendation 1. Permanently waiving the match requirements through legislation would eliminate the annual need for fiscal code authorization. TAC recommends that each transportation grant program be reviewed to determine whether, and how, local match should be waived.

Evaluation

Pros	Cons
<ul style="list-style-type: none"> Improves local participation. Enhances ability to target strategically important projects and rural and economically distressed communities. 	<ul style="list-style-type: none"> No local commitment, or “skin in the game.” Would require legislation.

GETTING STARTED

REVIEW GRANT PROGRAMS TO DETERMINE WHETHER AND HOW LOCAL MATCH SHOULD BE WAIVED

Implementation Considerations

Waiving local match requirements for transportation grant programs should consider legislative and gubernatorial support.

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Recommendation 3

Establish a state program to match federal grants.

Establish a state program to provide a funding source that would be used to match federal funds.

Description

Similar to Arizona, Colorado, and Minnesota, Pennsylvania could enact legislation and develop accompanying policy and programs to provide the local match needed to apply for federal funding. A dedicated local match program would enable Pennsylvania municipalities to compete with communities in other states for federal transportation funding. The program could conceivably allow for state matching of federal grants under certain conditions. However, the overall intent would be to help PA communities and regions in their pursuit of federal grant funds.

Evaluation

Pros	Cons
<ul style="list-style-type: none">▪ Would provide needed resources for local government transportation improvements.▪ Pennsylvania could draw on the experience of other states.	<ul style="list-style-type: none">▪ State funds could not fully meet the demand for local match.▪ Would require legislation.▪ Shifts administrative and budgetary burden to state government.

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Implementation Considerations

Implementing a new state program to match federal dollars has several implementation considerations.

- A dedicated revenue source(s) would likely need to be identified to fund a new matching program unless the program is set up using Commonwealth General Funds.
- Despite the complexities of legislative action, this recommendation would need to be advanced as rapidly as possible to maximize effectiveness under the remaining years of IJJA/BIL.
- With a comparable number of local governments at 2,633, Minnesota's match program should be monitored for best practices and lessons learned.
- Additional grant funding is not a panacea for meeting local funding needs. Fundamentally, the larger solution requires a state transportation legislative initiative that includes local funding.

GETTING STARTED

EVALUATE BEST
PRACTICES AND
LESSONS LEARNED
FROM OTHER
STATES' MATCH
PROGRAMS

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Recommendation 4

Seek private-sector and non-profit match support.

Seek private and non-profit support to help meet local match requirements.

Description

Local governments should seek private support from local foundations and/or developers to help supply local match to help fund transportation projects. Entities that benefit from the grant investments should arguably be part of the local funding solution. Private developers, for example, help communities considerably but also benefit from the public infrastructure in the communities in which they develop projects. As such, assisting in grant funding matches represents an opportunity for developers to invest in the community in a meaningful way.

Some municipalities have negotiated developer agreements to help fund transportation improvements that benefit the private-sector development.

Note that this recommendation does not include transportation impact fees discussed in Recommendation 9 – Adopt Additional Municipal Taxes/Fees.

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Evaluation

Pros	Cons
<ul style="list-style-type: none"> ▪ May be effective for individual projects or at the community level. ▪ Promotes bundling of funding sources. ▪ Reduces burden on taxpayers. ▪ Could help a municipality undertake more significant and ambitious projects. ▪ Reinforces the transportation-land use connection. ▪ Better aligns benefits and beneficiaries with project costs. 	<ul style="list-style-type: none"> ▪ Culture change may require training and other ways of raising awareness of obtaining private participation. Limited as a statewide solution. ▪ Likely relies on municipal capacity and a skilled workforce to both pursue and negotiate. This could limit participation of smaller municipalities. ▪ Could require specialized experience within local government in managing contracts. ▪ Private-sector partners may prioritize profits over public interest, or advocate for other decisions that do not align with the community’s needs. ▪ Private-sector partnerships may lack transparency, absent appropriate documentation and public information. ▪ Rural communities lacking established businesses or non-profits would have difficulty seeking private match support.

Implementation Considerations

Increasing non-profit and private developer contributions to generate local match should include both private- and public-sector partners.

- Identify existing developer agreements that have been used to fund transportation improvements.
- Identify non-profits that might be willing to contribute to local match.
- Determine the barriers to local government pursuit of these non-traditional funding sources and what can be done to remove or reduce those barriers. It will be prudent to recognize that this shift, in part, is a culture change in which local government and the private organizations that benefit the community and benefit from it should have more direct involvement in the grant-matching effort—particularly those that stand to benefit the most from the transportation improvement or project funded through the prospective grant.

GETTING STARTED

IDENTIFY MODEL DEVELOPER AGREEMENTS USED BY LOCAL GOVERNMENTS

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Recommendation 5

Establish a local match revolving loan fund.

Fund the initial capitalization of a Commonwealth no-interest or low-interest revolving loan fund to finance local match.

Description

A Local Match Revolving Loan Fund could provide a method of financing local match.

- The fund could include favorable payback provisions including low or no interest terms and delayed payback schedules.
- The fund could be standalone or incorporated into the existing Pennsylvania Infrastructure Bank (PIB) administered by PennDOT.

Evaluation

Pros	Cons
<ul style="list-style-type: none">▪ Infrastructure improvement having long-term benefit streams may justify longer-term financing solutions and responsible debt.▪ Potential to use PIB as foundation.	<ul style="list-style-type: none">▪ Many communities might not be able to justify future years' commitments of debt service based on budget constraints.▪ Unless a program offers no-interest loans, municipal participation is likely to be low.

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Implementation Considerations

Developing a local match revolving loan fund should include the following considerations.

- Incorporating a local match revolving loan fund into the existing PIB program minimizes the start-up required to administer a new program.
- Consider the feasibility of including local match for federal funds as an eligible “project.”

GETTING STARTED

DETERMINE WHETHER
THE FUND COULD BE
INCORPORATED INTO
THE PIB

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Recommendation 6

Promote and incentivize multi-municipal cooperation.

Encourage local governments to continue multi-municipal partnerships to leverage municipal resources.

Description

Pennsylvania municipalities are encouraged to cooperate through legislation and are incentivized to do so through some state programs. Encouraging and incentivizing greater multi-municipal cooperation could mitigate the need for increased municipal consolidation in the near term as resources would be pooled from multiple municipalities to meet match and capacity challenges.

Evaluation

Pros	Cons
<ul style="list-style-type: none">▪ Enhances the ability of local governments to apply for transportation funding.▪ Promotes inter-municipal problem-solving and leverages resources.▪ Promotes integrated transportation and land use as well as improved permit predictability, ultimately resulting in increased economic development.	<ul style="list-style-type: none">▪ Managing a revenue-sharing program could be administratively complex.▪ Could erode local autonomy.▪ Could be contentious, politically.

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Implementation Considerations

Increased multi-municipal cooperation needs to consider varying state and local interests.

The proposed Local Match Task Force (see Conclusion) should consider current multi-municipal planning and cooperation tools (as a baseline), identify gaps, and identify solutions to incentivize increased multi-municipal cooperation. Expanded technical assistance from state, regional, and local entities as discussed in Recommendation 7 would also help improve multi-municipal efforts.

Increased multi-municipal cooperation needs to consider varying state and local interests.

- Pennsylvania's local government associations could be key partners in advancing this recommendation.
- Increased funding to either incentivize multi-municipal efforts (e.g., increasing the annual appropriation for DCED MAP or provide added technical assistance capability to existing entities such as GCLGS to support multi-municipal cooperation) should be considered.

The demographics challenging many Pennsylvania communities (Finding I) will likely make consolidation more of a necessity than an option down the road. In the near term there should be a strong, positive push for tangible municipal cooperation/sharing of services and functions. State government help in addressing the inability to match grants needs to be accompanied by local government collaboration to advance a balanced problem-solving approach.

GETTING STARTED

CONSIDER HOW
TO INCENTIVIZE
MULTI-MUNICIPAL
COOPERATION

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Recommendation 7

Build local capacity through technical assistance.

Improve local government capacity to apply for and manage transportation funding opportunities.

Description

Widespread insufficient local capacity is a major finding of this TAC study, as detailed in the Findings section. Addressing local capacity is complex. The following solutions could help address the local capacity issue when implemented with Recommendation 6, promoting multi-municipal cooperation.

- **Continue existing local government capacity-building efforts** through Pennsylvania's LDDs via GCLGS, READY Appalachia and ARC funding, PennDOT Connects, and Pennsylvania local government associations.
- **Support the passage of new programs that aid Pennsylvania local governments**, such as HB 1216, the DCED Municipal Grant Assistance Program.
 - › If legislation is enacted, the program would provide municipal grant-writing training, connect professional grant writers with municipalities to provide services (i.e., circuit rider concept), and establish funding to help municipalities contract for professional grant-writing services.
 - › The bill was referred to the Senate Community, Economic, and Recreational Development Committee for consideration in July 2023.

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- **Consider ideas submitted via the statewide survey:**
 - › Consider identifying a local grant liaison for each county. The liaison would meet with each municipality at least once per year to discuss local government needs and corresponding funding opportunities. The liaison would assist the municipality with grant application development and submission.
 - › Coordinate with local government associations to ensure that annual or as-needed mailings or e-mail blasts include information on available grants and funding opportunities.
 - › Provide grant descriptions in layman’s terms to help local government officials better understand key eligibility criteria.

- **Encourage local government collaboration with regional planning and economic development entities for grant application support.** For example, as discussed in the municipal outreach section and the case studies, the City of Chester, in Delaware County, is a distressed municipality with limited financial and technical capacity for grant application development to advance transportation projects. Recognizing the importance of transportation to economic development initiatives, the MPO (Delaware Valley Regional Planning Commission), Delaware County, and the Chester Economic Development Authority provide technical assistance to Chester for grant applications and administration.

Evaluation

Pros	Cons
<ul style="list-style-type: none"> ▪ Improves municipal capabilities through the availability of technical assistance. ▪ Yields long-term benefits of skill-building and knowledge transfer. ▪ Leverages existing networks. 	<ul style="list-style-type: none"> ▪ Difficulty in sustaining technical assistance, given the extensive need.

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Implementation Considerations

Capacity-building efforts should consider differing levels of need throughout Pennsylvania's diverse municipalities.

- Municipal associations, MPOs/RPOs, and state agencies each provide some level of capacity-building for Pennsylvania local governments. A list is included in the Findings section.
- A gap analysis could be conducted with broad input to identify specific capacity-building needs and document existing capacity-building efforts.
- A sustainable statewide model should be developed that leverages and shares capabilities, promotes best practices, and demonstrates success.

GETTING STARTED

COORDINATE WITH LOCAL GOVERNMENT ASSOCIATIONS TO CONSISTENTLY DISTRIBUTE INFORMATION ON GRANT OPPORTUNITIES

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Recommendation 8

Consider property tax modifications.

Adjusting the rates of payments in lieu of taxes would help offset the loss of local tax revenues for federal and state-owned property, and reviewing property tax rebate programs would determine the necessity of programmatic changes.

Description

As detailed in the Findings section, both federal and state payment in lieu of taxes (PILT) and the PDA Clean and Green program prevent Pennsylvania municipalities from collecting full property taxes on all real estate in their jurisdictions. Adjusting the state PILT rate would help offset local tax revenue losses. Reviewing the Clean and Green Program with the PDA to further understand local government tax revenue concerns would help determine if future program modifications are warranted.

- **State PILT** – Legislation currently under consideration in the Pennsylvania General Assembly (SB 225) would increase the dollar amount per acre of PILT that DCNR, PGC, and PFBC pay to local governments, school districts, and counties for land owned by the agencies, as described in the Findings. The legislation was referred to the Pennsylvania Senate Appropriations Committee in June 2023.

The TAC also recommends that the following legislative efforts receive serious consideration by the Commonwealth:

- **Proposed Tax-Exempt Property Municipal Assistance Fund** – Proposed HB 451 would authorize the Tax-Exempt Property Municipal Assistance Fund. The fund would assist

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municipalities with more than 15% tax exempt properties by providing a dedicated funding source to municipalities. The program would be funded from Pennsylvania's 18% liquor tax. The legislation was referred to the Pennsylvania House Local Government Committee in March 2023.

- **Federal PILT** – Pursuing long-term legislative solutions to address federal PILT and SRS funding, and advocating for improved forest management practices to increase timber revenue sales for national forest counties, is another potential solution for consideration by Pennsylvania and its federal congressional delegation.
- **SRS Funding** – Additionally, Pennsylvania counties within the Allegheny National Forest (Elk, Forest, McKean, Warren) could consider working with NACo, CCAP, and state legislative officials to consider establishing special districts to receive Secure Rural Schools (SRS) funding. States like Colorado, Montana, and Oregon have enabled special road improvement districts to directly receive SRS funding payments through each state treasurer. The direct receipt of SRS payments by a special district, rather than a county, eliminates a reduction to and preserves the full amount of a county's federal PILT.
- **Timber Proceeds** – In addition, consider the legislative feasibility of requiring a portion of the sale of timber proceeds from state owned forested property to be remitted to the local government, county, and school district in which the forested property is located. The timber sale proceeds would be in addition to State PILT.

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Evaluation

Pros	Cons
<ul style="list-style-type: none"> ▪ Brings PILT in line with present property tax rates. ▪ Provides revenue to local governments, easing their fiscal pressure and in turn their ability to match grants. ▪ Improves equitability: eases tax burden on private property owners, particularly homeowners. ▪ Reduces the fiscal pressure on municipalities with real estate enrolled in the Clean and Green program. 	<ul style="list-style-type: none"> ▪ Shifts fiscal pressure to other levels of government to cover the increase (e.g., pressure on the Commonwealth's General Fund and other funds). ▪ Any future Clean and Green program modifications would require legislation.

Implementation Considerations

Modifying legislation that impacts taxation would require balancing the fiscal needs of state government and local government.

- State legislators and staff and agency representatives would need to work collaboratively with Pennsylvania local government organizations to support legislative reform.
- To determine whether future Clean and Green program modifications are warranted, PDA and Pennsylvania local government organizations would need to work together to discuss local government concerns in relation to Commonwealth priorities.
- To work toward an increase in federal PILT, Pennsylvania's congressional delegation would need to support action on behalf of Pennsylvania municipalities that have federal lands within the jurisdiction.

GETTING STARTED

ADVOCATE FOR CHANGES IN THE FEDERAL AND STATE PILT RATES; SUPPORT HB 451

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Recommendation 9

Adopt additional municipal taxes or fees.

Work with municipalities to increase the use of other types of revenue-generating fees or taxes to yield funds for local match.

Description

Municipalities have options other than the real estate tax to generate additional taxes or fees. A few options are listed below. While these options are not exhaustive, they illustrate that Pennsylvania has tools that could be implemented depending on the needs and characteristics of the municipality.

- **Local PILOT** – Pennsylvania local governments can enter into voluntary PILOT agreements with state, local, educational, faith-based, and non-profit organizations to partially offset the lack of revenues from tax-exempt properties, as discussed in the Findings.
 - › Encouraging new local government PILOT agreements, where warranted, would increase revenues.
 - › A significant level of partnership is required to establish and maintain an effective local PILOT.
 - › Proposed HB 451, which would authorize the Tax-Exempt Property Municipal Assistance Fund, would also provide additional revenue for municipalities with more than 15% of properties being tax-exempt (see Recommendation 8 – Consider property tax modifications).
 - › Only 285 local governments had an active PILOT in 2021.

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The TAC’s broad statutory charge (Act 120 of 1970) is limited to transportation. As such, TAC recognizes that it is beyond its purview to weigh in heavily on local government finance. The exception, however, is that TAC sees the expanded use of local PILOT as a means to broaden the funding base for local government services, including transportation.

- **Transportation Impact Fees** – Transportation Impact Fees are a funding tool enabled through the MPC that municipalities can use to fund transportation improvements.¹¹
 - › The tool is highly effective in generating revenues in population centers in and near Philadelphia, Pittsburgh, and the Lehigh Valley.
 - › It is a reliable funding tool for municipalities in urban and suburban areas with predictable growth and not as effective for municipalities in rural areas with limited growth.
- **Per-Capita Tax or Local Services Tax** – Consider adopting other local taxes such as a per-capita tax or a local services tax, etc. These taxation tools are widely used in Pennsylvania; however, their effectiveness depends on population so they might not be an effective alternative for smaller municipalities.
- **Special-Purpose Tax** – Certain classes of municipalities can enact a Special Purpose Tax that can be levied to cover the cost of road and bridge improvements, equipment purchases, etc. After the improvement or purchase is complete, the tax can be eliminated

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¹¹ Pennsylvania State Transportation Advisory Committee, White Paper: Transportation Impact Fees, Development Impacts on the Transportation System. December 2021.

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Evaluation

Pros	Cons
<ul style="list-style-type: none"> ▪ Further diversifies a municipality’s revenue sources, reducing reliance on a single revenue stream, e.g., Liquid Fuels, etc. ▪ Aligns with the “User-Pay” principle—those who benefit bear the cost. ▪ Yield may increase over time. 	<ul style="list-style-type: none"> ▪ New taxes and fees are a difficult sell politically. ▪ Municipalities would require implementation assistance. ▪ Some taxes and fees can be regressive, disproportionately affecting lower-income taxpayers. ▪ Revenue from some fees can be vulnerable to economic downturns, making long-range planning more challenging. ▪ New taxes are not always advantageous for rural municipalities that receive limited funds per mill due to low assessed values.

Implementation Considerations

Capacity was a concern identified by more than 50% of statewide survey respondents, therefore, recommendations to increase locally generated revenue could be difficult to implement.

- The implementation task force proposed in the Conclusion may want to implement a post-study workgroup to develop a strategy for increasing the use of local PILOTs. The workgroup could potentially include representatives of Pennsylvania municipal associations, GCLGS, and the State Planning Board.
- A strategy could include: raise awareness (including insights from those municipalities that have successfully used local PILOT); provide technical assistance to develop a user’s guide or manual.
- Exploring new tax or fee options specifically for seasonal homes would help local governments with a large percentage of seasonal housing offset diminished tax revenues.

GETTING STARTED

ESTABLISH A STRATEGIC ACTION PLAN FOR PROMOTING LOCAL PAYMENT-IN-LIEU-OF-TAXES (PILOT) PROGRAMS

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Recommendation 10

Encourage county-implemented transportation funding initiatives.

Promote and incentivize county-level programs to fund transportation infrastructure construction and improvement.

Description

Lycoming and Cumberland counties have developed programs to assist local governments in funding transportation infrastructure improvements, as discussed in the Findings (e.g., Fee for Local Use Fund). County-level transportation improvement programs are more beneficial when revenue from several different funding programs is bundled. Pennsylvania's MPOs and RPOs are also pooling resources to help fund local transportation projects. Refer to the Potter County case study in the Appendix for details on how North Central RPO uses a portion of its TIP allocation to fund a local bridge program.

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Evaluation

Pros	Cons
<ul style="list-style-type: none"> Builds on an existing authorized approach. Builds on experience and successes to date, such as Lycoming County's Local Bridge Bundling Program and Cumberland County's Bridge Capital Improvement Program. Provides a source of local funding. Encourages regional problem-solving and the efficiency of a broader geographic unit of government. 	<ul style="list-style-type: none"> Adds burdens at the county level. Methods for "encouraging" may be particularly difficult absent incentives. May not yield much revenue, particularly in sparsely populated rural counties.

Implementation Considerations

Developing a county-level strategy for transportation improvements should include local government associations and local and regional transportation planners.

- Best practices from Pennsylvania local government associations, particularly the County Commissioners Association of Pennsylvania (CCAP), are necessary for this recommendation to be implemented effectively.
- County planners and MPOs/RPOs will also be key partners in ensuring the effectiveness of this recommendation.
- Pennsylvania state government could serve in a supporting role by providing resources to county governments.
- The TAC Task Force emphasized the importance of streamlining and simplifying administrative processes for municipalities to the greatest extent possible, including PennDOT's Engineering and Construction Management System (ECMS).

GETTING STARTED

ASSEMBLE
BEST PRACTICES
FROM CCAP AND
OTHER LOCAL
GOVERNMENT
ASSOCIATIONS

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Conclusion

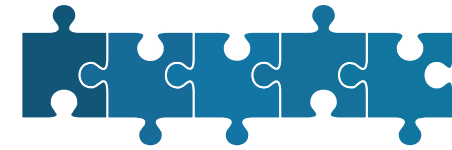
Pennsylvania's Opportunity

The TAC took on this timely topic in light of the expansion of competitive grant programs at both the federal and state levels of government. It is worth noting that the idea behind competing for funds is laudable. Public resources should generally be aimed at funding those projects that will produce the greatest benefit. However, in practice competitive grants have proven to be very challenging.

Paradoxically, in many cases, communities with the greatest need for grant-funded projects are least able to apply for grants because of the dollar-matching requirements and the limited staff resources to prepare competitive applications.

TAC's research demonstrates that Pennsylvania and other states are addressing the challenge by providing funding and technical assistance. These efforts are commendable. In light of the overarching need for investing in local transportation in the Commonwealth, TAC concludes this study with the following overarching points:

- The importance of this topic necessitates the formation of an implementation task force (described on the following page) to evaluate and address TAC's findings and recommendations.
- The broader solution to local government resource constraint does once again shine light on the great cost of having so many local municipalities in the Commonwealth. Long term, municipal consolidation could provide a more efficient framework with cost efficiencies that foster economic and community development in Pennsylvania. For now, municipalities should aim to collaborate to a greater degree. Grant programs should heavily weight multi-municipal projects.



- Grant funds are not the sole solution. The General Assembly needs to address transportation funding needs for both state and local infrastructure. To some extent the IJJA/BIL funding may have created the perception that it fully addressed the transportation infrastructure funding gap. It did not. The level of transportation funding needed for both state and local transportation facilities is still far greater than that which is being provided through IJJA/BIL.
- It has also become clear that there is an interagency dimension to this challenge such that the implementation task force needs the involvement of other grant-providing agencies, local governments, local government associations, and others. The TAC Task Force for this study with its cross-section of members provides a good starting point as to the composition for an implementation task force.
- Healthy and honest debate of the growing local match challenge suggests considering whether the pendulum might not need to swing back to greater reliance on formula funding and other means of direct funding and less reliance on competitive grants. Headwaters Economics, an independent, non-profit organization focused on improving community development and land management decisions, recommends providing direct funding by eliminating competitive grants for limited-capacity communities that lack the resources and expertise to apply for and administer grants.

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Implementation and Next Steps

Implementing the proposed recommendations would require a concerted, accelerated effort to maximize opportunities for municipal success in applying for and receiving IIJA/BIL funding, which is only available through FFY 2026.

TAC recommends the following broad implementation framework as a starting point.

- **Local Match Implementation Task Force** – Establish a Local Match Implementation Task Force to evaluate the findings and advance the recommendations of this report and to formulate an implementation action plan. It is envisioned that Task Force membership would go beyond TAC and reflect state-level partnerships—both agencies and associations—to address the challenges outlined in this study. Task Force members could include but not be limited to:
 - › PennDOT
 - › DCED/GCLGS
 - › Local government associations
 - › MPOs/RPOs
 - › State Planning Board
 - › Pennsylvania Economic Development Association
- **Charge** – The Local Match Implementation Task Force would have the following basic charges:
 - › Evaluate each finding and recommendation with the focus on preparing an implementation action plan with steps and timetables for moving forward. An early action item for each recommendation is suggested in this document under the “Getting Started” headings.
 - › Advance implementation of the recommendations that involve policy, programs, and partnerships.
 - › Address key challenges such as capacity-building, flexibility, and distressed communities.
 - › Promote program guidelines (both state and federal) that include match flexibility or match waiver.

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Acknowledgements

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iStock.com / Shomiz

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The project team acknowledges the outstanding involvement and expertise of the study task force.

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Thank you to the Center for Rural Pennsylvania for administering the statewide survey conducted as part of this study. The insights collected through the center's work validated the study purpose and helped shape recommendations.

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About the Transportation Advisory Committee

The Pennsylvania Transportation Advisory Committee (TAC) was established in 1970 by Act 120 of the State Legislature, which also created the Pennsylvania Department of Transportation (PennDOT).

TAC has two primary duties. First, it “consults with and advises the State Transportation Commission and the Secretary of Transportation on behalf of all transportation modes in the Commonwealth.” In fulfilling this task, TAC assists the Commission and the Secretary “in the determination of goals and the allocation of available resources among and between the alternate modes in the planning, development, and maintenance of programs, and technologies for transportation systems.” TAC’s second duty is “to advise the several modes (about) the planning, programs, and goals of the Department and the State Transportation Commission.”

TAC undertakes in-depth studies on important issues and serves as a liaison between PennDOT and the general public. TAC consists of the following members: the Secretary of Transportation; the heads (or their designees) of the Department of Agriculture, Department of Education, Department of Community and Economic Development, Public Utility Commission, Department of Environmental Protection, and the Governor’s Policy Office; two members of the State House of Representatives; two members of the State Senate; and 18 public members—six appointed by the Governor, six appointed by the President Pro Tempore of the Senate, and six appointed by the Speaker of the House of Representatives.

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Appendix: Case Studies



Benezette Township

Elk County



Only 9% of property in Benezette Township is taxed at market value. With a mere 216 year-round residents but being home to a tourist destination attracting nearly 500,000 visitors a year, the Township proactively leverages partnerships to meet transportation infrastructure needs. Political, agency, and organizational support is required for smaller municipalities like Benezette Township to successfully compete for transportation funding.

Location and Case Study Rationale

Benezette Township, Elk County, is in North Central Pennsylvania. With only 216 residents, the township is sparsely populated at 2.1 residents per mile. While the number of residents is small, the area receives nearly 500,000 visitors per year from throughout the U.S. However, more than 80% of the township's land is tax-exempt. The large amount of tax-exempt real estate combined with a national tourism destination impacts this rural community and prompted further evaluation.

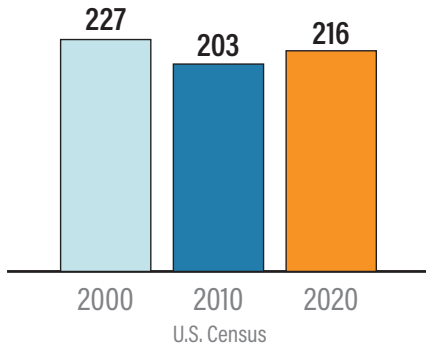


Benezette Township, cont'd.

Demographics and Land Use Snapshot



Total Residents



Median Age

Township	PA
57.0	40.9

2020 U.S. Census



Median Household Income

Township	PA
\$33,542	\$67,587

2021 U.S. Census American Community Survey



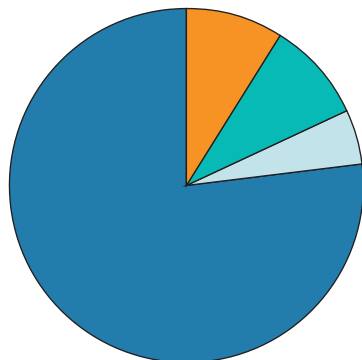
Median Home Value

Township	PA
\$100,000	\$219,811

2020 U.S. Census



Percentage of Tax-Exempt or Tax-Discounted Acreage



- State Parks & Forest - 76%
- State Gamelands - 5%
- Farm & Forest Preservation - 9%
- Market Value - 9%



Land Area

55,446 acres



Seasonal Housing Units

85%

2020 U.S. Census



Local Infrastructure

Roads	Bridges
17.83 miles	3

PennDOT



Benezette Township, cont'd.



- Benezette Township is home to the Elk Country Visitor Center, attracting close to 500,000 visitors per year, mainly in late summer and fall.
- Constructed in 2010, the visitor center was developed through a public-private partnership between the Pennsylvania Department of Conservation and Natural Resources (DCNR) and non-profit Keystone Elk Country Alliance.
- The Elk Country Visitor Center is the prime location for viewing the largest elk herd in the northeastern United States.
- Access to the Elk Country Visitor Center is from Winslow Hill Road, owned and maintained by Benezette Township.

Local Challenges

Benezette Township is required to maintain nearly 18 miles of local roads yet finds it challenging to maintain roads and provide for other local services due to the following factors.

Limited Tax Revenue

- **Real Estate Tax** – Only 9% of property in Benezette Township is privately owned and taxed at market value, which limits real estate tax revenue. To keep pace with transportation and facilities needs, the Township recently approved a millage rate increase.
- Tax-exempt state parks, forest, and game lands comprise 81% of Benezette Township's acreage. Although the Township receives state payment in lieu of taxes (PILT), proceeds fall short of the amount that would be generated if the property were taxed at market value.
- **Earned Income Tax (EIT)** – The Township levies an EIT. Because EIT is calculated based on residence and not place of employment, EIT revenue generation is limited due to the small number of residents.
- **County Hotel Tax** – Elk County's hotel tax does not benefit the Township because revenue flows to the state and county, not local government.
- **County Reassessment** – Elk County's most recent property reassessment was in 1986. A countywide reassessment would benefit Benezette Township because a large number of seasonal homes (hunting cabins) were built about 30 years ago, after the assessment. The township has 695 seasonal homes and 88 permanent residential dwellings.

Limited Staff Capacity

Benezette Township has one full-time employee and no Township manager. The Township does not have the in-house resources necessary to monitor transportation funding opportunities and prepare and submit grant applications.



Benezette Township, cont'd.

Local Challenges, cont'd.

Funding Sources are Difficult to Access

The Township has had challenges in accessing transportation funding sources due to competition for funding and program policy.

- **PennDOT MTF and CFA MTF** – While the Township was recently successful in securing \$3.9 million for improvements along Winslow Hill Road—the main access to the Elk Country Visitor Center—securing the funding required a significant investment of time and effort by state, local, and regional officials.

After multiple applications for PennDOT MTF grants; completion of a feasibility study funded by NCPRPDC and the Township; advocacy by two governors and state legislative officials; support from DCNR, PennDOT, and DCED secretaries and agency officials; and technical and administrative assistance from Elk County Planning and NCPRPDC; funding was ultimately awarded. The roadway improvement project was fully funded through a \$2.9 million PennDOT MTF grant and a \$1 million CFA MTF grant. Local match was waived for both awards.

- **CFA Statewide Local Share** – It is difficult for small, rural communities to compete with municipalities from across the state for funding.
- **DCED Annual CDBG Allocation** – Community Development Block Grant (CDBG) funding has income thresholds. Benezette Township is disqualified from CDBG funds due to its high number of seasonal homes and the relatively high incomes of those owners.

Impacts of Challenges

Deferred Local Infrastructure Maintenance

Limited real estate tax revenue impacts the Township's ability to keep pace with local road maintenance needs and other municipal priorities, such as building repairs.

Non-Participation in State/Federal Grant Programs

The limited revenue also impacts the Township's ability to meet local match requirements, therefore the Township tends to not apply to grant programs with local match requirements. The time and effort required to apply for and compete for grant funding puts a strain on limited Township resources.



Benezette Township, cont'd.

Best Practices and Potential Solutions

Leverage Partnerships and Technical Assistance

While Benezette Township is small, it has effectively leveraged county, regional, and state partnerships to accomplish transportation goals.

- The Winslow Hill Road improvement project would not have been possible without support from state-level officials and legislators and local support from NCRPDC and Elk County. Municipalities without this level of support are at a disadvantage.
- Associations such as PSATS, Elk County, NCRPDC, and state and federal agencies are helpful in notifying the Township of funding opportunities.
- The Medix Grade Road improvement project is the Township's next major investment. The \$150,000 project will be completed in phases over three to five years. Effective partnerships with PennDOT District 2, Elk County Conservation District, and neighboring Jay Township through an intergovernmental agreement will help ensure the project's completion.

Multi-Municipal Cooperation

Benezette Township has intergovernmental agreements in place with neighboring townships to maintain local roads. The agreements encompass shared equipment, materials, and labor costs. Establishing intergovernmental agreements helps leverage limited resources.

Increase in the State PILT Rate

An increase in state PILT would generate more local revenue for Benezette Township. The revenue increase would make it easier for the Township to complete needed roadway projects to continue to support the Elk Country Visitor Center and invest in other building and infrastructure improvements.

County Reassessment

Elk County's most recent countywide reassessment was in 1986. A countywide reassessment would capture the value of the numerous seasonal homes (hunting cabins) that have been constructed since the last reassessment and increase Benezette Township's real estate tax revenue.



City of Chester

Delaware County



The City of Chester has a compelling vision to become a destination city, driving continued economic recovery and growth. Significant regional attractions such as Subaru Park—home of the Major League Soccer team Philadelphia Union—and the area’s casino require efficient, well-maintained transportation infrastructure. Agency and organizational support have been vital for Chester to attract and continue to attract investment, and transportation funding is essential.

Location and Case Study Rationale

The City of Chester is located in Delaware County, south of Philadelphia, bordering the Delaware River and New Jersey. Population and industry grew significantly during the war boom in the first half of the 19th Century. Like many cities in Pennsylvania and around the country, Chester began experiencing an outmigration of industry, followed by citizens, starting in the mid-1950s. Today, the city continues to struggle financially and is under Act 47 receivership but is in a decades-long period of recovery. The City of Chester has received \$1.36 billion in public and private investment since 1996. Using this investment, Chester has restored its parks, expanded housing and improved housing conditions, attracted new business, and generated thousands of job opportunities. Significant revitalization has occurred due to focused efforts and warranted further investigation.

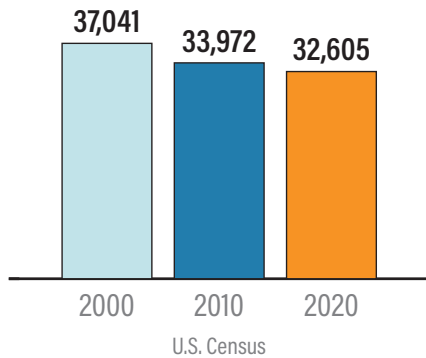


City of Chester, cont'd.

Demographics and Land Use Snapshot



Total Residents



Median Age

City	PA
33.2	40.9

2020 U.S. Census



Median Household Income

City	PA
\$35,751	\$67,587

2021 U.S. Census American Community Survey



Population Density

6,746 people per square mile

Median Home Value

City	PA
\$70,300	\$219,811

2020 U.S. Census



Local Infrastructure

Roads	Bridges
79.6 miles	9

PennDOT



City of Chester, cont'd.

Local Challenges

Fiscal Constraints

Challenged by decades of economic disinvestment and resultant population loss, Chester is currently in Act 47 receivership status and is diligently working to improve fiscal conditions. It is difficult for the City to meet transportation infrastructure needs.

Aging Transportation Infrastructure

Local roads in Downtown Chester are somewhat deteriorated, particularly from use by heavy vehicles. Three City-owned bridges have been closed, disrupting truck connectivity to SR 291 and I-95. One of the City's bridges, Lloyd Street, is being repaired.

Lack of Local Match

While the City would like to pursue more competitive grant opportunities, due to its fiscal challenges it cannot afford matching funds. The City has worked effectively with funding agencies to waive local match. For example, local match was waived for recent Delaware County Greenways grant funding. Due to the historical significance of Chester's train station and the importance of that multimodal connection, SEPTA has not required local match for improvement projects.

Best Practices and Potential Solutions

Partnerships Improve Capacity

Chester advances its goal as a destination city through partnering with local and regional entities such as the Chester Economic Development Authority (CEDA), Delaware County, and Delaware Valley Regional Planning Commission (DVRPC) for support and assistance. CEDA typically prepares grant applications and serves as applicant, while the City administers the project and grant funds. Effective partnerships support the City's economic development priorities by enabling development of transportation infrastructure projects.

Prioritize Funding for Distressed Communities

Transportation improvement is a key element of Chester's redevelopment. While help comes from CEDA and other partners, there are some grants that the City cannot access due to fiscal deficits, underscoring the need to place as high a priority on distressed communities for accessing grant funding.



Clearfield Borough

Clearfield County



Clearfield Borough is a county seat and like many county seats across Pennsylvania, it has a significant percentage of tax-exempt property due to its large number of government support facilities. This significantly impacts the amount of revenue available for municipal transportation improvements. Solutions recommended in this report, including flexible match requirements for smaller or fiscally distressed municipalities, could benefit smaller boroughs such as Clearfield.

Location and Case Study Rationale

Clearfield Borough is in Central Pennsylvania approximately 120 miles northeast of Pittsburgh. The challenges faced by Clearfield are representative of the struggles of many smaller urban municipalities in Pennsylvania. These communities were once centers of industry and commercial services, but after decades of deindustrialization, shifting economic trends, and population loss, they now struggle to maintain aging infrastructure with a significantly smaller tax base. The impact of these factors on the capacity of boroughs such as Clearfield was considered worthy of further study.

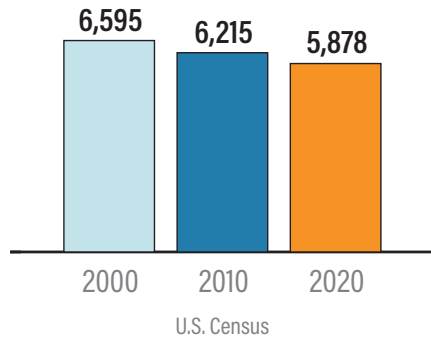


Clearfield Borough, cont'd.

Demographics and Land Use Snapshot



Total Residents



Median Age

Borough	PA
43.0	40.9

2020 U.S. Census



Median Household Income

Borough	PA
\$48,116	\$67,587

2021 U.S. Census American Community Survey



Median Home Value

Borough	PA
\$83,100	\$219,811

2020 U.S. Census



Land Area

1.88 square miles (including 0.8 sq.mi. water)



Vacant Housing Units

Borough	PA
13%	10%

2020 U.S. Census



Local Infrastructure

Roads	Bridges
37.68 miles	0

PennDOT



Clearfield Borough, cont'd.

Local Challenges

Difficulty Raising Revenue

Clearfield Borough's biggest challenge is raising sufficient revenue to cover basic infrastructure maintenance and meet local match requirements. The underlying factors impacting the ability to raise revenue are common to smaller boroughs such as Clearfield.

- Clearfield has a smaller, older population that steadily decreased between 2000 and 2020.
- Clearfield Borough encompasses a relatively small land area with a lower average home value. This limits the number of properties paying real estate tax, and the lower property values result in lower revenues on a per-parcel basis despite a relatively high millage rate.
- This also means that any tax-exempt properties, even if few, can have an outsized impact on overall revenue collected by the municipality.
- In summary, the Borough does not have the revenue to meet most grant program local match requirements. Basic transportation infrastructure inspection and maintenance can also quickly exceed available funding.

Limited Staff Capacity

Clearfield Borough has very limited capacity to pursue, apply for, and administer grant funds.

- The Borough's small budget translates to a small number of municipal staff, whose time is consumed by day-to-day government operations.
- It can be challenging for the Borough to dedicate the time to prepare and submit a grant application.
- Some elements of the grant application process are challenging for small municipalities. Application windows, typically 30 days in length, do not provide enough time for limited staff who are already stretched thin to assemble the needed information and analysis to submit a complete and competitive application.



Clearfield Borough, cont'd.

Impacts of Challenges

Deferred Local Infrastructure Maintenance

- The Borough's small municipal budget, combined with the challenges of pursuing grants, has made it extremely challenging to maintain basic infrastructure in a good state of repair.
- Clearfield Borough's greatest maintenance challenge is road paving. Many streets are in a state of disrepair, but the Borough can only devote about \$110,000 per year to re-paving. This equates to about one street per year, creating an unfunded backlog of basic pavement maintenance work.

Other essential infrastructure, such as traffic signals and stormwater facilities, are aging and need to be replaced. Funding is not available to address those needs.

Non-Participation in State/Federal Grant Programs

- The inability of Clearfield Borough to meet local match requirements means that it generally does not attempt to participate in state or federal grant programs.
- One exception is the CFA MTF program, because it allows match requirements to be waived.
- Additionally, the short application submission window and extensive technical information required for a complete application, combined with limited staff capacity, makes it challenging for the Borough to submit grant applications.



Clearfield Borough, cont'd.

Best Practices and Potential Solutions

Continue County and RPO Support

Counties and MPOs/RPOs recognize the challenges municipalities face in obtaining funding for transportation projects.

- Transportation planning organizations have worked to provide support directly through funding municipal projects or providing funds for local match and indirectly by providing administrative and technical resources to municipalities pursuing funding.
- Additional state and/or federal funding can help increase the capacity of county governments, MPOs/RPOs, and other organizations to assist municipalities with limited revenue and limited staff capacity.

Allow Program Flexibility for Smaller Municipalities

A theme that emerged from discussions with Clearfield Borough is that the fiscal and administrative requirements of grant programs are often not sensitive to the limits of smaller rural or fiscally distressed municipalities.

- Municipalities with a small tax base and limited staff do not have the capacity to meet a local match requirement or complete an application within short application windows.
- It is recommended that grant programs be reformed to provide added flexibility and accessibility to small or distressed municipalities. As an example, the availability of match requirement waivers could be expanded, either by adding waivers to other grant programs or making waivers available for municipalities that fall below a set population or annual tax revenue threshold.



City of Johnstown

Cambria County



Johnstown is a future-focused city located in Cambria County. Striving to revitalize since the decline of the steel industry, the city maintains its strong workforce, spirit of cooperation, and quality of life. Efficient, well-maintained, and cost-effective transportation infrastructure is critical to transport people and goods to and from Johnstown, yet municipal fragmentation poses a challenge, impeding the rate of progress in numerous areas including transportation projects. Solutions to resolve this significant challenge would improve transportation and advance the region's economic strength.

Location and Case Study Rationale

The City of Johnstown is located in the Southern Alleghenies region of Pennsylvania 57 miles east of Pittsburgh. Johnstown was a significant producer of steel and was home to Cambria Iron Works, one of the largest U.S. producers in the 19th Century. While remnants of its steel heritage remain, Johnstown has continued to rebound from economic challenges, and has a bold strategic plan, *Vision 2025*. Surrounded by 17 smaller local governments, Johnstown is emblematic of the challenges associated with completing transportation improvements via multiple jurisdictions. The city's ongoing revitalization and transportation challenges prompted further investigation.

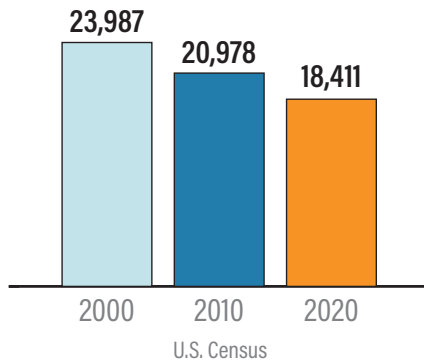


City of Johnstown, cont'd.

Demographics and Land Use Snapshot



Total Residents



Median Age

City	PA
41.0	40.9

2020 U.S. Census



Median Household Income

City	PA
\$31,200	\$67,587

2021 U.S. Census American Community Survey



Population Density

3,105 people per square mile

Median Home Value

City	PA
\$37,000	\$219,811

2020 U.S. Census



Local Infrastructure

Roads	Bridges
82.4 miles	15

PennDOT



City of Johnstown, cont'd.

Local Challenges

Municipal Fragmentation

Johnstown faces challenges in coordinating with 17 surrounding local governments to advance cohesive initiatives.

- Several years ago, Johnstown established an ambitious strategic plan for its redevelopment.
- *Vision 2025* included a comprehensive set of priorities for community redevelopment, with all sectors involved in the process.
- During the planning process it was recognized that perhaps the greatest barrier to future growth was the large number of local government units in relation to the geographic area and population.
- Pursuing transportation funding and other initiatives with as many as 17 neighboring municipalities requires significant effort.
- The large number of local governments impacts capacity and without a regional council of governments for guidance, implementation of transportation projects is hindered.

Geographic Dispersion Impacts Transportation Maintenance

Given the area's rugged terrain, Johnstown is spread out with many miles of local roadways. While road conditions in the city are good, keeping up with needed transportation improvements, both vehicular and pedestrian, is demanding.

Need for Grant Management

The City has been successful in its pursuit of grants but grant management is an issue. Required contracting, bidding, and procurement practices place administrative burden on strained resources.

Lack of Local Match

The City experiences challenges providing local funds to match state and federal grants. Fiscal constraint makes it very difficult to commit funds to match grants.



City of Johnstown, cont'd.

Potential Solutions

Enhance Cooperation or Pursue Consolidation

Johnstown is surrounded by several very small municipalities. The opportunity to expand municipal capacity through consolidation at some point in the future—or at minimum, increased sharing of services—is key. Pursuing opportunities for shared services would benefit the citizens of these communities.

Scale Local Match

Scaling the amount of local match to the size of a municipality's population or budget would enable increased grant applications.

Provide Post-Award Grant Management Assistance

After grants have been awarded, assistance in managing the project and grant award according to strict grant requirements would be beneficial.



Potter County



Only 17% of land in Potter County is taxed at market value. This significantly limits the ability of the county's small, rural local governments to afford day-to-day operations, let alone apply for transportation grants. Limits on tax revenue, staff capacity, and broadband availability, along with restrictive grant program requirements, constrain the ability of the county and its member governments to apply for competitive grants. Current solutions, provided by Potter County and North Central RPO, and proposed solutions requiring policy and legislative reforms, could be replicated in other Pennsylvania counties.

Location and Case Study Rationale

Potter County is in North Central Pennsylvania on the New York State border. It is a rural county, and with seven state parks and one state forest, a sizable percentage of its land is tax-exempt. The impact of tax-exempt property on Potter County's governmental operations, and subsequent impact on the county's local governments to assemble funds for local match requirements, provides insights for similar counties and their local governments and warranted further evaluation.

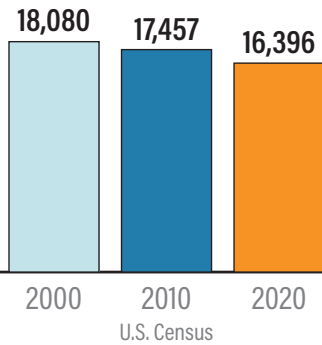


Potter County, cont'd.

Demographics and Land Use Snapshot



Total Residents



Median Age

County	PA
47.4	40.9

2020 U.S. Census



Median Household Income

County	PA
\$50,944	\$67,587

2021 U.S. Census American Community Survey



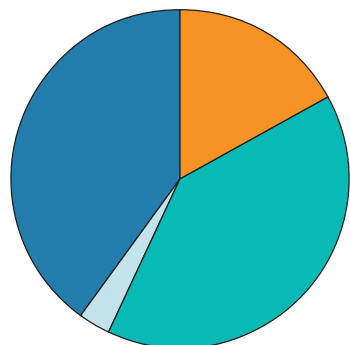
Median Home Value

County	PA
\$110,400	\$219,811

2020 U.S. Census



Percentage of Tax-Exempt or Tax-Discounted Acreage



- State Parks & Forest - 40%
- State Gamelands - 3%
- Farm & Forest Preservation - 40%
- Market Value - 17%



Land Area

692,640 acres



Seasonal Housing Units

35.7%

2020 U.S. Census



County-Owned Infrastructure

Roads	Bridges
0	0

Municipal-Owned Infrastructure

640 miles	45
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PennDOT



Potter County, cont'd.

Local Challenges

Low Tax Revenue

The county's small population and low real estate tax revenue as well as limited economic activity result in strained financial resources for local governments and an inability to meet local match requirements.

- Meeting match requirements, even smaller percentages such as 15% to 20%, can exceed the annual budget of Potter County townships or boroughs. The CFA MTF is one of the few feasible grant programs because it waives local match.
- Tax-exempt state parks, state forests, and state game lands comprise 43% of the county's acreage. The state PILT paid is substantially less than the amount that would be collected if the property were taxed at market value. PILT income is split evenly among the county, municipalities, and school districts, further reducing the amount a local government receives. Current PILT payments on state park and state forest land are \$6.00 per acre, yielding \$2.00 per acre each for the county, school district, and municipality. State game land PILT payments are \$3.60 per acre, yielding \$1.20 per acre each for the county, school, district, and municipality.
- Potter County is a recreation destination, attracting many part-time residents and vacationers. Many recreational properties are enrolled in the Clean and Green Program (enabled through the Pennsylvania Farmland and Forest Land Assessment Act of 1974), reducing municipal tax revenue and increasing the tax burden on full-time residents to fund transportation infrastructure maintenance.
- The relatively small amount of oil and gas development in the county limits Act 13 revenue, which amounts to only \$40,000 per year and will continue to decrease over the next few years.
- Federal pandemic-related American Rescue Plan Act funding was distributed based on population, limiting the amount Potter County received due to its small population.
- A Fee for Local Use Fund (\$5 registration fee) would raise a negligible amount of funds for transportation projects, add more costs to already tax-burdened full-time residents, and cause political ramifications locally. It would take 9.7 years for Potter County to accrue \$1 million in revenue from a Fee for Local Use Fund.

Limited Capacity

Many local governments in Potter County have a very limited capacity to pursue, apply for, and administer grant funds.

- In general, the county's local governments average one or two part-time paid staff (typically a secretary/administrator and a roadmaster), with their workday consumed by day-to-day operations.
- It can be challenging for municipal staff to dedicate the time to assemble and submit a grant application under such conditions.



Potter County, cont'd.

Local Challenges, cont'd.

Grant Application and Regulatory Challenges

Some elements of the grant application process and regulatory requirements put Potter County local governments at a disadvantage.

- Application windows are typically only 30 days, which is challenging with limited staff to meet to approve per public meeting requirements, assemble the needed information, conduct analysis, and submit a complete application.
- State and federal requirements to comply with construction, permitting, and environmental regulation require a municipality to replace existing infrastructure with larger, more expensive infrastructure.
- Infrastructure minimum requirements for some funding sources can also increase the size of infrastructure projects. For example, Act 13 funding cannot be used for structures under 9 feet wide. This significantly increases project cost, making local match too expensive for the municipality.

Lack of Broadband Access

Technology limits many local governments in Potter County.

- Many do not have Internet access or meet the Federal Communications Commission (FCC) broadband capability standard (25 Mbps download/3 Mbps upload).
- This makes it challenging when grant windows are announced by e-mail and applications often have to be submitted online.

Impacts of Challenges

Deferred Local Infrastructure Maintenance/Inspection

- Small municipal budgets, combined with the challenges of pursuing grants and the high cost of building to current state and federal standards, has made it extremely challenging for municipalities in Potter County to perform even basic maintenance on transportation infrastructure.
- According to PennDOT, there are 45 local bridges in Potter County (owned by municipalities) and only 14 are rated as being in good condition.
- The inability of municipalities to fund inspection, maintenance, or local match requirements means that local infrastructure will continue to deteriorate.

Non-Participation in State/Federal Grant Programs

As noted above, inability to meet local match, limited staff capacity, short grant application windows, regulatory constraints, and lack of broadband access means many Potter County local governments do not attempt to compete for state or federal grants.



Potter County, cont'd.

Best Practices and Potential Solutions

Continue and Enhance County and RPO Support

Potter County and the North Central RPO have recognized the challenges that municipalities face in funding transportation projects.

- The County and RPO have worked to provide support directly by funding municipal projects or providing funds for local matches and indirectly by providing administrative and technical resources to municipalities pursuing funding.
 - The programs and initiatives listed to the right can be supported with additional state and/or federal funding and replicated in other Pennsylvania counties.
 - Doing so would help increase the capacity of county governments, MPOs/RPOs, and other organizations to aid municipalities with limited tax revenues and staff capacity.
- **Potter County Bridge Grant Program** – Potter County utilizes its \$40,000 of Act 13 revenue for a competitive Bridge Grant Program that municipalities can apply to for replacing local bridges. This program can also be used for funds that can be put toward a local match requirement.
 - **North Central RPO Local Bridge Retro Program** – The North Central RPO allocates about \$1 million of its TIP budget per year to fund a local bridge program, because it has identified maintaining local bridges in a good state of repair as a critical local issue. The program has an 80/20 match, with the 80% being reimbursed by the program upon completion of the project. Municipalities still must provide a short-term means of funding the project; the Pennsylvania Infrastructure Bank is often used as a means of securing a line of credit.
 - **Preventative Maintenance** – North Central RPO dedicates an additional \$1 million from its TIP budget toward preventative maintenance on low-volume state roadways.
 - **Community Capacity Program** – NCPRPDC, serving as the RPO, is participating in a two-year, ARC-funded pilot program—the “Community Capacity Program”—to provide free grant-writing services and technical assistance to municipalities and non-profits. The program assists entities that were hit hard by the COVID-19 pandemic and that lack local capacity. NCPRPDC provides staff assistance to municipalities when possible, though demand frequently outpaces supply. Since its inception, there have been 215 different projects requesting a total of more than \$24.9 million in funding. The program has provided 26 separate training events and more than 90 instances of technical assistance to local communities and non-profits. Funding for the pilot program ends in March 2024.



Potter County, cont'd.

Best Practices and Potential Solutions, cont'd.

Advance Property Tax Reforms

- **Increase state PILT** – A potential increase in state PILT rates should be considered, to reduce the difference in tax revenue between state-owned land and private property taxed at market value.
- **Clean and Green Program Review** – Clean and Green should be reviewed to ensure enrolled properties serve their intended purpose and are properly qualified to benefit from preferential tax assessment.

Allow Program Flexibility for Smaller Municipalities

Grant programs should be modified to allow more flexibility and accessibility to small or distressed municipalities. For example, waiving local match for grant programs or making match waivers available to municipalities that fall below a set population or annual tax revenue threshold would help level the playing field.