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*Written Testimony for NYC Field Hearing: The Importance of the Northeast Corridor
House Committee on Transportation and Infrastructure, Subcommittee on Railroads*

Good morning. My name is John Fry, and I am the president of Drexel University, located in Philadelphia's University City neighborhood, directly adjacent to Amtrak's 30th Street Station on the Northeast Corridor.

Previously I was executive vice president at the University of Pennsylvania in the same neighborhood. While I was there, I was also founding chair of the University City District, a business improvement district located in the midst of one of the richest intellectual ecosystems in the nation.

In the intervening years, I was president of Franklin & Marshall College in Lancaster, Pa. During my tenure, Franklin & Marshall was the lead partner in the Northwest Gateway Project, a 75 million dollar, 75 acre brownfield transformation of industrial and railroad sites for educational, medical and corporate use, which included working closely with the Norfolk Southern railroad to completely relocate a freight rail yard.

I give you this background only to establish that I have experience, and a deep interest, in how urban economic development and transportation intersect. And I want to thank you for inviting me to testify on the enormous importance of the Northeast Corridor. My testimony will focus on the incredible development potential in the built and raw land assets existing today around the Corridor's major urban rail stations and facilities.

The Northeast Corridor stretches along the 450 miles from Washington to Boston, plus about the same number of miles along three branch lines. Amtrak alone carried a record 11.4 million passengers on the Corridor in 2012. Most critically, the Northeast Corridor passes through a series of major rail stations in the heart of our urban centers. The top five stations on the Corridor by annual ridership (passengers on and off) are:

New York Penn Station, 9,493,414

Washington Union Station, 5,013,991

Philadelphia 30th Street Station, 4,068,540

Boston, 1,447,501

Baltimore Penn Station, 1,028,909

New York, Washington and Philadelphia are the three busiest stations in the nation. In fact, seven of the top ten stations in America are on the Northeast Corridor. Some 17 percent of the nation's population lives in the Northeast and is served by Corridor. The region produces 20 percent of the U.S. GDP, and is expected to grow by 15 million residents in the next quarter century.

It's fair to say that this is the epicenter of American rail travel. It's also the epicenter of sustained urban living in the nation, and there's no coincidence there.

Today we are witnessing the rebirth of our urban cores, something that seemed impossible for a number of decades. There are a number of demographic and social trends underlying this transformation.

First, the millennial generation—which stretches roughly from today's 30-year-olds, through the students we're educating now at Drexel and other universities, down through today's middle schoolers—is showing a strong preference to work, live and socialize in urban versus suburban or rural environments. If it's urban, it's hot, including schools, employers and entertainment. Some of the anecdotal evidence for this includes the growing preference for urban colleges and universities, the subjects of popular culture and, surprisingly, a delay in securing drivers' licenses and purchasing cars from adolescent years to young adulthood.

Second, aging baby boomers whose children are grown are downsizing to cities for convenience, for culture and for the overall social environment of city life. These two demographic trends are creating new demand for products and services in cities, and in turn, opportunities for both commercial and residential real estate development. Employers must now consider whether to relocate office pods or entire corporate centers from the suburbs to the cities in order to access young talent and retain their senior personnel, and retail and service firms recognize that they must have significant urban offerings.

These shifts are coming at a time when our highway system and major airports near urban centers are stretching beyond their capacity, and essentially are unable to expand service. Most would agree that building a new major highway or airport in the Northeast region is not an attractive or even a viable option.

Fortunately, the Northeast Corridor rail service is a largely untapped asset that can be leveraged to provide enhanced transportation capacity, and to take advantage of these societal and infrastructure trends. There is no other transportation system that runs through the heart

of the largest concentration of American population and yet can produce considerable returns with relatively simple and reasonable investment.

The potential of this asset, and in particular our urban rail hubs, extends beyond improved transportation infrastructure, to commercial and residential development and long-term economic growth. That's prompting some really interesting ideas about how to tap into these opportunities.

Each community with a major rail facility has unique characteristics that can propel the best-fit development for the local and regional economy. Here in New York at Hudson Yards, it's a 14-acre mixed-use project on or near the river, providing the opportunity to create an entirely new neighborhood—modern, livable and sustainable—in one of the world's densest and most vibrant and popular cities, over a rail yard. Back in Philadelphia, we're capitalizing on our outstanding higher education and healthcare concentration to spark the development of another great transit-oriented neighborhood, which I'll describe in a moment. And similar opportunities exist throughout the Northeast Corridor.

Amtrak, to its great credit, is undertaking a series of studies to envision the future of their stations, including how they complement the fabric of the mostly urban neighborhoods in which they sit. What has become the flagship study, so to speak, is the master plan completed last year for Union Station study in Washington D.C. with which many of you are familiar. There are similar initiatives underway in Baltimore; in Boston; here in New York City, of course, with Hudson Yards; and in Philadelphia, where Amtrak has undertaken a master planning process. In fact, at Drexel University we're proud to be their lead partner in the effort.

The development opportunities that exist along the Northeast Corridor can be a big boon to Amtrak and the eight commuter operators that share the tracks, and by extension to the taxpayers who fund their budgets. The value that Amtrak and governmental owners can create by jointly developing air rights and adjacent parcels and creating improved station experiences is very significant. Let me say plainly that if each station inspires a compelling and strategic vision, it will drive urban development and create financial resources for Amtrak and local, state and federal governments to reinvest in Corridor operations. This can improve the level of service and the overall experience of the growing urban population.

Those opportunities sometimes seem out of reach because of the limited financial resources available to Amtrak, the other rail operators and federal and state governments. The solution to unlocking significant economic value for these entities is public-private partnerships, not just

with corporate partners but with anchor urban institutions, particularly research universities and healthcare systems.

That's the model inspiring Drexel's partnership with Amtrak and other stakeholders in Philadelphia. I'd like to describe our efforts briefly, just as an example of some of the forces that are driving transit-oriented urban development projects.

Bridging the blocks between Drexel's University City Campus and 30th Street Station, Drexel has acquired and is planning extensive development on more than 12 acres of poorly utilized land. The station at 30th Street is the nation's third busiest, serving more than four million passengers each year. But for years, a few buildings of various uses—a printing plant, Philadelphia's parking authority, government archives, offices, eventually some Drexel programs—shared these parcels of land with an expanse of parking lots.

I sometimes say we're fortunate to have this land, but it's as much foresight as it is fortune. Even in the years when commercial interest lagged and the value of rail transit was not part of the public conversation, it was clear that these were incredibly important parcels, and previous administrations and mine have diligently assembled them, at considerable cost to Drexel.

Now, with economic and demographic trends looking favorably and on urban growth, and with our institution in a position to anchor a major new development, we've undertaken a mixed-use, live/learn/work development known as Drexel's Innovation Neighborhood. The Innovation Neighborhood is the cornerstone of the comprehensive Campus Master Plan we developed in 2012, and we are building it around several core principles.

The first principle is to co-locate Drexel's growing enterprise of translational research with corporate partners who can help realize the commercial and quality-of-life impact of that research. Our University has developed real strength in translational, or "use-inspired," research, which is aimed at meeting real-world challenges with market-ready solutions and technologies, on a timeframe that's significantly shorter than traditional basic research. This type of research thrives when commercial partners are deeply involved, with an eye to licensing or entrepreneurship. We're in discussion with a number of partners to join us as tenants in the Innovation Neighborhood. Looking ahead several years, we don't think it's a stretch to have an environment as conducive to groundbreaking research and high-tech business and jobs as Cambridge, Research Triangle Park or Silicon Valley.

The second core principle of the Innovation Neighborhood is to integrate development with the academic and campus life of the University. For example, Drexel is world renowned for our co-

operative education program, where we partner with businesses regionally and worldwide to place our students in full-time, paid professional experiences integrated with their classroom learning. We're developing a Customizable Drexel Co-op for Innovation Neighborhood tenants in which they can design a student co-op position and set curricular requirements for that position so that they get the best-fit employee, not just for the term of the co-op but potentially for a full-time job postgraduation.

The third core principle is to take advantage of the proximity of America's greatest transportation asset, the Northeast Corridor. In truth, this is one of the foundations for the project. Imagine the impact for businesses, or for the global academic partners we expect to locate their American base here, of being literally at the nerve center of the Eastern Seaboard, midway between the financial and government centers of the nation (and potentially less than an hour from each when true high-speed rail becomes a reality). Then, imagine the impact for Philadelphia when visitors arrive at the city's most convenient transportation hub and disembark right into a brand-new neighborhood dedicated to learning, to innovation and to entrepreneurship.

We're excited to begin this project, and we expect to make a major impact with the real estate we own. But the true transformational opportunity around 30th Street is the air rights over the old Penn Coach Yards, now owned by Amtrak and SEPTA, the regional rail operator. This site alone includes more than 100 acres. It's Philadelphia's own Hudson Yards, from the waterfront location on the Schuylkill River to the opportunity to knit together amazing and diverse neighborhoods, including the magnificent Parkway, home to the Philadelphia Museum of Art, the Barnes Foundation, the Franklin Institute and the Academy of Natural Sciences, which recently became a subsidiary of Drexel University.

The air rights will be one of the key dimensions of the master planning process Amtrak will undertake with Drexel, the city, the Pennsylvania Department of Transportation and a host of other stakeholders. This, of course, is a project measured in decades rather than years. But the time is right to start the work, and begin similar conversations that can happen, and in fact are happening, all along the Northeast Corridor.

The Innovation Neighborhood is how our University, and our city, has responded to the opportunity for urban renewal presented by rail transportation. There are similar, yet unique, opportunities in every hub on the corridor. Whether it's in Philadelphia, Washington, Boston or Baltimore or even Lancaster, these ideas represent a bold new vision for our urban cores. And the wider the range of partners involved, the better—from rail operators to real estate developers, to business and retail owners, to regional economic development groups and local,

state and federal governments, to anchor community institutions including universities, hospitals, museums and more.

We are witnessing the rebirth of transportation-oriented development in this nation, not to create demand but to meet the new urban demand with existing assets. I know we're entering a new era where urban train stations are once again a centerpiece not only of travel but of commerce and learning. These stations have great existing value, which we must unleash to create funds to invest in a reliable, comfortable and affordable rail system serving the 17 percent of Americans who live on the Northeast Corridor.

Let us not fail to utilize our assets to the fullest. Let us be seen as the generation that rebirthed the rail system for the next 150 years.

Thank you.