

October 20, 2010

Frederick A. Reddig  
PA DCED  
Commonwealth Keystone Building  
400 North St., 4<sup>th</sup> Floor  
Harrisburg, PA 17120

Dear Mr. Reddig,

Thank you for the opportunity to provide written testimony following tonight's hearing concerning Harrisburg's application to PA DCED for Act 47 Distressed City status. I am writing as a resident and property owner in the city, as well as an involved citizen with one of the neighborhood associations in the city.

While I would have preferred that our elected leadership would have worked together to create a comprehensive plan to deal with the city's financial situation, it is clear that this has not happened in the 10 months they have had to accomplish this task.

Consequently, our situation is now dire, and there is no time to spare. If the city goes into Act 47, it will take a talented coordinator to bring together the various political entities to work together and put aside their own agendas in the interest of the city and its citizens.

Our situation is unique, in that we have both the unusual huge debt load created by the Harrisburg Authority and incinerator debacle, and we also have a very small tax base upon which to draw revenues. With 30% poverty rate, the onus falls on a small portion of the 47,000 citizens of this city who can still afford both the high school and city real estate taxes.

As page 16 of your Consultative Evaluation so clearly shows, nearly half of the properties in the city are tax exempt. Any plan must include a means to gain appropriate revenue to balance tax exempt state properties in the city with increased funding from the state on an annual basis.

As the state capital, we also host a huge workforce that commutes to the city. City services support this work force and the state tax exempt properties with police and fire protection, as well as infrastructure to keep the city going. Both the Commonwealth and the workforce coming to the capital city should help provide adequate revenue to the city for services rendered.

I would like to reiterate to the DCED that any plan to move forward, whether in Act 47 or in concert with bankruptcy proceedings, cannot look to Harrisburg's tax base to provide the revenues needed to try to deal with debt relief. With others providing their fair share and with help to improve the efficiency of city government, the operating budget of the city can be restored a secure footing.

The Harrisburg Authority debt is another matter. Whether or not we must proceed to bankruptcy to leverage debt reduction on the authority debt is a question I will leave to the team of experts put together under Act 47. Whether we need to sell city assets that currently provide revenue to the operation of the city is another matter yet to be decided. However, I echo sentiments expressed tonight that those who inappropriately put the deals together that incurred this level of debt must be held accountable and incur their fair share of "pain".

I would also like to reiterate the sentiments of so many who testified tonight that the process going forward must be transparent, non-political, inclusive of the citizenry, and emphasize bringing together all stakeholders and office holders to move forward. As a member of one of the many neighborhood associations in the city, I would respectfully ask that all neighborhood associations be informed of opportunities to make comment and be included as this process moves forward.

Sincerely,

Jane M. Allis,  
Harrisburg, PA 17101