

Meeting Minutes
State College Borough Council
Public Meeting
May 19, 2005
12:00 p.m.

The State College Borough Council met in a public meeting at noon on Thursday, May 19, 2005 in the State College Municipal Building Council Room, 243 South Allen Street, State College, Pennsylvania.

Present: Thomas E. Daubert
Catherine G. Dauler

Also: Carl R. Hess, Director of Planning/Community Development; Cynthia S. Hanscom, Recording Secretary; and other interested members of the public.

Mr. Hess presented the process for the adoption the Commercial Incentive Zoning District, what was included in the proposed district, and what could occur in this area in the future.

Charlene Friedman asked the goal of the proposed district. Mr. Hess explained it was to increase the owner-occupied population and diversity of uses in the downtown. Also, it was hoped that there would be better-designed buildings. Ms. Friedman felt the ordinance was an attempt to fix the zoning mistakes of the past by moving fertile territory out of the downtown. When asked why this area was proposed, Mr. Hess explained it was the first attempt to meet the goals of the Downtown Vision Plan. Areas 7 and 8 of that plan were designated as the best possibilities for owner-occupied housing.

Daniel Abruzzo asked if this zoning could be applied in other areas of the downtown. Mr. Hess indicated the goal of this area was specific and the incentives applicable may not be suitable for other areas. Mr. Abruzzo commented that any future zoning changes for the downtown would be done "piecemeal." Mr. Hess indicated applying base zoning across the boundaries of the commercial district was complicated.

Ms. Friedman noted redevelopment of this area could result in 65- to 95-foot-tall buildings, which she believed would balance the impact of Beaver Canyon.

Heidi Nicholas asked if there were studies done to verify the demand for housing in the downtown. Both Ms. Friedman and Ms. Nicholas were concerned that there was not a demand for owner-occupied housing in the downtown. Although that is what the Borough would like to see, it may not happen. With the increase in student enrollment, the demands would be for student housing. Mr. Abruzzo agreed, stating a developer is forced to get a return on the investment.

Mr. Hess commented that one problems associated with owner-occupied housing was the requirement of residency. Because primary residency is required, the comment has been made that the ordinance may be limiting the attractiveness of the housing; many people want to purchase a unit to use as a second home. It was suggested that studies could be done on what other college towns are doing to encourage owner-occupied housing. Ms. Nicholas commented that owner-occupied is difficult to enforce, even with condominium agreements.

Mr. Abruzzo said it was complicated to have a green efficient building. Mr. Hess noted that developers may not have an incentive to build student housing; this was a way of trying to lessen the impact on the environment.

Ms. Friedman commented that demand factors and regulation of the market are important. Even with the incentives, retail and office space mixed uses are bottomless pits because developers cannot attract retail in the downtown. Negative factors such as parking and the business privilege tax lure professional offices away from the downtown. She noted she currently has the highest vacancy rate in the last 25 years. Rents have not been raised. This proposed ordinance ignores market forces. She also believed this was spot zoning.

Mr. Hess said the issue on the loss of professional office space has been discussed. He asked what incentives it would take to turn that around and counter the market trend. If the incentives being offered with this ordinance were not enough, what would it take to entice developers to want to build. Ms. Nicholas noted that zoning alone is not enough. Eliminating the business privilege tax would help but it alone would not be enough. Both parking and the business privilege tax were mentioned when tenants moved to the townships where parking is not at a premium. Currently rents in the downtown were half of that in the suburbs. If there is no demand for office space, incentives would not help to encourage office redevelopment in the downtown. Mr. Hess noted the downtown will always have a higher parking cost.

Mr. Abruzzo asked why changing the parking requirement to relate to the number of bedrooms would help to entice owner-occupied housing. Mr. Hess said it would discourage student

housing. Mr. Abruzzo believed that would be a disincentive for redevelopment. Mr. Daubert noted that Council would be talking about parking at a work session on May 20; it was believed that the 10,000 square foot exemption for parking was not high enough.

Mr. Abruzzo asked how the parking requirement for the number of bedrooms would apply to a hotel. Mr. Hess explained that hotels were considered as commercial uses and the 1 space for 800 square feet of floor area requirement would apply.

Ms. Friedman did not see how the incentives would achieve the goal of owner-occupied housing. Ms. Dauler commented that there is a demand for high-end owner-occupied housing in downtown areas across the nation. Other communities have found ways to bring in the owner-occupied housing in the downtown. This ordinance is an attempt to do that in State College. Ms. Friedman commented many of the other communities do not have fragmented municipalities. This area has no global approach to land use and there are competing facilities in the townships. Mr. Daubert commented that it is not only housing; the goal was to have a vibrant downtown. Ms. Nicholas commented that she believed this would happen naturally as market demands change and flow.

Mr. Abruzzo commented that he would be interested in what happens with the Cineplex project proposed at the site of the former municipal building at 118 South Fraser Street.

Ms. Nicholas commented the high-end condominiums proposed would cost up to \$400,000. These would not be affordable for the young professionals that the Borough is hoping to see. These types of units would be sold to retirees which would not help the Borough's tax base.

Paul Mazza, a local attorney, presented the following memorandum that he asked be placed in the record for this public meeting:

George Robert Smith, property owner of the corner property of West Beaver Avenue and South Atherton Street, is presently living in Florida and will not be able to attend any of the four meetings scheduled to discuss the rezoning of the area where his property is located.

He has written several letters to the Borough Manager and to some Council members. He has asked me to write this very short memorandum with the request that it be made a part of the meeting records and hearing records on the rezoning question.

It is Mr. Smith's position that his property value is equal to or greater than the values for the adjacent land area where demolition is underway and construction is about to begin. That land area, where a project is underway for Fred Nicholas and other investors, received the benefit of a Borough Council decision to allow that project to proceed without being subjected to a zoning change. Mr. Smith believes that his property is entitled to the same treatment. He requests by this memorandum that the State College Planning Commission recommend that the Smith property be excluded from the proposed rezoning and that State College Borough Council vote to exclude his property from the proposed rezoning.

There being no further comments, the meeting adjourned at 1:30 p.m.

Respectfully submitted,

Cynthia S. Hanscom
Assistant Borough Secretary