

**State College Borough Council
Work Session
Monday, August 9, 2004**

The State College Borough Council met in a work session on Monday, July 12, 2004, in the State College Municipal Building's Council Chambers, 243 South Allen Street, State College, PA. Mr. Daubert called the meeting to order at 7:30 p.m.

Present: Thomas E. Daubert, President
 Catherine G. Dauler
 Craig R. Humphrey
 Jeffrey R. Kern
 Janet K. Knauer
 James H. Meyer

Absent: Elizabeth A. Goreham

Also present: William Welch, Mayor; Thomas J. Fountaine, Borough Manager; Thomas R. King, Chief of Police; Carl R. Hess, Director of Planning; Herman L. Slaybaugh, Zoning Officer; Timothy Grattan, Director of Information Systems; Michael S. Groff, Finance Director; Linda S. Welker, Tax Administrator; Amy J. Story, Borough Engineer; Amy R. Miller, Recording Secretary; Ernest C. Dabiero, Purchasing Director; Edward C. Holmes, Facilities Coordinator; members of the media and other interested observers.

PUBLIC HOUR

PROPOSAL TO CREATE AN OVERLAY DISTRICT FOR THE ATHERTON STREET CORRIDOR

On August 2, Council received a preliminary proposal to create an overlay district for subdistricts 7 and 8 of the Downtown Vision and Strategic Plan. The overlay proposes to apply a conditional use permit approval process to achieve landmark buildings and to encourage a mix of uses for certain downtown locations. Using incentives, the language to be used in the ordinance allows a large degree of latitude for developers to construct buildings that are attractive and functional.

Mr. Hess presented Council with a slide presentation from the Planning Commission of the Downtown Vision and Strategic Plan. He explained the floor area ratio which is 1:1. For example if a building is one floor it can take up the entire lot; if 2 floors, a building can use up to 50 % of the lot; 4 floors, it can take up to only 25 percent of the lot.

Mr. Hess stated the proposed overlay requests a mix of retail, business services, offices, lodging, artist work space, and residential space. The proposed change for the floor area ratio applies to residential uses only. Current zoning is at a ratio of 2.5 and the proposed use is 1.0, 1.5 for rental space, and 3.0 for owner-occupied. The Downtown Vision Plan also suggests a wider setback on Atherton Street from 15 feet to 30 feet for more outdoor activity at the street level.

Mr. Daubert wanted to confirm that this plan sets height limits up to 80 feet on the whole district. Mr. Hess affirmed that 80 feet is the limit with a 15-foot step-back; otherwise, under base zoning, it is 45 feet.

Ms. Knauer asked who would review the conditional uses. Mr. Slaybaugh said the Planning Commission would be the approving body.

Mr. Meyer asked what the 10 percent open space would represent. Mr. Hess replied the space must be open to public and fully functional. Examples are the Glenland Building and the Center Film Lab building fountain and floral garden. Mr. Meyer then asked, if a building was designed 70 feet tall, what is done with the extra 15-foot stepback, and would the Borough require a setback for an extra 5 feet. Mr. Hess said the plans would have to be reviewed on an individual basis.

Ms. Kanuer asked how the 80-foot maximum height was determined. Mr. Hess replied 80 feet is a proposed height. At this time there is one building taller than 80 feet but, generally, the Borough would not want heights taller than that. Mr. Daubert suggested staff contact the fire department to determine how high is too high from the firefighter's perspective.

Scott Fogelsanger, owner of Balfurd's Dry Cleaners, stated that he has tentatively sold his property on Beaver Avenue but developers will not accept it with the restrictions in the overlay zone. He may lose a large amount of money. Mr. Fogelsanger feels the new parking garage will not help business. He also said he would like to contact all people involved in this overlay zone and get their feedback. Ms. Knauer asked what he is concerned with. Mr. Fogelsanger replied he is concerned with the 80 foot height restriction.

Mr. Meyer agreed with Mr. Fogelsanger because his project was already on the table when the overlay was introduced to Council. Mayor Welch also agreed and said Mr. Fogelsanger is highlighting an on-going zoning problem in the Borough. That is, every time a perfectly legal proposal comes forward, some Council members try to change the rules, and Mayor Welch felt this was wrong.

Fred Nicholas, owner of Nicholas Tower, stated that he intended to develop student housing on the Balfurd site based on existing zoning laws. He explained they are under contract with Architect John Haas. Mr. Nicholas felt the overlay zoning is a deliberate attempt to stop development and limit student housing in the downtown. He also stated he has a 20 percent vacancy rate in his commercial properties downtown and has not been able to increase his rent per square footage in 12 years.

Bob Poole also spoke to Council as an interested party in the purchase of the Balfurd property. Mr. Poole said the loss of this sale will have a negative impact; others will hear about this situation and not want to develop downtown. Mayor Welch asked if Mr. Poole agreed with Mr. Nicolas' comments; Mr. Poole said he did.

Mr. Kern explained that student housing costs the Borough money because students do not pay taxes but use Borough services. These services cost money. There are also many complaints from residents saying they will not come downtown because it is so student-oriented. Mr. Kern continued stating the whole purpose of the downtown plan is to recognize the resident and attract them to downtown for a mixed use. Mr. Poole responded that Mr. Kern's points were valid, but he would be afraid to bring residential living to downtown; the risk is high and sales would be slow.

Ms. Knauer asked if the height restriction did not work with their intended plans. Mr. Poole stated that the issue is the change in floor area ratios.

Bob Fogelsanger, son of Scott Fogelsanger, said the problem is not just a Balfurd issue. He asked why this overlay proposal was brought to Council. Mr. Daubert replied the proposal was brought to Council a year and a half ago from the Downtown Improvement District. Ms. Knauer added the proposal is driven by a declining tax base which the Borough cannot resolve with student housing. Mayor Welch said in the early nineties the Borough's goal was to have a mix of uses in the downtown and it still stands today. He said the proposal may appear to be anti-student, but that was not the intent of the proposal.

Mr. Daubert said the overlay proposal will be on the agenda again on September 7.

PRELIMINARY REVIEW OF A PLAN TO BETTER UTILIZE C-NET PROGRAMMING

Mr. Fountaine explained that the Borough is paying for more programming on C-Net than it is using. The additional time that may be used includes production time and costs as well as actual time available on C-Net. To determine what types of programming might be used, a survey was sent to Council plus Chairpersons and other members of the Authorities Boards and Commissions (ABCs) to gather new ideas for additional, meaningful Borough programming.

Administration summer Intern Bryan Cohen spent a major portion of his work time with this project and used the results from the surveys as a guide. Mr. Cohen stated there are three main issues for discussion: (1) suggestions for new programming, (2) the Penn State student weather program that is currently sponsored by Patton Township, and (3) and Borough's policy changes towards C-Net utilization.

Ms. Knauer said, even if the Borough commits to some or all of these things, some space should be saved for special things that come up. Mayor Welch said meetings such as the Transportation Commission, the Tree Commission and the Zoning Hearing Board should be rotated to show the citizens what each group is doing. The goal is not to see how many meetings we can cover but, rather, focus on issues and subjects of importance that people want. Mayor Welch continued that programming could show how composting works or how a road gets reconstructed. There is a large range of topics to show the public. Mr. Kern agreed, adding the Borough could show the public how restaurants are inspected, as well as making a film to explain why reconstruction of a street takes so long. Ms. Knauer felt the public is more interested in the Transportation Commission, and its meetings should be aired.

Mr. Cohen addressed policy issues with Mr. Rossi before his departure from C-Net. Mr. Daubert said a strict set of rules is necessary to control the programming. Mr. Fountaine said, at this time, the Borough's policy is strict, but the Borough still needs to add restrictions.

Mr. Fountaine stated the other immediate concern is the weather programming done by Penn State students. C-Net is only responsible for airing it. Patton Township was the sponsor but, once Patton Township sponsored the weather, their usage and membership fees increased to the point where they pay more than their membership fee. Mr. Meyer questioned why Penn State was not currently a member of C-Net. Cindy Hahn, C-Net Board Member representing Borough Council, said Penn State was a member. If Penn State wanted to have coverage on C-Net it would cost them \$27,000, so they withdrew. When Penn State withdrew from C-Net, Patton Township agreed to sponsor the weather program. Penn State signed an agreement that allows individual departments to join C-Net. Ms. Hahn suggested the Department of Meteorology rejoin and pick up the costs for the student weather programming which would cost about \$4,000.

Mr. Fountaine reiterated the consensus that the Borough not pursue funding for the student weather program. He also confirmed that Council was interested in broadcasting the Transportation Commission. Mr. Meyer and Mayor Welch agreed the Transportation Commission be rotated with the other commission meetings. Mr. Fountaine also stated the Borough will develop a proposal to liberalize policy, but will continue to use the current form. The Executive Director of C-Net, George Thurman, now the Acting Director, will work with the search committee to look for a new Director.

PRELIMINARY REPORT ON A NEW TELEPHONE SYSTEM FOR THE BOROUGH OF STATE COLLEGE

The 2004 Capital Improvements Program (CIP) includes an allocation for a new telephone system to serve the Borough offices. Staff met with a number of telephone system vendors over the past few months to discuss the requirements for this system and is currently reviewing the various proposals that have been submitted by these vendors.

The new system will replace the current telephone system that the Borough originally installed in 1992 and upgraded in 1999. Current problems include: (a) no room on the existing system for additional phones or phone numbers, (b) service building employees are not part of the Borough's phone system, and (c) the Police Department's front desk has problems processing incoming phone calls efficiently with the current system. The proposed system will enable the Borough to provide phone service to all current employees at all locations on a single system; provide for future additional phones; enable staff to equip three public meeting rooms in the municipal building with phones for conference calls, as needed; and provide a better, more efficient means of processing the high volume of calls received at the police front desk without increasing overall operating costs.

Preliminary proposals staff received range in price from \$90,000 to \$110,000, which includes all hardware, software, training, and infrastructure improvements necessary for the new

system. The budget allocation is \$95,000 and staff believes a contract price close to the budgeted amount can be achieved.

Mr. Grattan stated that staff met with a number of providers. This system would be a basic phone system, not one with special features. The next step is to bring vendors in to discuss physical concepts. Mr. Grattan said staff needs Council's approval to move forward. Mr. Meyer asked about the price of the phones and Mr. Grattan replied they are about \$250 each. He added the systems are standard. Council agreed that staff should go ahead with the new phone system.

COMMENTS ON THE 2005 CENTRE REGION COUNCIL OF GOVERNMENTS' PROGRAM PLAN

On July 26, COG participants received the 2005 Program Plan. The Plan provides information on what the COG agencies do and what they accomplished during the past year; what the agencies have accomplished so far in 2004 and what their plans are for the remainder of the year; and where the agencies are going in 2005 and beyond.

As was done last year, the Plan has been referred to the individual municipalities for review. Comments are to be directed to the COG Executive Director by August 25th so that they may be considered during the preparation of the 2005 COG budget.

Council agreed to postpone this discussion to the next meeting, even though Mr. Meyer will not be present. Mr. Meyer said the Finance Committee is recommending capital improvement money not be included in next year's budget. Ms. Knauer asked if Mr. Steff's included assumptions were accurate, and Mr. Meyer replied they were.

REVIEW FINANCIAL DATA FROM THE SECOND QUARTER OF 2004

Council discussed the financial results for the second quarter of 2004. The monthly report was previously distributed, and the report to be discussed highlights several issues of concern.

The first item Mr. Groff discussed was the tax revenue comparisons. Real estate tax is doing very well with 69 percent returned as opposed to 68 percent last year. Earned income tax gave the Finance Department some concern; however, the business privilege tax is doing a bit better than anticipated, thanks to staff and all their work collecting taxes electronically. At the end of the first quarter earned income tax revenue was about 2 percent ahead of last year and this gives hope that the next quarter will be as good. However at the end of the 2nd quarter the numbers are 2 percent lower than last year which is about \$34,000 less. The cause may be some \$47,000 more in refunds at the same point in time last year. A certain amount of employers did not comply with Commonwealth Act 166 of 2002 which brings items taxed at a local level in to compliance with items taxable at the state level. Licenses and permits are doing well at bringing in revenue, but departmental earnings are down from last year. Mr. Groff felt the biggest concern is revenue from fines and costs because they are down about 30%. Just recently Mr. Groff spoke with Chief King and District Justice, Carmine Prestia, to see why the fines and costs are down. The consensus was that the new magisterial district is having an impact on the fines and the Borough could end up with \$100,000 or \$150,000 less than last year.

Mr. Daubert asked if the Borough collects any fines when they go to the county level. Mr. Prestia said some money might be given back to the Borough but it also takes a while to receive it. Chief King agreed and said the money is received from the county for misdemeanor and felony arrests. He added that money is tracked and for the first six months the Borough received \$13,800 from the county. Mr. Prestia felt the fine revenue has not caught up with the activity because fines are seldom collected immediately. A large portion of the revenue used to come from summary criminal code offenses; now a community service program is offered instead of the fine and the individual only pays court costs. If there are fines due to the Borough, the court will see they are sent. Mr. Fountaine agreed and added that state law does not allow money to be made from fines. This should be considered in the future and not rely on this money as income.

Mr. Groff said parking fines are another area where the Borough is not meeting past revenues. Another area where revenue is down 4 percent is in intergovernmental revenue. Departmental earnings are also down with refunds to the school district. All of the expenditures to date are less than half of the budget, which is good. Mr. Groff's final comment was that State College is a healthy community financially.

Mr. Meyer asked what the estimate was for parking fines. Mr. Groff estimates that the Borough will be 10 percent or \$50,000 short on parking revenues. Mr. Fontaine explained that the temporary courtesy parking program just ended and the results will be studied and reported back to Council. Mr. Kern felt the program was a waste of money and he felt citizens were not aware of the program because DID did not advertise it.

ITEMS OF INFORMATION

Mr. Daubert said Council is not proactive in the preparation of the CIP and would like to be involved in the process. Mr. Fontaine replied that, if Council had any changes for consideration to address them now because there are two weeks left for changes.

Mr. Kern suggested that he and Mr. Fontaine meet with Senator Jake Corman to explain the Borough's concerns with Labor and Industry code changes. Mr. Kern also mentioned that he noticed the Planning Commission is being asked to comment on items when Council is not giving them sufficient data. Mr. Kern felt the Commission makes Council look bad because they are operating without enough information. Ms. Dauler disagreed. Mr. Kern recommended other Council members watch the tape. Mr. Fontaine said staff and Council needs to do a better job of educating the Planning Commission on issues.

Mr. Fontaine referred to an item that was included in last weeks Manager's Information Memo (MIM) and said the motorcycle convention has been put on hold because other conventions such as the one in Tacoma Washington has not been successful. Penn State put it on hold because only 1,300 tickets were sold in Tacoma. This would have been a good economic tool because cyclists spend money downtown.

There being no further business, the meeting adjourned at 10:10 pm.

Respectfully submitted by:

Barbara J. Natalie, Borough Secretary