

**Meeting Minutes**  
**State College Borough Council**  
**Special Meeting**  
**Monday, September 12, 2005**

The State College Borough Council met in a special meeting on Monday, September 12, 2005, in the State College Municipal Building's Council Chambers, 243 South Allen Street, State College, PA. Mr. Daubert called the meeting to order at 5:34 p.m.

Present: Thomas E. Daubert, President of Council  
Catherine G. Dauler  
Elizabeth A. Goreham  
Craig R. Humphrey  
Jeffrey R. Kern  
Richard L. McCarl

Ferguson Township Supervisors:  
Richard Mascolo, Chair  
Richard Killian  
Cecil Irvin  
Stephen Miller  
George Pytel

Also present: Thomas J. Fountaine, II, Borough Manager; Mark Kunkle, Ferguson Township Manager; Carl Hess, Planning Director; Trisha Lang, Ferguson Township Planning Director; Herman L. Slaybaugh, Zoning Officer; and Amy R. Miller, Recording Secretary; members of the media; and other interested observers.

There were no comments from the public.

**Urban Village (UV) Market Feasibility Study.** Chris Brewer from Economics Research Associates (ERA) presented the final UV Market Feasibility Study which was included with the agenda and highlighted an economic and demographic overview for the Borough of State College, Ferguson Township and the Centre Region Council of Government (COG). The assessment focused on residential and retail/commercial development opportunities, a market demand assessment focusing on resident and retail development opportunities, and identification of market demand, retail space implications, and broader land use implications. The general approach taken on the study included interviews with local stakeholders along with case studies of similar Big Ten college towns. Determination was made that State College had the most vibrant downtown within a 75 mile radius both in terms of retail and tourism.

The residential market conclusions were as follows:

1990 to 2005 key trends:

- Center County added about 1,300 new residents / year, above the statewide growth rate of 0.3%.
- With an avg. household size of 2.5, this level of growth would translate into 560 new household formations / year.
- Centre County saw an average of about 715 new single / multi-family homes built per year.
- Although recent (5-year) housing price increases have been strong by local standards, they remain below state and national benchmarks.
- Multi-family remains a concern – new supply

Retail market conclusions were:

- The Centre Region is the retail core for Centre Co.
- Retail sales are well above local residents / student retail spending, pointing to the significance of county residents / tourists in generating retail sales.
- Downtown State College is well positioned to offer an urban lifestyle-driven retail experience that is generally lacking in Central Pennsylvania.
- The downtown cinema project is critical in broadening downtown market potential – lifestyle and entertainment driven.
- Competitive pressures will only increase – Walmart / Shiloh, etc.
- If you don't broaden the market (i.e. new spending), you will only move existing retail dollars around.

Mr. Brewer said ERA determined the community priorities in general as sewer discharge concerns and growth implications. The township priorities are land supply constraints and the current growth boundary are relevant concerns; within the context of stretched municipal services there is an interest in maximizing existing infrastructure investment; and concerns about commercial / residential conflicts between Buckhout & Corl Streets – abrupt land use change / access. The Borough's concerns are that officials remain focused on efforts to sustain the downtown area—the planned mixed-use cinema project is a core component of this effort; and officials are facing difficult tax base issues, which drives the need for more aggressive thinking about downtown and neighborhood revitalization.

He also stated the UV revitalization general visions as:

- West College Ave. is the axis – Priority focus between W. College and West Campus.
- Masterplan / Urban Design / Consistent Vision / Stakeholder Involvement for an area bounded by W. College, Atherton, Corl, and Railroad.
- Residential focus – Historic renovation / new construction
- Creation of a public space – parks / village green
- Allow higher residential densities – 12-15 units per acre
- New housing styles – row house / town home - walkability

In addition the key players in this project would be Penn State University, property owners, the Borough of State College, Ferguson Township and the Development Authority. With the key focal points as the following:

- Preservation and renovation of historically significant residential property fronting on West College Avenue.
  - On-street parking / new traffic lights on W. College
- Railroad Avenue becomes the front door to West Campus
  - PSU Material Research / H.O. Smith – eastern anchor
- Twp. - Extend neighborhood residential from Buckhout to Corl Street, anchored by Houtz and Corl Street Elementary School.
- Redevelop interior lots above W. College to Railroad Avenue.
- Focused neighborhood retail node along Railroad Ave. between Sparks and Gill Streets.
- UV property ownership - several key entities own multiple parcels of land
  - A key role to play in shaping the larger vision.

Mr. Brewer continued that UV revitalization tools would be:

- Formation of a redevelopment authority, with bonding capacity, which could oversee community revitalization / tax base enhancement efforts
- Use of tax increment financing
- Development of a neighborhood business improvement district
- State and federal tax credits for historic housing renovation.
- The State of Pennsylvania Elm Street Program, targeted for neighborhoods adjacent to downtown areas.

ERA determined the next steps would be:

- Need for a consistent vision - Master planning / stakeholder involvement / consensus building
- PSU needs to be at the table with Ferguson Twp. and State College Borough
- Creation of a development authority to oversee day-to-day revitalization efforts
- Atherton to Corl as one viable neighborhood
- A flexible plan

Mr. Brewer concluded that State College is the retail core for Centre County. Retail sales are well above local residents / student retail spending, pointing to the significance of county residents / tourists in generating retail sales. Downtown State College is well positioned to offer an urban lifestyle-driven retail experience that is generally lacking in Central Pennsylvania. The downtown cinema project is critical in broadening downtown market potential including lifestyle and entertainment. Competitive pressures will only increase with retail such as the Walmart Supercenters. Mr. Brewer feels if the market is not broadened (i.e. new spending), existing retail dollars will only be moved around.

Mr. Daubert asked attendees for questions on the content of the report.

Mr. Humphrey asked the number of property owners that are owner occupied. Mr. Brewer replied approximately half are owner occupied. An issue of major concern in both the Borough and Ferguson Township are absentee home owners.

Mr. McCarl asked what role the individual property owners would play. Mr. Brewer said beginning with the master planning process the stakeholders would be involved.

Mr. Kern asked if ERA spent time with Penn State discussing the UV district; Mr. Brewer answered yes; the university is doing their own master plan.

Ms. Dauler questioned whether the university was planning to expand as well; Mr. Brewer indicated he does not want to speak for the university, but the university is planning to expand on three surface parking lots.

Ms. Dauler asked if the redevelopment authority would be combined with Ferguson Township and the Borough of State College. Mr. Brewer said that is the potential; although there is an issue of tax base and who would have control when you combine municipalities.

Mr. Irvin asked what would be on the north border. Mr. Brewer said whatever viable way to create a linkage in to west campus that would be most beneficial.

Mr. Mascola asked how the developers get rid of businesses, specifically if ERA suggests turning from Buckhout Street to Corl Street in to residential. Mr. Brewer said from his prospective the land as it is used now is worth much more than how it is currently being used.

Mr. Daubert said ERA's report is not clear; a way to turn off Borough residents is to get rid of O.W.Houtz. Mr. Brewer said the intent is not to remove O.W.Houtz, but rather make it an anchor and more attractive. Mr. Brewer will give a more detailed explanation on the Houtz property in the report.

Ms. Goreham asked what green spaces ERA is referring to and also questioned joint projects with Applied Research Lab. Mr. Brewer said one park idea came from a university landscape architect and wanted to turn a parking lot in to a village green. Residents will pay premium costs to live near a park and be able to walk to work. Mr. Brewer added that office use is best downtown and would not consider doing joint business with the university for office space.

Mr. Killian questioned fiscal benefits on page 54 of the report. Mr. Brewer said the fiscal benefits piece in the report is an evolving work and will be finalized at a later time.

Mr. Pytel said what is to keep the university from buying this land and doing what they want with it; Penn State does not have any zoning restrictions. Mr. Pytel wants to know if this development authority would be fighting a stone wall that cannot be won. Mr. Brewer said the university will build appealing things to draw alumni back.

Mr. McCarl wondered why both Ferguson Township Supervisors and Borough Council met to discuss this together. He also added he drives down College Avenue and Corl Street every day and would like to know how to initiate this type of development. In addition, Mr. McCarl said there is one traffic light to Ferguson Township and asked if there were any plans to make bigger roads and install additional traffic lights. Mr. Brewer said this is what the master plan is for along with the redevelopment authority. In addition, he suggested adding a traffic light at Sparks Street and West College Avenue. Mr. Daubert said a study would have to warrant a need before any signal lights were added.

Mr. Daubert questioned phasing; Mr. Brewer said phasing was somewhat premature to speak of at this time.

Mr. Slaybaugh questioned Mr. Brewer's slide on the residential conclusions and how they related to the general vision a higher residential population is wanted. In addition, Mr. Slaybaugh asked who ERA envisions as residents. Mr. Brewer said he envisions row houses or townhouse in general. There are two market potentials; one is younger adults with kids if they are near a park and the second market is the empty nesters and baby boomers who want to downsize.

Ms. Lang asked if there were any auto oriented policies that created a pedestrian unfriendly area and if there is anything that can be done to exasperate the problem. Mr. Brewer said Ms. Lang's question was a very good question and would have to seek the answer because the majority of State College residents are motor driven.

Mr. Art Anderson asked how a redevelopment authority works; Mr. Brewer said at this time there are not many examples around the country. Mr. Fountaine added there is fundamentally a legal issue in Pennsylvania as to how a redevelopment authority is formed because the Borough just recently moved in to this position. He said there are some questions that need to be answered with legal council.

Mr. Kern's asked what the next steps were. Mr. Brewer said the first is the master planning process, second is understanding land values and beginning to involve stakeholders, and third is to determine the best use.

Mr. Daubert said both managers should talk and discuss how to proceed at this point without losing our momentum.

There being no further discussion on the Urban Village the meeting adjourned to a work session immediately following.

Respectfully submitted by:

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Cynthia S. Hanscom  
Assistant Borough Secretary