

Meeting Minutes
State College Borough Council
Work Session
May 4, 2007

The State College Borough Council met in a work session on Friday, May 4, 2007, in the State College Municipal Building's Room 241, 243 South Allen Street, State College, PA. Ms. Dauler called the meeting to order at 12:05 p.m.

Present: Bill Welch, Mayor
Catherine G. Dauler, President of Council
Thomas E. Daubert
Ronald L. Filippelli
Donald M. Hahn
Craig R. Humphrey
Jeffrey R. Kern

Absent: Elizabeth A. Goreham

Also present: Thomas J. Fountaine, II, Borough Manager; Thomas S. Kurtz, Assistant Borough Manager; Carl R. Hess, Planning Director; Amy R. Miller, Recording Secretary; Thomas R. King, Police Chief; Mark Whitfield, Public Work Director, members of the media; and other interested observers.

Public hour. There were no comments from the public.

Process for Selecting Consultants. Mr. Fountaine summarized the proposed consultant selection process as follows:

- Solicitation of competitive proposals for professional services contracts, with Council approval of any contract in excess of \$25,000 in value.
- Specialty consultant contracts (i.e., traffic engineering, auditing services) bid competitively every three years to five years, through an RFP process.
- Manager approval of sole source contract justifications recommended by staff prior to award of a contract, with Council approval required for any sole source contract over \$25,000 in value.

Mr. Daubert said a five year contract is too excessive and suggested limiting multi-year contracts to three years. He added that Council already approved the increase of the formal sealed bid limit to \$25,000. Mr. Fountaine said the proposed consultant selection process is consistent with the purchasing ordinance bid limit. However, he noted the consultant selection process is not exactly the same as the process for awarding bids for goods and other services. He said multi-year contracts would be awarded by Council if over \$25,000. Mr. Hahn said he also agreed that a five year contract was too long.

Mr. Dabiero said it was staff's goal to keep the process consistent with the dollar limits in the purchasing ordinance.

Ms. Dauler said wording of the proposed process needs to be clarified; specifically paragraph three which refers to professional services. Mr. Fountaine answered that professional services are currently exempt from the formal bidding process and do not require the soliciting of sealed bids. This new policy would require staff to solicit competitive proposals for professional consulting services.

Mr. Dabiero explained that the sealed bid process requires acceptance of the lowest bid meeting the specifications, and is not used for professional services contracts. He noted that contracts for professional services are awarded based on price and other factors, such as qualifications, experience, and references. Mr. Dabiero also recommended that contracts be a minimum of three years.

Mr. Fountaine summarized the discussion by stating that Council concurs with the proposed consultant selection process policy, but wishes to keep multi-year contracts to a maximum of three years.

Tax Increment Financing. Mr. Fountaine explained that one of the issues discussed when Council created the State College Redevelopment Authority was the ability of the Authority and the Borough to use Tax Increment Financing (TIF) as an economic development tool. The use of TIF was discussed specifically to provide gap financing for the public parts of the Fraser Centre Development Project.

Mr. Fountaine said TIF is a financing tool that pledges part of the increased property taxes generated by a project to provide debt service to cover certain identified costs associated with an economic development project. The "increment" is only the new tax generated from the project, and does not

include any existing assessed value or tax currently received from an economic development site. He noted that in the case of the Fraser Centre, no taxes are currently generated at the site because it is owned by the municipality. However, the increment available for a TIF would be based only on the increase in assessed value resulting from the Fraser Centre redevelopment. Mr. Fontaine added it is important to recognize that the project will pay all taxes resulting from the development and a TIF does not represent a tax rebate or tax relief to the private developer.

He noted over the past several months, Downtown State College has been working with the Fraser Centre Steering Committee, Borough staff, and the other taxing bodies to develop a TIF proposal for the last segment of the Fraser Centre financing. Council is asked to appoint two Council members to a TIF Study Committee to complete the process. These appointments are included on the May 7 Council Agenda.

Mr. Hess said TIF is an economic tool used in over 40 states to encourage development and is an incentive meant to leverage private investment dollars to address local development needs. He said a TIF is not a tax break; the property pays its full taxes to all three taxing bodies. He added that other projects in the Borough will be eligible for TIFs.

Mr. Hess then explained how the increment is used. He said a pre-determined percentage of the increment is used to finance costs associated with a new development project. Mr. Hess noted eligible costs include infrastructure, environmental compliance, demolition, streetscape improvements and actual construction.

He said TIF is a win-win solution for both the public and private sectors because TIF uses new money that is created by private investment. Existing tax dollars are unused and untouched. Mr. Hess explained the "but-for" test. He said each project must submit an economic study to show the need for TIF funding. The basic premise behind the TIF is that the projects would not happen "but-for" the tax increment financing.

Mr. Hess noted the amount available for debt is based on the assessed value which is determined by the county; the assessed value is based on the appraised value on new construction.

He then reviewed the TIF approval process which includes approval by resolution by the School Board, approval by ordinances by the County, a public hearing by Council and finally adoption of an ordinance by Council.

Mr. Hess concluded explaining the intended uses for the Fraser Centre TIF which included the building areas and streetscape plans.

Mr. Hahn asked if the same process would need to be done for each project the Borough considered for TIF. Mr. Kern agreed and said rules and objectives would need established before implementing the plan. Mr. Hess answered that standards would need to be set to govern future actions.

Mr. Humphrey questioned how the School District feels about TIF. Mr. Fontaine replied that the School District has been supportive so far in the process and the School Board has already appointed its two people to serve on the TIF committee.

Mr. Fontaine said Council is scheduled to appoint representatives to serve on the TIF committee at Monday's Council meeting. Council questioned the term for serving on the committee. Mr. Hess answered the law does not state how long the committee can remain in place.

Council asked if the Redevelopment Authority (RDA) would have a role in the Fraser Centre TIF project. Mr. Hess said the RDA would have to approve the TIF project plan before it is presented to the School Board, County Commissioners and Council.

Council said they would discuss among themselves who would serve on the committee and report back to Mr. Fontaine.

West End/Urban Village Revitalization Plan. Mr. Fontaine said Council received the draft final plan for the West End Revitalization Plan at their March 30 meeting and discussed the plan at their work sessions of April 9 and April 20. He added that Council has an opportunity to continue their discussion of the plan at this work session.

Mr. Daubert said the key issue is to determine a schedule and determine the most important items to focus on. Mr. Fontaine noted if there are items critical to Council, then they should be identified and included when the plan is adopted.

Mr. Filippelli suggested including the West End Plan elements in the Capital Improvement Plan (CIP) and then determine the best way to proceed.

Mr. Kern said he agrees with ultimate goals for the West End but would like to have some issues determined by Council before work on the CIP begins.

Mr. Fontaine said the update of zoning resolutions is a top priority. He added that the main goal is to get the regulatory framework, including design guidelines, in place to implement the plan.

Rich Kalin, Chair of the Urban Village Steering Committee, said his main concern is that the project will lose momentum over the next 2-3 years. He suggests forming an ad-hoc committee consisting of a couple of Council members, volunteers and staff to keep the project active.

Mr. Fontaine asked Council if they wanted to schedule additional discussion before considering action to adopt the plan at the meeting on May 21. Mr. Daubert suggested discussing the plan additionally at Monday's work session when Ms. Goreham returns.

May 7 Council Agenda. Mr. Fontaine stated that the agenda for the regular meeting and work session on May 7 was distributed with today's agenda. He said staff would like to review the process for addressing the Mixed-Use Zoning Overlay amendments prior to the May 7 meeting.

He added at the last meeting Council voted to advertise the ordinance, which now can be adopted May 7. He noted if Council adopts the ordinance as prepared by the Planning Commission, Council may also take one of the following actions:

- a. Review and identify the "substantial" amendments offered by Council members that it wishes the Planning Commission to consider and send them to the Commission for comment; or
- b. Schedule for June 18, a public hearing and notice to adopt another ordinance that incorporates substantive changes in the mixed use overlay regulations and refer the new ordinance to the planning agencies for review and comment by that date, or
- c. Take no further action

Mr. Fontaine continued and said if Council does not adopt the amendment, Council may take the following actions:

- a. Review and agree on the amendments to include in the ordinance; direct staff to prepare a revised ordinance; refer the full ordinance to the Planning Commission for comments; and advertise a public hearing and notice of intent to enact for Council's June 18, 2007 meeting; or
- b. Take no further action

Mr. Hess noted that if Council wanted to exclude the specific parking regulations for medical offices included in the proposed ordinance, the number of parking spaces for this use would decrease by half. In addition, any further reduction would result in too little parking being provided, he added.

Ms. Dauler suggested Council members read the information thoroughly to prepare for Monday's Council meeting.

Parking Lot Plan for Municipal Building. Mr. Fontaine presented a proposal to modify the Municipal Building Parking lot regulations and space designations based on Council's previous request of staff to review the parking arrangements in the rear lot to better accommodate the Borough's parking needs.

He noted that when the municipal facility is used heavily by outside organizations, the attendees tend to park in the rear municipal lot. He said currently there are four reserved spaces specifically for Council. Eight spaces are marked for public parking but the signage is very confusing. Mr. Fontaine added that the existing 15 minute spaces would be retained.

He said staff has developed a plan to eliminate the parking problems. New signage will advise the public that the lot is controlled. In addition, Mr. Fontaine said way-finding signs will be installed to direct traffic to the Allen Street surface lot. He also noted that individuals visiting the municipal facility on official business serving on a Borough committee would be given a placard to hang and park in the surface lot across the street or refer them to the public parking garages. Mr. Fontaine said staff's objective is to install signage for improved enforcement.

Mr. Daubert said the new signage would not benefit Council.

Mr. Filippelli said as long as the Parking Enforcement Officers know not to ticket the cars with official Borough stickers, he concurs with the new signage.

Mr. Fontaine said the new signs would eliminate confusion as to who is allowed to park in the municipal lot. He said as the Council ticketing policy states if a Council member receives a parking ticket while at the building for Borough business, the ticket should be given to an administrative staff member or phoned in with the ticket number.

Council agreed staff should implement the plan.

There being no further business, the meeting adjourned at 1:53 pm.

Respectfully submitted by:

Cynthia S. Hanscom, Assistant Borough Secretary