I. Call to Order

II. Moment of Silence and Pledge of Allegiance

III. Roll Call

IV. Public Hour

V. Slab Cabin Run Initiative

VI. Planning Commission Report

VII. ABC Work Plans and Summaries

VIII. 2017 Borough Council Meeting Schedule

IX. 2017 Budget Review and Wrap-Up

X. Amending the Zoning Ordinance to adjust the Inclusionary Housing Ordinance
   Waiver of Bedroom Mix Requirements

XI. Executive Session

XII. Adjournment

Documents:

Agenda Packet for December 12, 2016.pdf
Meeting Agenda
State College Borough Council
Work Session
Monday, December 12, 2016
7:00 p.m.

I. Call to Order

II. Moment of Silence and Pledge of Allegiance

III. Roll Call

Elizabeth A. Goreham, Mayor
Thomas E. Daubert, President of Council
Jesse L. Barlow
David J. Brown
Catherine G. Dauler
Janet P. Engeman
Theresa D. Lafer
Evan Myers

IV. Public Hour – Hearing of Citizens

Anyone in the audience wishing to address Council with an item that is not on the agenda should ask to be recognized at this time. Each speaker will have four minutes to present comments to Council.

V. Slab Cabin Run Initiative (20 minutes)

In a letter dated October 25, 2016, Deborah Nardone, Executive Director of ClearWater Conservancy, presented a proposal and asked for the Borough to participate in a funding request to allow Clearwater to proceed with the acquisition of a conservation easement to permanently conserve 300 acres of agricultural land immediately outside the regional growth boundary along the University Drive extension; this proposal includes lands of the Myers and Everhart Farms in Centre County. ClearWater has asked the Borough for $100,000 to support this project. Similar requests have been made at other Centre Region Municipalities and to the State College Borough Water Authority. As the municipalities have considered this request, there has been additional discussion of the need to tie local contributions to ClearWater granting a stream easement, that is wide enough to meet the DEP requirements, to be eligible for nutrient credits under the Pollution Reduction Plan requirement of the municipalities MS4 permits. This contingency was included in the Ferguson Township approval on December 5, 2016.
Ms. Nardone will present the request to the Borough and be available to answer any questions.

This request was not received in time for the 2017 State College Budget, but if Council wishes to participate in the project funding, Council may take an action to either fund the request from a supplemental appropriation or pledge the financial support for appropriation in a future budget. Past practice with similar requests has resulted in funding being allocated over several years.

The ClearWater proposal and request for funding, along with additional information about the initiative and information from the other municipalities is included in the agenda packet beginning on Page 7.

VI. Planning Commission Report (15 minutes)

Michael Roeckel, Chair of the Planning Commission, will review the Commission’s proposed 2017 work plan and provide an update on the Commission’s recent activities. [Page 23]

VII. ABC Work Plans and Summaries (20 minutes)

Council received the proposed 2017 Work Plans for several ABCs at their December 5 and 12 meetings. Council is asked to review the 2017 Work Plans for the Design Review Board, Redevelopment Authority, Historic Resources, Planning, Transportation and Tree Commissions, and request any additional information needed at this time. Final approval of the Work Plans will be scheduled following the adoption of the 2017 Annual Operating Budget.

VIII. 2017 Borough Council Meeting Schedule (5 minutes)

Attached to the agenda is a proposed 2017 meeting schedule as prepared by the Manager and the President of Council. The meeting schedule reflects the recognized holiday schedule, including major religious holidays. [Page 25]

Council is asked to receive and review the calendar and discuss any changes prior to approval on December 19, 2016.

IX. 2017 Budget Review and Wrap-Up (45 minutes)

Council will continue its review and discussion of the 2017 Budget. The 2017 operating budget was presented to Council on October 21, 2016. Council held a public hearing on December 5, 2016 to receive public comment on the budget. At that hearing, there was one public comment and one written comment. Those two comments, along with other review comments, will be provided to Council in the form of an updated budget review comment matrix,
along with staff comments for Council’s final review prior to the scheduled budget adoption at the December 19, 2016 meeting.

As proposed, the 2017 Budget includes total expenditures, after adjustments for inter-fund transfers, of $48,594,329, broken down by operating funds as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$27,628,141</td>
</tr>
<tr>
<td>Insurance Reserves</td>
<td>387,861</td>
</tr>
<tr>
<td>Bus Terminal Fund</td>
<td>49,592</td>
</tr>
<tr>
<td>Bellaire Court Fund</td>
<td>163,783</td>
</tr>
<tr>
<td>Parking Fund</td>
<td>6,141,427</td>
</tr>
<tr>
<td>Compost Operations Fund</td>
<td>626,518</td>
</tr>
<tr>
<td>Sanitary Sewer Fund</td>
<td>6,061,599</td>
</tr>
<tr>
<td>Refuse Collection Fund</td>
<td>3,301,225</td>
</tr>
<tr>
<td>Redevelopment Authority</td>
<td>3,956,025</td>
</tr>
<tr>
<td>Capital Fund</td>
<td>1,516,613</td>
</tr>
<tr>
<td>Asset Replacement Fund</td>
<td>558,604</td>
</tr>
<tr>
<td>Fleet Services</td>
<td>515,580</td>
</tr>
<tr>
<td>Highway Aid Fund</td>
<td>915,000</td>
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<tr>
<td>Centre Tax Agency</td>
<td>1,062,545</td>
</tr>
<tr>
<td>HOME Fund</td>
<td>341,765</td>
</tr>
<tr>
<td>CDBG Fund</td>
<td>499,753</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>(5,131,702)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$48,594,329</strong></td>
</tr>
</tbody>
</table>

The proposed 2017 Budget has been posted on the Borough’s website http://www.statecollegepa.us/DocumentCenter/Home/View/16796 and can also be found on the website under Publications, titled “2017 Proposed Borough Budget.” A copy of the full document has also been available for public inspection in the Borough Secretary's Office and at Schlow Centre Region Library.

The proposed 2017 General Fund Budget is balanced with recurring revenues of $27,627,810, an allocation of $331 from unreserved fund balance, an allocation of $271,761 from Insurance Reserves and expenditures of $27,628,141.

Once Council has concluded its review of the budget, the following actions will be included on the December 19, 2016 meeting agenda for enactment of the 2017 budget and all related actions:

1. **Budget Approval:** A Resolution will be presented to formally approve and adopt the 2017 Budget appropriations and revenues.
2. **Ordinance Establishing the Real Estate Tax Rate for 2017 and Establishing Penalty and Discount rates:** An Ordinance establishing the Real Estate
Tax Rate for 2017 at $.0164 times the assessed value or 16.40 mills. The rate is unchanged from 2016. This Ordinance also establishes the discount period penalty rates for the Real Estate Tax in 2017. The discount and penalty rates also remained unchanged with the discount rate of 2% and a penalty rate of 10% in accordance of state law. A roll call vote will be required.

3. **2017 Schedule of Fees**: A Resolution setting fees will be presented.


5. **2017 Police Pension Employee contribution rate**: A Resolution setting the employee contribution rates for 2017 for the Police Pension Plan at 5% will be presented. There is no change in contribution rates. This rate is set by the Plan Documents.

6. **2017 General Government Employee Pension contribution rate**: A Resolution approving the employee contribution rates for 2017 for the General Government Pension Plan at 4%. There is no change in the employee contribution. This rate is set by the Plan Documents.

7. **An Ordinance Authorizing Property Assessments for the Downtown State College Improvement District (DSCID)**: Council is required to annually enact an Ordinance to authorize millage rates for the assessment of properties located within the Downtown Neighborhood Improvement District. This rate is set in the Downtown Improvement District Plan and may not be changed without a plan modification approved under the Neighborhood Improvement District Law. The millage rates authorized in the Ordinance for 2017 are the same as those assessed for the past nine years. An estimated $331,571 will be generated from the assessment of 386 properties within the district in support of services provided by the Downtown State College Improvement District for 2017. A roll call vote is required.

Each of these seven actions will require a separate motion and vote. A roll call vote is required for the ordinances that sets the tax rate and approves the discount and penalty for real estate taxes. A roll call vote will also be required for the ordinance authorizing the DSCID assessments.

Council is asked to reach a consensus on final budget decisions at tonight’s meeting in preparation for scheduled adoption at the December 19, 2016 meeting.

X. **Amending the Zoning Ordinance to adjust the Inclusionary Housing Ordinance Waiver of Bedroom Mix Requirements (15 minutes)**

A public hearing on the proposed text amendment to the Zoning Ordinance was held December 5, 2016. This amendment would modify the waiver process for adjusting the bedroom mix for the inclusionary housing ordinance.
The hearing comments and staff response are provided in the agenda packet beginning on Page 27.

The current ordinance requires that applicants develop the inclusionary units with the same bedroom mix as the market rate units – essentially mirroring the units between the inclusionary and market-rate program. The current ordinance allows a waiver to be granted by the Planning Department to modify that mirroring requirement and change the bedroom mix of the inclusionary housing units based on the results of a market analysis of the affordable housing market. This proposed text amendment adjusts the waiver requirement for the bedroom mix for the affordable units to a conditional use permit process to be reviewed and approved by Council. The amendment would also require an applicant to submit documentation that the proposed inclusionary housing bedroom mix would retain an equivalent number of bedrooms as the market rate units. The waiver for the mirroring requirement for the inclusionary units could be modified if justified by a housing analysis that supports the affordable unit mix.

Council may now take one of the following actions:

1. Cause the publication of Council’s Intent to Enact the amendment and schedule a final vote on the amendment;
2. Make modifications to the amendment, return the amendment to the Planning Commission for further comment and schedule a new public hearing; or
3. Take no action on the amendment and allow it to die without acting on the ordinance.

Council may now discuss hearing comments and decide how it wishes to proceed.

This meeting is a work session and no formal action may be taken by Council. Council is asked to provide guidance to staff based on a consensus of Council.

XI. Executive Session

_Council met in an Executive Session on December 6 and prior to this meeting to discuss personnel matters._

XII. Adjournment
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October 25, 2016

Mr. Thomas Fountaine II, Manager
State College Borough Municipal Office
243 South Allen Street
State College, PA 16801

RE: Slab Cabin Run Initiative

Dear Tom,
I am writing concerning a new and exciting conservation project involving State College Borough. The project, known as the Slab Cabin Run Initiative, will proactively and permanently conserve 300 acres of agricultural land immediately outside the regional growth boundary along University Drive extension.

The Everhart and Meyer farms (see enclosed map) are located directly adjacent to the Thomas-Harter well fields, the backbone of the State College Borough Water Authority (SCBWA) system. The Conservancy has executed Purchase Agreements with the Everharts and with Meyer Dairy Partnership to:

- **Everhart Farm**: acquire the farm and place conservation easement on the property; and
- **Meyer Dairy**: acquire conservation rights and place conservation easement on the Meyer property then sell Everhart Farm to Meyer Dairy Partnership.

The land conservation of 300 acres will result in Meyer Dairy Partnership owning both farms and ClearWater Conservancy holding perpetual conservation easements on both farms.

The conservancy’s rationale for the Slab Cabin Run Initiative is simple and directly aligns with our mission. These three (3) complimentary elements are the foundation of this project:

- **Source Water Protection**: to protect the community’s drinking water at its source;
- **Slab Cabin Run Restoration**: to restore the health of an important local stream; and
- **Preserve key agricultural land**: to preserve the agricultural character of region.

The project, costing $2.75M, is the largest financial undertaking in our 35-year history. Similar to the successful team approach used to acquire Musser Gap in 2006-07, ClearWater is asking local municipal entities to assist by contributing 50% of project costs. The Conservancy will be pursuing private donations for the remaining 50%.
The benefits to State College Borough include:

- Drinking water protection for 32,756 Borough residents served by the Thomas-Harter well fields (per SCBWA 2015 Annual Report);
- Partnering with regional entities and private donors in support of preserving open space and conserving valuable agricultural land of an iconic local business, Meyer Dairy; and
- Exploration of potential nutrient and sediment offsets from Best Management Practices (BMPs) in compliance with National Pollutant Discharge Elimination System (NPDES) for MS4 stormwater permits.

We hope you join us in our enthusiasm for this important land/water protection project. We are requesting $100,000 from State College Borough (see enclosed table).

We stand ready to provide additional detailed information on the Slab Cabin Run Initiative. Please give this matter your consideration.

Respectfully submitted,

[Signature]

Deborah Nardone
Executive Director

enclosures
ClearWater Conservancy  
*Slab Cabin Run Initiative*  
Municipal Partner Funding Request

<table>
<thead>
<tr>
<th>Municipal Partner</th>
<th>Request Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benner Township</td>
<td>$10,000</td>
</tr>
<tr>
<td>College Township</td>
<td>$150,000</td>
</tr>
<tr>
<td>Ferguson Township</td>
<td>$150,000</td>
</tr>
<tr>
<td>Halfmoon Township</td>
<td>$10,000</td>
</tr>
<tr>
<td>Harris Township</td>
<td>$50,000</td>
</tr>
<tr>
<td>Patton Township</td>
<td>$125,000</td>
</tr>
<tr>
<td>State College Borough</td>
<td>$100,000</td>
</tr>
<tr>
<td>SCBWA</td>
<td>$750,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,345,000</strong></td>
</tr>
</tbody>
</table>


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This page was intentionally left blank.
For those not aware, College Township conducted a Public Hearing on the Slab Cabin Run Initiative prior to our December 1st meeting. The hearing was well attended with the vast majority living or working within a football field of the Initiative area. Comments were overwhelmingly in favor.

Following the Hearing, we picked up the discussion again in Old Business (matter was introduced at our previous meeting). That discussion revolved around a list of questions that our Council had sent to Clearwater and to which Clearwater had provided responses. Those questions and responses are available as part of our agenda package archive or I'm sure our staff would be glad to provide. After 3 hours of Hearing and discussion, our Council requested that Clearwater discuss the following with the property owners prior to a final decision on funding:

- **Beneficial Reuse (BR)** - As a region, we have said BR is a good thing. Clearwater advised that the property owners' current stance is to not allow the extension of the BR further up Slab Cabin Run on these lands. We requested that they strongly consider allowing this for the future benefit/need of the region.
- **Open Space** - By many definitions, Open Space has a public access component. With the use of public funds, we requested that some consideration be given to a small allowed access. An example might be a small viewing vista with educational information.
- **MS4** - Thanks to a meeting held earlier the day of our meeting, we received information on temporary versus perpetual access easements for any MS4 projects towards our Chesapeake Bay requirements. We requested that there be consideration for this in any agreement.
- **Workforce Housing** - There was considerable discussion that the loss of this core land in the Township is going to put price pressure on the remaining inventory of developable land which has the potential to exasperate the already existing workforce housing concern in the Township and the region. We requested the property owners consider allowing a small section of development along Whitehall and/or the 7 acres already in the RGB and zoned R-1. A follow up to Clearwater suggested possibly deeding to the Center County Housing Land Trust. College Township, as well as others, may be able to bring other funds into the mix in support.

We asked if Clearwater could have this conversation prior to our December 15th meeting which they felt they could. Our hope is to make a final decision at that meeting. My pulse of our Council is that there is absolute support for the Initiative but I think these answers may factor into the financial level of that support - depending on the answers, may even go beyond the ask.

On such an important matter before the region, just wanted to share as complete information as possible.

Thanks.

D. Richard Francke, Chair
College Township Council
rfrancke@collegetownship.org
www.collegetownship.govoffice.com
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College Township Council – Questions re: Slab Cabin Initiative

1. Agricultural operations contribute the vast majority of sediment, nitrogen, and phosphorus to our water resources. Please explain how maintaining the property in active agriculture will benefit Slab Cabin and the SCBWA wells? Can review comments from SCBWA and evidence of review by their hydrogeologist be provided?

Pennsylvania has not made adequate progress in meeting its reduction strategies for nitrogen, phosphorus and sediment loads in order to meet the current Chesapeake Bay Pollution reduction effort. The source of this pollution is from both agricultural and urban stormwater sources.¹

In setting our strategy for the Slab Cabin Run Initiative, ClearWater consulted and utilized the groundwater protection guidance of the SCBWA, its Source Water Protection Committee and their consultant hydrogeologist Dave Yoxtheimer. Our strategy includes:

- Identification and protection of any Zone 1 wellhead protection areas on the Everhart property. These areas will be identified and put into conservation easement as “highest protection zones”, where no land use activity will be allowed. These areas will be maintained as buffers so as to protect direct land overflow to the wells.
- Soils identification, surface runoff/drainage features, identifiable fracture traces, sinkholes to be evaluated and, if affecting site hydrology, will be included in Highest Protection Zones.
- Since all of Everhart and nearly all of Meyer are in the Zone 2 capture zone, a careful review will be conducted to identify potential sources of contamination.
- Ongoing stewardship of land use and agricultural best management practices will be employed (i.e., fertilizer, herbicide and pesticide control, animal waste) to ensure minimal threat of contamination as consistent with a soil conservation plan and nutrient management protocols.
- This proactive source water protection effort ensures that good water quality will be maintained by keeping the area in passive use under a nutrient management plan and is consistent with the plans and management of the Zone 2 wellhead recharge area.

SCBWA and its Source Water Protection Committee recommend long-term management of the land uses associated with Zone 2 properties to minimize negative impact on water quality by maintaining passive use with ongoing stewardship. The perpetual conservation easements on the Everhart and Meyer properties are being developed accordingly.

What sort of BMPs would be employed to reduce the pollutant loading to Slab Cabin?

Both easements would establish “Highest protection” areas to discontinue active agricultural operations in the riparian vicinity of Slab Cabin Run. Stream bank fencing, forested riparian buffers and barnyard protections will be installed to reduce pollutant loading, control animal access to Slab Cabin Run, shade the stream while reducing the quantity and improving the quality of stormwater runoff. Best Management Practices, known as BMPs, are a series of guideline or minimum standards recommended by federal, state and/or county resource management agencies for proper

¹ [https://www.dep.state.pa.us/river/iwo/chesbay/docs/DEPChesapeakeBayRestorationStrategy012116.pdf](https://www.dep.state.pa.us/river/iwo/chesbay/docs/DEPChesapeakeBayRestorationStrategy012116.pdf)
application of farming and forestry operations, nonpoint source pollution of water resources and other disturbances of soil, water and vegetative resources and to protect wildlife habitats. Examples of resource management agencies issuing pertinent BMPs which will be reviewed and appropriately applied to the Everhart and Meyer parcels as of the date of the conservation easement:

- Natural Resource Conservation Service of the United States Department of Agriculture (with respect to soil resources);
- The Pennsylvania Department of Environmental Protection (guidance manuals with respect to soil erosion, sedimentation and water resources);
- With respect to forestry and woodland management: the Forest Stewardship Council principles and criteria, Sustainable Forestry Initiative standards, Forest Stewardship Plan requirements, American Tree Farm standards and BMPs for Pennsylvania Forests.

ClearWater is interested in partnering with contributing municipalities to explore nutrient offset potentials for municipalities required to comply with the Chesapeake Bay Pollution Prevention effort.

2. The proposal will result in significant loss of developable property immediately adjacent to already improved infrastructure. This will have a significant impact on College Townships ability to grow and accommodate an increasing population. Would the parties involved consider NOT placing a conservation easement along this area so that it may be developed in the future?

Not likely. The initiative came about when the private property owners opted for land conservation over development. The decision lies with the landowners, who have chosen to conserve their property in perpetuity.

For the Everhart family, their previous efforts to pursue development were rejected through the municipal rezoning process. Staying consistent with their articulated desire to cease their involvement in farming and sell the farm, the family now wishes to sell their conserved and eased land to their neighbors Joe and Denny Meyer for the continued viability of the Meyer Dairy operation.

For the Meyer family, after decades of “would-be suitors” looking to acquire their property for development, their carefully considered decision was land conservation and not development.

The Conservancy seeks to support the will and wishes of the property owners for the benefit of the entire community. We understand the Township’s perspective on the development potential of the property, but development is dependent on the landowner’s interest. Neither landowner wishes to pursue development of their property.

3. The project proposed to expend taxpayer funds to complete a private land transaction to the benefit of both Everhart and Meyers, with only an overlying conservation easement. Would the parties involved consider deeding over, or placing an easement along, the lower portions of the property adjacent to the well fields and slab cabin for public use, to include construction of riparian forest buffers along Slab Cabin and beneficial reuse water land application?
To be balanced, the project is raising both public and private funds to benefit the entire community and our drinking water. Both property owners are sacrificing large future sale-for-development proceeds by conserving the land under current agricultural zoning. The deed encumbrance of a perpetual conservation easement guarantees that the land will be protected forever.

On both properties, the easement will classify the areas adjacent to the well fields and Slab Cabin Run as “highest protection” where active agricultural operations are prohibited and forested riparian buffers and stream bank fencing will be installed. These protections have been agreed to with both property owners. The parties are open to collaboration with participating municipalities in securing necessary agreements to support of Chesapeake Bay pollution offsets.

Neither property owner has been receptive to beneficial reuse water application on the land.

4. Please provide a timeline that explains how this proposal has transpired. A request for funding assistance at the end of the year, so close to the budgeting process is not a simple thing for municipalities to overcome. Perhaps the agreement of sale can be extended to allow additional time to review the proposal, collect additional information, and perhaps make any necessary adjustments that would benefit the taxpayers.

ClearWater Conservancy has been working in the Upper Slab Cabin Run watershed since 2003 to protect forest and water resources. Project examples to date include:

- Roaring Run Restoration work with SCBWA (2007);
- 733 acres of Land Acquisition and Conveyance to Rothrock State Forest: Musser Gap (423 acres 2006); Hale (281 acres 2014) and Hoy (29 acres 2015); and
- 4800 feet Riparian Forested Buffers along Slab Cabin Run of Wasson (2200 feet 2007), Foch (2100 feet 2008-09), Penn State (500 feet 2014).

The Slab Cabin Run Initiative came about over the last 2 years in close coordination with SCBWA based on the timeline detailed below:

- Fall 2014 – Work begins on landscape level source water protection, habitat management, riparian restoration and agricultural discussions in upper Slab Cabin Run watershed with SCBWA, UAJA, Centre Region Planning;
- Winter 2015 – SCBWA and its consulting hydrogeologist Dave Yoxtheimer suggest Source Water Protection focus targeting Thomas-Harter wellfields;
- Spring/Summer 2015 – ClearWater approaches key landowners to ascertain interest and willingness to consider permanent land protection on their properties;
- Fall 2015 – Everhart and Meyer emerge as the highest priority parcels for source water protection due to immediate proximity to Thomas-Harter wells. Both families indicate willingness to talk seriously about land conservation once respective properties are appraised. ClearWater Board authorizes Aumiller to appraise the properties;
- Winter 2015 – ClearWater Board reviews appraisals, authorizes staff to engage legal counsel and begin serious discussions on how to structure and pay for perpetual conservation easements on the Everhart and Meyer properties;
- Spring/Summer 2016 – ClearWater reviews and evaluates strategic importance of the project in context of updating its strategic plan and determination of future priorities. Because Slab Cabin Run project involves largest fundraising effort in Conservancy’s 36-year history, Board is duly cautious of signing onto the project until parameters are set and carefully evaluated;
Fall 2016 – ClearWater decides to proceed with final negotiations on Grant of Purchase Options with Everhart and Meyer families and their financial advisors and attorneys.

October 28, 2016 – ClearWater announces public launch of the project, sets goal of 50% private -50% public financial support and requests municipal involvement.

ClearWater understands and respects the municipal budget development process and is evaluating possible sequencing of municipal contributions through phased financial commitments or pledges.

5. How was the land valued; how was it appraised? Were comparable farms/Ag land in the area used and/or where did the comps come from? Or, was the property valued as potential residential/commercial land?

Consistent with ClearWater’s Accredited appraisal protocols, both properties were appraised using accepted appraisal standards in accordance with the Department of Treasury, 12 CFR, Part 34, and conducted by state certified appraisers Christian Aumiller & John Curtin. Property valuations were determined using the Sales Comparison Approach on other similar properties sold on the open market in the State College Market. The Fair Market Value “As Is” was determined based on current agricultural district zoning based on four (4) fee simple sales “Purchased for Development”. Then, conservation valuation was determined using comparable sales (6) in the area where properties sold “Without Development Rights”. The table below depicts the appraised valuations.

<table>
<thead>
<tr>
<th>Tax ID #</th>
<th>Name</th>
<th>Appraised Acres</th>
<th>Full Value</th>
<th>Conservation Value</th>
<th>Conserved Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-5-34A</td>
<td>Meyer Dairy Prtnrshp</td>
<td>17.0</td>
<td>$2,130,000</td>
<td>$1,280,000</td>
<td>$850,000</td>
</tr>
<tr>
<td>19-6-09A</td>
<td>Meyer Dairy Prtnrshp</td>
<td>124.9</td>
<td>$2,240,000</td>
<td>$1,300,000</td>
<td>$940,000</td>
</tr>
<tr>
<td>19-5-32</td>
<td>Everhart</td>
<td>156.9</td>
<td>$2,240,000</td>
<td>$1,300,000</td>
<td>$940,000</td>
</tr>
</tbody>
</table>

Copies of the subject appraisals are available for Township review.

6. Please provide a better understanding of the breakdown and rationale of requested contributions from municipal/SCBWA partners.

The overarching rationale for the initiative was a 50% public and 50% private financing arrangement based on the $2.75M total cost.
For the municipal and SCBWA asks, ClearWater considered proximity to the project, percent and number of township residents served by the SCBWA, previous investment and interest in our source water protection work (such as the Musser Gap partnership) and public support within the municipality.

<table>
<thead>
<tr>
<th>Municipal Partner</th>
<th>Requested Amount</th>
<th>Musser Gap 2006-07</th>
<th>SCBWA - residents served &amp; %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benner Township</td>
<td>$10,000</td>
<td>$-0-</td>
<td>1,253/20%</td>
</tr>
<tr>
<td>College Township</td>
<td>$150,000</td>
<td>$25,000</td>
<td>2,023/21%</td>
</tr>
<tr>
<td>Ferguson Township</td>
<td>$150,000</td>
<td>$100,000</td>
<td>16,440/92%</td>
</tr>
<tr>
<td>Halfmoon Township</td>
<td>$10,000</td>
<td>$6,200</td>
<td>N/A</td>
</tr>
<tr>
<td>Harris Township</td>
<td>$50,000</td>
<td>$29,000</td>
<td>4,734/96%</td>
</tr>
<tr>
<td>Patton Township</td>
<td>$125,000</td>
<td>$35,000</td>
<td>15,031/97%</td>
</tr>
<tr>
<td>State College Borough</td>
<td>$100,000</td>
<td>$76,110</td>
<td>32,756/77%</td>
</tr>
<tr>
<td>SCBWA</td>
<td>$750,000</td>
<td>$550,000</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,345,000</strong></td>
<td><strong>$821,310</strong></td>
<td><strong>72,237/75%</strong></td>
</tr>
</tbody>
</table>

7. Could Clearwater purchase an easement without being involved in the land sale transaction(s)?

   Procedurally yes, but not practically in the Everhart and Meyer land conservation.

   If Meyer already has an interest in use of the Everhart land, and is using it, could they not reach agreement at the discounted rate and then negotiate w/Clearwater on the easement/rights?

   Separate transactions as suggested in this scenario do not address “fair market value” acquisition of the Everhart Farm. That’s where the Conservancy comes in. In order to acquire the Everhart Farm at its $2.2M full value, place a conservation easement on the property then sell to the Meyer Dairy Limited Partnership at its conserved value of $940,000, ClearWater functions as the conservation broker and Meyer as the conservation buyer. This land transaction is being structured with a simultaneous settlement so title can be executed and transferred from Everhart to ClearWater to Meyer without ClearWater being in the line of title and absorbing all additional associated costs.
8. **What are the agreements between Clearwater, Everhart and Meyer? Do they expire?**

ClearWater has executed Grant of Purchase Option Agreements with both families with the intent to close by 9/30/17. The Everhart Purchase Option is to acquire the farm at its Farm Market Value of $2.24M. The Meyer Purchase Option to acquire a conservation easement on their property and requires acquisition of the Everhart Farm with a conservation easement is a required condition. Copies of the Purchase Options are available for review.

The Purchase Option agreements do expire if the options are not exercised by ClearWater. The entire transaction is structured for a simultaneous closing as referenced in #7 above to occur on or about September 30, 2017.

9. **Under the conservation easements, what can be built on the property, including both residential and agriculture development? What kind of density of homes can be built? In what ag practices will the owners be allowed to engage?**

Using the Pennsylvania Land Trust model template, the conservation easements are being negotiated at this time. The following table summarizes elements within each easement.

<table>
<thead>
<tr>
<th>Conservation Easement</th>
<th>Everhart</th>
<th>Meyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest Protection area</td>
<td>7 acre riparian zone; 1056 feet - SCR forested riparian buffer; stream bank fencing; stream enhancements; Nolin soils, identified fracture traces, sinkholes affecting hydrology</td>
<td>21 acre riparian zone; 2739 feet – SCR forested riparian buffer; stream bank fencing; steam enhancements; Nolin soils, identified fracture traces, sinkholes affecting hydrology</td>
</tr>
<tr>
<td>Standard Protection area</td>
<td>142 acres ag operation - BMPs per</td>
<td>110 acres ag operation – BMPs per</td>
</tr>
<tr>
<td></td>
<td>approved conservation plan</td>
<td>approved conservation plan</td>
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<td>--------------------------------</td>
<td>------------------------------------------------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Minimum Protection area</strong></td>
<td>10 acres surrounding home/outbuildings; ID footprint for any new construction</td>
<td>10 acres surrounding home/outbuildings; ID footprint for any new construction</td>
</tr>
<tr>
<td><strong>New residential units</strong></td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Discontinue ag operations</strong></td>
<td>7 acre Highest Protection - riparian zone along SCR</td>
<td>21 acre Highest Protection - riparian zone along SCR</td>
</tr>
<tr>
<td><strong>Stewardship</strong></td>
<td>Twice annual review with walking site inspection</td>
<td>Twice annual review with walking site inspection</td>
</tr>
<tr>
<td><strong>Legal Defense</strong></td>
<td>ClearWater responsibility to enforce and defend</td>
<td>ClearWater responsibility to enforce and defend</td>
</tr>
</tbody>
</table>

10. Will there be public access to any portion of the land?

    No, none is planned at the landowners’ request.
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### Routine Activities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Council Goals</th>
<th>1st Qtr</th>
<th>2nd Qtr</th>
<th>3rd Qtr</th>
<th>4th Qtr</th>
<th>Comments</th>
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</thead>
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</tbody>
</table>

**Comments:** All routine items take place on an as needed basis.

### Zoning Ordinance Comprehensive Update

<table>
<thead>
<tr>
<th>Priority</th>
<th>Council Goals</th>
<th>1st Qtr</th>
<th>2nd Qtr</th>
<th>3rd Qtr</th>
<th>4th Qtr</th>
<th>Comments</th>
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</table>

**Comments:** This project is the highest priority for the year and other priorities may be minimized in order to focus time and resources on this project. In addition: possible grant application for support of a charrette for West End in coordination with Ferguson Township.
<table>
<thead>
<tr>
<th>Downtown Plan Implementation</th>
<th>Priority</th>
<th>Council Goals</th>
<th>1st Qtr</th>
<th>2nd Qtr</th>
<th>3rd Qtr</th>
<th>4th Qtr</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Assist with implementation activities as identified in the Downtown Master Plan Implementation Program &amp; Strategy Board.</td>
<td>M</td>
<td>These activities vary greatly in their scope and support the 2009 Strategic Plan Goals</td>
<td>IP</td>
<td></td>
<td></td>
<td></td>
<td>Implementation of priority recommendations/items and identification of partnerships/resources needed. <strong>2017 Priority is support for the RDA’s State College Town Center project.</strong></td>
</tr>
<tr>
<td>11 Participate in joint meetings with Borough, University, and Regional municipal officials regarding potential partnerships and implementation of Plan's recommendations.</td>
<td>L</td>
<td>Goal 5: Continue to improve community infrastructure</td>
<td></td>
<td>As needed</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Neighborhood Plan Implementation</th>
<th>Priority</th>
<th>Council Goals</th>
<th>1st Qtr</th>
<th>2nd Qtr</th>
<th>3rd Qtr</th>
<th>4th Qtr</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Assist with implementation activities as identified in the Neighborhood Plan Implementation Program</td>
<td>H</td>
<td>Goal 1: Maintain safe, stable and attractive neighborhoods</td>
<td>IP</td>
<td></td>
<td></td>
<td></td>
<td>Implementation of priority recommendations/items and identification of partnerships/resources needed. <strong>2017 priorities are to develop a community awareness campaign for housing programs and neighborhood quality, resolve cases from the Student Home licensing project and address Tourist Homes and other short-term rentals (as per Council direction).</strong></td>
</tr>
<tr>
<td>13 Participate in joint meetings with Borough, University, neighborhood and community representatives regarding ongoing/upcoming projects, potential partnerships, and implementation of Plan's recommendations</td>
<td>L</td>
<td></td>
<td></td>
<td></td>
<td>As needed</td>
<td></td>
<td>Coordinate with PSU regarding the update to the Five-Year Capital Plan and the Parking/Transportation Demand Management Study.</td>
</tr>
</tbody>
</table>
State College Borough Council
2017 Schedule of Meetings

The State College Borough Council’s first meeting of 2017 will be on January 9, 2017, at 7 p.m. All Borough Council regular and work session meetings are scheduled for Mondays, starting at 7 p.m., and held in the State College Municipal Bldg., 243 S. Allen St., State College, PA, unless otherwise indicated below.

The meeting schedule for 2017 will be as follows:

<table>
<thead>
<tr>
<th>Regular Meetings</th>
<th>Work Sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 9</td>
<td>February 13</td>
</tr>
<tr>
<td>February 6</td>
<td>May 8</td>
</tr>
<tr>
<td>March 6 &amp; 20</td>
<td>June 12</td>
</tr>
<tr>
<td>April 3</td>
<td>July 10</td>
</tr>
<tr>
<td>May 1 &amp; 15</td>
<td>August 14</td>
</tr>
<tr>
<td>June 5 &amp; 19</td>
<td>September 11</td>
</tr>
<tr>
<td>July 3 &amp; 17</td>
<td>October 9</td>
</tr>
<tr>
<td>August 7 &amp; 21</td>
<td>Friday, October 20 @ Noon</td>
</tr>
<tr>
<td>September 18</td>
<td>Wednesday, November 1 @ 5:30 p.m.</td>
</tr>
<tr>
<td>October 2 &amp; 16</td>
<td>Wednesday, November 8 @ 5:30 p.m.</td>
</tr>
<tr>
<td>November 6 &amp; 20</td>
<td>November 13</td>
</tr>
<tr>
<td>December 4 &amp; 18</td>
<td>Tuesday, November 14 @ Noon</td>
</tr>
<tr>
<td></td>
<td>Tuesday, November 21 @ 5:30 p.m.</td>
</tr>
<tr>
<td></td>
<td>Tuesday, December 5 @ 5:30 p.m.</td>
</tr>
<tr>
<td></td>
<td>December 11</td>
</tr>
<tr>
<td></td>
<td>Tuesday, December 12 @ 5:30 p.m.</td>
</tr>
</tbody>
</table>

All meetings listed are open to the public. If you are a person with a disability and wish to attend, but require an auxiliary aid, service or other accommodation to participate, please call (814) 234-7110 (voice or TDD) to discuss how we may meet your needs. Also, to discuss agenda items or order copies of agendas, please call (814) 234-7110. Agendas are published on the Borough’s website at www.statecollegepa.us.

Thomas J. Fountaine, II
Borough Manager
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State College Borough Council  
Policy Briefing Summary

Review Public Hearing comments, discuss and schedule action on the proposed Inclusionary Housing text amendment to modify the bedroom waiver provision.

Date Prepared: December 6, 2016  
Prepared By: Planning Staff  
Proposed Meeting Date: December 21, 2016  
Deadline for Action: To Be Determined

I. Request/Issue Needing Council Action

Review the public hearing comments from Council’s December 5, 2016 meeting on the proposed Inclusionary Housing zoning text amendment.

This proposed text amendment changes the bedroom mix waiver option for the affordable units to a conditional use permit process to be reviewed and approved by Council. The amendment would also require an applicant to submit documentation that the proposed inclusionary housing bedroom mix would retain an equivalent number of bedrooms as the market rate units. The waiver for the mirroring requirement for the inclusionary units could be modified if justified by a housing analysis that supports the adjusted bedroom mix.

Staff proposes Council schedule enactment of the proposed amendment for January 9th.

II. Current Policy and/ or Practice

All land development plans which generate six or more units are required to provide 10 percent of the residential units to be affordable.

The current rule requires that the make-up of the affordable units (in terms of bedroom count) is the same as the market rate units – essentially the affordable units need to “mirror” the market rate units. It is possible that the bedroom mix of the market-rate units, a waiver may be granted to not mirror the bedroom mix units and provide units that better meet the demand for affordable housing units in the Borough. There have been two requests for waivers under this ordinance. One resulted in Atherton Place at 1311 South Atherton Street. The second is the RISE located at 532 East College Avenue.

III. Other Background Information

The State College Borough Council held a public hearing on a proposed text amendment to the zoning code at their December 5, 2016 meeting. Two individuals provided comments during the hearing to Council.

Susan Venegoni, 323 West Fairmount Avenue, submitted comments in a letter to Borough Council.

The new developments under construction are the first buildings to include the Inclusionary Housing units on-site. We haven't even tried to make it work under the ordinance yet and we are already willing to modify it to suit the desires of the developers.

Why would we reduce the number of affordable housing opportunities when there are recent grads who want to live here? I am a long-time affordable housing advocate, but we need to look to the future, not to the past.

If there is a market for 4- or 5-BR market rate units, then there will be a market for 4- or 5-BR affordable units. We just came through the whole grad student discussion with the Planning Commission and our IH ordinance is an excellent opportunity for like-minded individuals to live together and work together as discussed in the article I shared. There are also large families who may be interested in one of these units, or perhaps a group of employees who work downtown and would rather walk to work than commute.

And if I am wrong and the units are not leased, the developer does get to lease them at market rate later, but still pays into the Inclusionary Fund as they would have if they were not built.

I ask that we try it before we modify the ordinance. This could be a great thing for young entrepreneurs and others who want to be downtown but are priced out of the market.

Planning Staff Response:

The ordinance was drafted in 2011 without the benefit of the information staff and Planning Commission has now. The amendment does not reduce the number of affordable units that can be generated for qualified affordable households. Instead the Planning Commission determined that the amendment would more than likely increase the number of affordable units since the new requirement for equivalency in the number of beds may result in the need for additional one, two, or three bedroom units above the current 10% requirement.

The development of this zoning text amendment was generated by Planning Commission and staff in response to comments made by members of the public. It was primarily drafted to shift the waiver approval responsibility from planning staff to Council. The amendment also clarifies the number of inclusionary bedrooms required and closes a potential loophole that has been identified.

This amendment does not materially modify the ability of an applicant to request a waiver, but it shifts the authority for approving waivers from the planning staff to the Council as part of the Conditional Use process.

David Stone, 539 East Foster Avenue, provided comments during the hearing.

Mr. Stone indicated he thought that the text amendment excluded seniors, graduate students and qualified undergraduates from the living in the affordable units.

Mr Stone noted he believed that the draft ordinance is better than an improper waiver being issued. Mr. Stone stated that he also believes a waiver was improperly issued for the RISE project. He also believes the waiver does not meet the affordable housing demand, resulting in less units and smaller units excluding the possible tenants that were mentioned earlier.

He noted that the conditional use process is a public process and not a staff function that allows for public input in the waiver process in front of Council.

Mr. Stone concluded his comments by stating that if Council is not comfortable with the waiver in any form, it could be removed from the zoning ordinance.
Planning Staff Response:

The text amendment does not exclude the individuals mentioned from the affordable units. Eligible occupants must meet income requirements. Below is an excerpt from the ordinance who is eligible to occupancy an affordable unit.

(9) Limitations.

(a) Priority given to residents of Centre County for a minimum of 1 year or employed by a business located in Centre County. Must be a United States citizen or have permanent resident alien status.

(b) Must use unit as principal place of residence.

(c) Except for student status, household income, asset limitations and the primary residency requirement as set forth herein, occupancy of any inclusionary unit shall not be limited by any conditions that are not otherwise applicable to all units within the covered project.

(d) A full-time student is defined as an individual enrolled in a post secondary program, college or university that is registered as an undergraduate according to the enrollment requirements where the student is enrolled.

(e) Students are eligible when they can provide proof they are:

(i) Graduate students.

(ii) Undergraduate students who are enrolled at least half-time, are not part of a household outside of the Inclusionary Housing Program (i.e., not a dependent of another individual) and who meet at least one of the following criteria:

1) Married.

2) Domestic partners, as defined herein.

3) Single parents who have at least 50% custody.

4) Veterans with a service-related disability as determined by the Veterans Administration.

5) Individuals who are receiving assistance under Title IV of the Social Security Act (i.e., TANF).

6) Individuals who are enrolled in a job training program receiving assistance under the Workforce Investment Act or under other similar Federal, State or local laws.
The focus of the amendment is to require additional information to be presented to Borough Council and to shift the waiver process from Staff to Council as part of a conditional use permit. The additional information required includes a market study to illustrate demand of units with certain bedroom counts. The amendment does not exclude eligible occupants. The amendment gives Council the ability to allow the applicant to modify the bedroom mix based on that market information. If insufficient information provided to justify a waiver of the bedroom mix, Council is not obligated to issue one.

The information that is required for the study would be obtained by a housing professional and include data that is generated by HUD and relied upon by other housing entities. Sources of data include the US Department of Housing & Urban Development, the Pennsylvania Housing Finance Agency and the American Community Survey.

IV. Financial Impact on Budget

There is no direct financial impact on the budget due to this amendment.

V. Board, Commission or Agency Review

No reviews have occurred since the hearing was held.

VI. Staff Recommendation and Reason

Staff recommends authorizing advertisement of possible enactment for the January 9, 2017 Council meeting.