

**Meeting Minutes
State College Borough
Redevelopment Authority
October 23, 2019**

The State College Borough Redevelopment Authority (RDA) met on Wednesday, October 23, 2019 in the Municipal Building, 243 South Allen Street. Sally Lenker, Chair, called the meeting to order at Noon.

RDA Members Present

Sally Lenker, Chair; Colleen Ritter, Vice-Chair; Mark Huncik; and James Shincovich, Secretary/Treasurer

RDA Members Absent

Rebecca Misangyi

Others Present

Ed LeClear, Planning Director; Maureen H. Safko, Senior Planner; Isabel Storey, Planner; and Denise L. Rhoads, Administrative Assistant

Approval of Minutes

A motion was made by Mr. Shincovich and seconded by Ms. Ritter to approve the September 18, 2019 minutes as submitted. The vote was unanimously in favor.

Chair Report

Ms. Lenker, Chair, had nothing to report.

Public Hour

No one from the public wished to discuss items not on the agenda.

Financial Matters

September 2019 Expense Voucher Approvals

Mr. LeClear noted there were no transactions to approve for the month of September 2019.

A motion to approve no transactions for the September 2019 voucher was made by Mr. Huncik and seconded by Ms. Ritter. The vote was unanimously in favor.

2020 RDA Budget Presentation reviewed a projected end-of-year (EoY) 2019 revenue, expenditures, and fund balance. It also reviewed the 2020 proposed revenue and budget, options for the resolution of the Neighborhood Sustainability Program's (NSP) Line of Credit (LoC) and discussed a future student home license purchase program.

Mr. LeClear noted the final Borough budget meeting for approval will be at the end of December 2019.

He also shared the Borough Manager stated any decision on the LoC would not happen until 2020. The Manager wanted to keep that separate from the budget discussion.

Mr. LeClear's presentation included:

- He noted revenue sources such as: 1) 25% Real Estate Transfer Tax (transferred from the Borough General Fund); 2) .5 millage tax increase to fund payback of the LoC and other RDA activities (new suggested budget proposal by the Borough Manager) (\$287,000); and 3) Kemmerer Road loan repayment (~\$36,000)
- The transfer tax revenue in 2019 through September 2019: \$212,996
- Projected EoY 2019 Transfer Tax total revenue: \$270,197
- Projected 2020 Transfer Tax revenue: \$200,800
- 2020 General Fund Transfer: \$287,000
- Cash on hand as of 7/31/19: \$777,473
- LoC Liability: \$1,166,650
- Yorkshire Loan Liability: \$125,000 (per Mr. LeClear this was an obligation that needed to be taken care of)
- EoY operating expenses: ~\$50,000
- Projected EoY fund balance without any LoC payment : ~\$600,000

Next discussed: 2020 Economic Development Program costs

Mr. LeClear's presentation included:

- Kemmerer Road Loan Payment: \$36,000 (covered by payments from Housing Transitions, Inc.)
- Personnel: \$90,470
- Operating/Program/Advertising/(Borough Solicitor line item, \$5,000 fee was included): \$15,000
- Professional Services: \$150,000
- Fairmount School Feasibility Study: \$100,000
- Opportunity Zone Business Marketing (focused on the business support side): \$40,000 (possibility of a training session next year)
- Miscellaneous appraisals: \$10,000
 - TOTAL 2020 COST (minus Kemmerer): \$255,470

RDA's comments:

- Mr. Huncik asked if there was a map of the Opportunity Zone boundaries. Ms. Safko presented one. Mr. Huncik asked what might be coming online and Mr. LeClear stated nothing specific.
- Mr. Huncik asked if this specific Opportunity Zone was the only one in the Centre Region. Mr. LeClear stated there was one in Philipsburg and one in Bellefonte.
- Ms. Lenker asked if the Borough needed to be in contact with Pennsylvania State University (PSU) and Mr. LeClear stated yes, at some point.
- Mr. Huncik asked if the RDA needed to look at how this would benefit the Borough. Mr. LeClear stated the information presented showed more people wanted to be able to walk to their place of employment.

Next discussed: 2020 Community Development Program costs

Mr. LeClear's presentation included:

- Personnel: \$18,094 (this figure may be reduced if the student home license program did not go through)
- Interest on LoC through April 2020: \$37,342
- Indirect costs: \$21,530
- Payment on loan to repay LoC beginning in May 2020 for five years at 4%: \$262,062
 - TOTAL 2020 COST (not including Student Home License purchasing): \$339,028

Next discussed: 2020 Total RDA Costs and Projected use of Fund Balance

Mr. LeClear's presentation included:

- Total Economic Development costs: \$255,470
- Total Community Development costs (without Student Home Licenses): \$339,028
 - TOTAL 2020 costs: \$594,498
- Projected 2020 revenue: (\$487,800)
- Net 2020 budget deficit: \$106,698
- 2019 Fund Balance carryover: (\$600,000)
- Remaining Fund balance in 2020 after accounting for deficit budget: \$493,302
- With 16.7% (previously had been 12%) contingency set-aside (\$99,282), remaining fund balance available for LoC payment: ~394,000 (could use this to pay back the LoC) but would not leave anything in reserve.

Mr. LeClear suggested approving this budget now, and in January suggested reviewing the receipts to see if more could be paid back to the LoC. He suggested not spending all the fund balance now so there would be funding available for projects in 2021.

Mr. LeClear stated Council did not forward the request for an additional \$300,000 for the student home licensing program.

RDA's comments:

- Mr. Shincovich asked if the Borough had money for marketing to those homeowners who have rentals in the Highlands Neighborhood. Mr. LeClear stated that could be part of the housing marketing campaign.

Mr. LeClear reported a licensing ordinance would be coming soon and staff had a 1969 definition that could be used for short-term rentals.

He also stated five years from now, when the LoC was paid off, there might be some capital to work with.

A motion to approve this proposal was made by Mr. Shincovich and seconded by Ms. Ritter. The vote was unanimously in favor.

Redevelopment

Fairmount School Feasibility Study & Fairmount Civic District CRA Study

Mr. LeClear's stated staff drafted a feasibility study, but it needed more work.

He also noted the certification process for State College Town Centre was started. The Planner-RDA Specialist position was still open.

Official Reports and Correspondence

Borough Council (BC): Mr. LeClear reported BC was budget focused. Also, the PSU College of Engineering Master Plan would be presented on November 18, 2019.

Upcoming Meetings

The next scheduled meeting would be November 20, 2019 at Noon.

Adjournment

With no further business to discuss, a motion to adjourn the meeting at 1:00 p.m. was made by Ms. Ritter and seconded by Mr. Huncik. At that time, the RDA adjourned into an Executive Session to deal with Real Estate matters.

Respectfully submitted,

Denise L. Rhoads
Administrative Assistant