

BAILIWICK NEWS

Reporting and critical analysis of Centre County public affairs

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Miscellaneous Updates

By Katherine Watt

I'm processing information collected this week and last week at the State College Planning Commission meeting (Jan. 4); Whitehall Road Regional Park (re)working group meeting (Jan. 5); COG Transportation and Land Use committee meeting (Jan. 9); State College Borough Council meeting (Jan. 9); COG Public Safety committee meeting (Jan. 10); COG Finance Committee meeting (Jan. 12); and COG Parks Capital/Parks Authority joint meeting (Jan. 12).

I'm also reviewing historical information from the COG General Forum minutes from January 2011 to October 2016.

Several interesting, complex topics have been discussed at the recent meetings and are slated for fuller Bailiwick News coverage in coming months.

Zoning as a Public Tool to Manage Development; Adapting to Overcapitalized Developers' Adaptations to Zoning Changes.

State College Planning Commission discussed efforts to address an unexpected outcome of the "signature" and "collegiate overlay" zoning changes in the past few years. More developers are now attempting to assemble large lots of 30,000 square feet or more, from multiple smaller parcels, to submit Land Development Plans for more Metropolitan-like and Rise-like high-rise student apartment buildings within the traditional downtown core, which elected officials had intended to reserve for non-student housing development (commercial, retail, office, and workforce housing).

Also, at the Jan. 9 Borough Council meeting, Planning and Zoning Director Ed LeClear announced Clarion Associates LLC had been selected to conduct the forthcoming zoning code overhaul.

Regional Park Planning & Public, Debt-Based Financing

Whitehall Road Regional Park (re)working group and the joint COG Parks Capital committee/Centre Region Parks & Recreation Authority board group discussed design options for moving forward within the available budget given the increased costs for off-site traffic improvements and utilities that were to be borne by the adjacent student housing developers now tangled in litigation over threats to public water supplies.

These two groups also discussed options for dealing with the drawdown deadline of June 1, 2017 for the

Fulton Bank loan. COG Finance Director Joe Viglione presented three financing possibilities. One, the COG could decline to draw the remaining \$4.7 million and shut down the loan. Two, the COG could draw the \$4.7 million and hold it in an escrow account, paying arbitrage fees to the Internal Revenue Service. Three, the COG could attempt to renegotiate with Fulton Bank for another extension.

Parks and Recreation Director Pam Salokangas followed up on Viglione's comments. She said the first and third options would require General Forum approval, but the second option – escrow with arbitrage – could be conducted solely under the authority of the Parks Authority board, without General Forum consent.

This may not be a legitimate exercise of fiduciary, taxing authority; research ongoing.

Lack of A Cohesive Regional Identity

The COG Transportation and Land Use Committee discussed 2017 COG Planning Agency plans to update the "REDCAP" report (regional development capacity), last fully updated in 2012, to assess land availability inside the Regional Growth Boundary/Sewer Service Area and also hydraulic loading capacity at the University Area Joint (Sewer) Authority. The update will take a specific look at the burdens being put on the area by development on the Penn State campus. Jim May, COG planning director, also said his department will be looking at how other regional entities administer growth boundaries.

The committee spent quite a bit of time talking about an idea floated last year, for the COG to shepherd a pilot economic development project through the planning process. May told the committee that after examining it further, staff recommend against that idea, because the regional governing structure is "cumbersome." A project would have to move through reviews by UAJA, State College Borough Water Authority, College Township Water Authority, PA Department of Environmental Protection, plus municipal planning and zoning, many of which have competing interests and independent governing structures.

May also pointed out that there is no regional economic development policy to guide what types of projects public entities could or should support, and it's hard to get individual municipal policies to align, given their different characteristics and interests. He mentioned a "Best Practices for Development Review & Permitting" report put together circa 2012, which I'll request for further research to put together a full report on the TLU committee discussion and economic development as a regional issue.

In particular, I was intrigued by Patton Township Supervisor Jeff Luck's thoughtful comments about how it's easier to discuss what the region wants to do, than what the region wants to be.

"There's no agreement on what we want to be," Luck said. "It may be that we're never going to have that discussion, that it's just too difficult."

However, during discussion of Lancaster's experience, driven by a crisis [more research needed], Luck and others mulled the costs and benefits of waiting for a crisis to develop a strategic vision, as contrasted with developing a strategic vision to potentially head off a crisis. One example of a potential crisis locally would be Penn State contraction, which, as long-time readers know, I regard as an inevitability that will be driven by a collapse in student loan financing Ponzi schemes.

By the end of the meeting, several other members of the TLU committee had said they were very interested in having that discussion, and floated the idea of having it at General Forum, even if it turned out to be a messy, painful conversation with no deliverables.

And the TLU members and regional planning staff observations echo concerns raised frequently by Susan Venegoni in State College, about the Borough's multiple, often conflicting planning documents (neighborhood, downtown, strategic) without an overall identity or long-term vision.

In my view, this is a very important, valuable set of conversations to have, messy painfulness be damned. I would like to see some public forum in which long-term residents and electeds working together could clearly articulate and put some meat on the bones of our desire to be something more than a set of bedroom communities for Penn State students and faculty. We know from ecology that monocultures are brittle; we have an economic monoculture.

Personally, I would advocate for developing the Centre Region as primarily a local food economy, with much more political and financial investment in farming families. I'd like to see our area become a hub of vegetable, grain and oil-seed production and distribution, supplying local populations and exporting to urban centers around Harrisburg, Philadelphia and New York City.

Among other reasons, I regard sustainable farming as an excellent economic development strategy because the goods produced are perishable, biodegradable consumables that must be re-produced annually, and because working practical models of how to set up and operate a sound local food economy would be another exportable product.

Harrisburg Stalemate on Updating Pennsylvania Construction Code; Effects on Public Safety and Homeowners' Insurance Rates

The COG Public Safety Committee discussed an issue raised by Walt Schneider, director of the Centre Region Code Agency.

Summarizing my understanding of the discussion: every five years, the Insurance Services Organization

("an advisory and rating organization for the property/casualty insurance industry" according to Wikipedia) rates local code enforcement agencies.

The Centre Region office was last rated in 2013 and earned very high ratings: 1/10 for residential properties and 2/10 for commercial properties. The ratings are used by insurance companies to set premiums for property insurance.

However, because of lobbying of state legislators by the Pennsylvania Builders Association, the state code has not been updated to align with national construction standards since 2009. The builders' opposition was driven by 2009 residential sprinkler regulations to improve fire safety, and led to the development of a "review and action committee" (RAC) that must get a two-thirds majority vote to enact any state construction code update other than federally-mandated ADA compliance. Given the competing interests on the committee, they've been unable to get the required votes for the vast majority of proposed updates.

Thus, national construction code standards updates adopted since 2009 cannot legally be enforced in Pennsylvania. As a result, all of the new buildings going up now around the Centre Region are being built to 2009 standards. This is causing a cascade of problems for designers, builders, inspectors and owners unable to use updated, in some cases more energy-efficient, materials and designs, in many cases driving up initial construction and long-term operation costs.

(There's a wrinkle about using more modern materials and designs if they're "less restrictive" than the 2009 versions, requiring code inspectors to spend huge amounts of time trying to compare 2009 regulations with newer regulations to figure out whether they're more or less restrictive than each other, but I didn't follow that discussion fully and need to investigate further.)

The ISO will re-rate Centre Region in 2019, and without a state legislative fix in 2017 or 2018, the rating will automatically drop to a 9/10 for both residential and commercial construction; the only way to get a 10/10 is to not have a code office at all.

The drop in rating will drive up insurance rates for property owners.

During discussion, it became clear that builders' association opposition is driven by greed: they fought smoke detectors in the 1960's and they're fighting sprinklers now because they make money from reconstructing burned buildings.

"They have lots of money, and they know where to take it down in Harrisburg," Schneider said. He also pointed out that insurance companies stand to benefit most, from collecting higher premiums from building owners: another skewed incentive making it harder to motivate Harrisburg legislators to fix the problem.

The upshot of the discussion is that the Public Safety Committee tasked Schneider with preparing a two or three page summary report to take to General Forum, for General Forum to use in lobbying county and state officials to get off their asses, stand up to the builders' lobbyists, and bring Pennsylvania back in line with national construction codes.

Revising the CATA Funding Formula; Opening a Public Conversation on Regional Program Cuts if Electeds are Serious About Flat Funding

The COG Finance Committee discussed updating the CATA funding formula to simplify it and improve fairness and budget predictability. If adopted, the formula would use only three factors - population excluding individuals 18-22 years old; route miles; and system stops - instead of the 20 or so factors used in the current formula originally adopted in the early 1990s. More data will be forwarded to municipal managers and electeds ahead of a General Forum discussion and vote.

Finance Committee members also discussed the 2018 budget process, and how and when to solicit municipal input into spending priorities. For example, the "program plan" goes out to municipalities in June or July, but the actual dollar figures don't go out until October or so.

If officials are serious about keeping municipal contributions to COG programs stable – rather than simply bloviating about cost-containment – then they have to make higher level choices about which programs and staff to cut and by how much, and which new programs and construction to forego, because just maintaining existing programs and infrastructure entails rising expenses every year for labor and supplies.

Line item quibbling in November and December isn't helpful.

Then again, by the time the program plan is published, staff members have already put a lot of work into preparing work plans and general cost information, prompting State College Borough Councilman Evan Myers to ask if staff need input from municipalities before the program plan is drafted.

COG Executive Director Jim Steff suggested maybe bringing the broader discussion of spending and program priorities to General Forum in March or April, so that proposed cuts make it into the program plan.

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KW INVESTIGATIONS LLC
156 W. Hamilton Ave.
State College PA 16801
(814) 237-0996
kw.investigations.llc@gmail.com
steadystatecollege.wordpress.com
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