



## Borough of Columbia | Community Development Committee

Thursday June 21, 2018 | 6:00 PM

Chair: Cleon Berntheizel  
Vice Chair: Todd Burgard  
Member: Marilyn Kress Hartman  
Alternate: John Novak  
Staff: Rebecca Denlinger, Borough Manager

### MINUTES

#### I. Opening of Meeting

1. Meeting called to order at 6:00 PM. Committee Chair Berntheizel, Committee Members Burgard and Kress Hartman, and Committee Alternate Novak were in attendance, joined by Borough Manager Rebecca Denlinger.
2. Following the Pledge of Allegiance, there were no citizen comments on agenda items.
3. Marilyn Kress Hartman moved and Todd Burgard seconded approval of the Community Development minutes from May 17, 2018. Motion passed unanimously.
4. Chairman Berntheizel announced that while the committee normally would address non-agenda items at the end of the meeting, he understood that there were residents in attendance that would like to discuss the proposed hotel development project at 2<sup>nd</sup> and Locust Street. Several property owners and residents expressed concern about information that they've heard or read about on social media about the Borough giving \$650,000 and additional real estate tax breaks to Cimarron Investments and/or Don Murphy for the proposed project. Chairman Berntheizel asked Borough Manager Rebecca Denlinger to speak to the matter.

Borough Manager Denlinger shared the following to help clear up any misinformation about the proposed project and the potential for Borough involvement:

- The Borough commissioned a Hotel Feasibility Study that was recommended by both the 2010 Columbia Economic Development Strategic Plan and the 2015 Columbia Downtown Revitalization Plan. Part of that study was to assess the demand for overnight stays in the immediate area and to determine if the development of a hotel in the downtown was a viable project.
- Armed with the information from the Study, Don Murphy/Cimarron approached the Borough with a request to consider supporting a potential hotel project in the amount of \$650,000 and the abatement of municipal real estate taxes for a period of 10 years.

- The Borough asked Cimarron to provide a legal opinion as to the ability of the Borough to provide the type of support requested to their proposed project. The legal opinion provided by Cimarron's attorney indicated that the Borough could provide the support they were seeking. Subsequent to receiving that opinion, the Borough sought direction on the same question from the Borough's solicitor. The Borough's Solicitor, although not through a formal opinion, informed the Borough that, in fact, the Borough was not able to provide a direct grant or gift of public funds directly to a private entity.
- It is the Borough's understanding that granting of public funds can only be used for public purposes. At this time, the Borough does not have any grant program in place to provide grants for any reason. The Borough did capitalize a revolving loan fund to support economic development projects. That loan fund is being administered through a third-party agreement with Community First Fund.
- As to the request for tax abatement, the Borough has recently updated its LERTA (Local Economic Revitalization Tax Abatement) program for owners that make improvements to their commercial properties. It is a five year LERTA that abates taxes (on the improvements made to a property) at a rate of 100% in years one, two, and three and then drops the rate to 50% in years four and five. The property is then fully back on the tax rolls in the subsequent year. There is no current discussion at the Borough for a 10-year LERTA.
- The Borough is currently working to be part of a regional application for Keystone Opportunity Zone (KOZ) designation for identified properties. If approved by all taxing bodies (borough, school district, and county), the KOZ would offer a 10-year tax abatement (along with other business-related tax benefits). Even with the KOZ in place, the Borough would have the ability to still collect the base taxes in place. Those discussions and decisions are in progress.
- The Borough has requested additional information from Cimarron on the proposed hotel so that we have a better understanding of the overall project and can determine, what, if any, appropriate role the Borough may be able to play in providing support either through making application to existing state or other public grant programs or through resources available through local, regional, or state economic development partners.

## II. Old Business

### 1. Borough Communication Initiatives

Borough Manager Denlinger shared that the next edition of the Columbia Connection Newsletter is now in production. The Borough is working with Infantree to develop both this as well as the Fall edition of the newsletter

The Borough is also underway in working with Revise toward the development of a completely revamped website. The process should take approximately six months if all of the content development and design goes as scheduled. This is a significant undertaking.

### 2. Commercial/Business Community Outreach

Chairman Berntheizel led a brief discussion on the potential for a new group being formed by and for the downtown businesses. The discussion included a review of what role the Main Street program may play into that group's formation. The next step would be for a meeting of

businesses to gauge interest. There was also the idea of block ambassadors being identified to aid in communication and planning.

### 3. Streetscape Planning Project

Borough Manager Denlinger shared that Streetscape Planning is moving forward. The RFP is being developed. The project will incorporate the work done by Historic North End group with respect to the Third Street corridor as a critical gateway to the borough's commercial core. The Borough will look to incorporate green infrastructure into the planned improvements. The RFP will also include an element to study parking improvements in the same study area. The Streetscape Planning work will be paid for out of the 2016 General Obligation Bond.

### 4. Keystone Opportunity Zone Update

The regional Keystone Opportunity Zone application is moving forward, and the borough has identified approximately 60 acres for inclusion in the application. Borough Manager Denlinger shared a map of the parcels. The Borough has started conversations with both the School District and County as all taxing bodies would cooperate on this initiative. The deadline for the regional application to be made to the state for review and consideration by the state legislator and Governor Wolf is early Fall.

### 5. Opportunity Zone (Federal) Update

Columbia was awarded inclusion in the Opportunity Zone initiative through the Federal Government's program. We are awaiting guidance documents from the Federal Government to determine how the program will be implemented.

### 6. CAPital Workforce Initiative Update

Though a partnership with the Community Action Partnership (CAP), the Borough is working to start up a CAPital Workforce group. The group is currently being assembled – and a crew hired – by CAP. Borough Manager Denlinger shared that it is important to note that, other than the foreman, the Columbia CAPital Workforce crew members will be Columbia residents. They will be working turning blighted properties into safe and livable homes.

### 7. Economic Development Revolving Loan Fund Update

The loan fund is in place and our third-party administrator (Community First Fund) has reported that there are three active applications in process with a fourth project close to making an application. The Committee discussed the need to make sure we are marketing the program appropriately.

I. New Business

1. Urban Land Institute (ULI) Technical Assistance Panel (TAP)

Denlinger provided information to the Committee on the opportunity to engage with the Urban Land Institute through their Technical Assistance Panel program. The ULI is a professional society that brings together leaders from real estate and land use policy disciplines to exchange best practices and serve community needs. One of their programs, the TAP, brings a team of development experts to a community to provide a market-based perspective on project defined by a local community.

The Committee discussed the use of the TAP for a redevelopment project in the downtown. One project discussed in particular was the Hotel Locust / Hotel Columbia sites and the potential to include adjacent sites to create the possibility of a larger redevelopment effort. Other project locations were also discussed briefly.

**Councilman Burgard motioned for the Committee to refer the discussion of making an application to the Urban Land Institute for use of their Technical Assistance Panel program on to Borough Council for discussion and consideration. Seconded by Councilperson Kress-Hartman. Motion approved by unanimous vote.**

Being no further business before the committee, Chairman Berntheizel adjourned the Community Development Committee meeting at 7:32 PM.