



BOSS 2020 REVITALIZATION COMMITTEE
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SINKING SPRING
BOSS 2020 REVITALIZATION COMMITTEE
SSB COUNCIL ECONOMIC DEVELOPMENT COMMITTEE
SSB BUSINESS & COMMUNITY ALLIANCE
MEETING MINUTES
DECEMBER 15, 2016

Call to Order

Charles Coleman (President) called the meeting to order at 7:10 PM.

Present: Charles Coleman (President-D), Bernie Campbell (VP-ED), Brian Hoffa (Council Economic Chair-ED), Joe Eways (Sickafus-ED), Ken Pick (Berks Redevelopment Authority), Bob Ludgate, (Ludgate Engineering Corporation [LEC] and Sam Loth, Community Development Services [CDS].

Note: Committees: ED-Economic, D-Design, P-Promotion.

Guests: Brian Miller (STV Traffic Engineers), Lindsay O'Laughlin (Reading Eagle) and Steve Reinbrecht (SW Berks Blog).

Approval of Meeting Minutes

- **Motion by Bernie Campbell** to approve the Meeting Minutes of November 17, 2016. **Second by Brian Hoffa.** Motioned passed unanimously.

Treasurer's Report

Tabled until the BOSS 2020 Meeting on January 19, 2017.

[Committee of the Whole](#)

2017 BOSS 2020 Financial Impact Mitigation Action Plan

Borough Council's Concerns

- Sam Loth recounted on the report to Borough Council at the December 1st meeting. He explained that the BOSS 5-Year Strategic Finance & Project Plan was requested by Borough Council in July 2016. Council requested the report for the purposes of assisting them with clarifying the capital and physical responsibilities Council will encounter in the near and extended term.

- Sam stated that while the Plan did contain most of the information Council requested, it was still far too complex a document to understand easily.
- Sam reported that at the December 1st meeting, members of Council questioned the value of an eventual Return On Investment (ROI):
 - > How can Council be confident of a ROI that is enough to justify the investment?
 - > How much will the investment actually be?
 - > What Borough resources can guarantee the investment required?
 - > How will the investment be financed while waiting for the ROI to materialize?
 - > Why aren't agencies willing to support the plan at a higher level of funding?
 - > What else can be done to reduce the Borough's overall financial responsibility?
 - > How can the Borough lower the Debt Financing required for construction?
 - > Should the Borough be responsible for a multi-million dollar infrastructure improvement plan that in fact benefits everyone in the region and also the state agencies that are in charge of transportation improvements and economic development?
- Sam said that Council members have stated individually and in public that they remain committed to the project and believe that:
 - a) The infrastructure improvements are needed
 - b) The stream of revenue strategy through commercial development is sound

However, Council members are unnerved by the cost of local matching funds for grants that have been awarded and additional costs (contingencies) that have arisen. They are looking for ways to not over-commit the Borough financially.

- a) The specter of the proposed PPL transmission line project weighs heavily!
- b) Can a Master Developer be found to invest \$60 Million to build the project?

- Bob Ludgate responded by reminding the Committee that Council invested \$350,000 in Borough funds to widen and signal the intersection at Penn Avenue and Blanbrid Drive in order to make the ingress/egress to Phase 1 (Spring Market Center) a reality. In return, JDH Developers of North Carolina invested \$12+ Million dollars of private money to raze the former and defunct Boscov's West department store, prepare the 10+ acres for development and build the new shopping center from scratch. The new shopping center was completed in 2010 and has both provided the Borough with a return on the public funds invested but also is providing the Borough with an annual stream of tax funding that previously did not exist.

- Bob also pointed out that the owners of the Spring Market Center have indicated their willingness to consider constructing **Phase 4**, the realigned intersection of Penn Avenue/Shillington Avenue/Mull Avenue, spending an estimated \$6-8 Million dollars of their own private funds up front in order to complete the roadways and intersection by 2018-2019, **a full 5 years earlier than PennDOT** can schedule and complete the project. This in turn will create new land at the rectangular intersection allowing Spring Market Center to build new pads and recruit new businesses into the Center. The private funds invested would be paid back to the owners, Cape Assets Management, by PennDOT at a future agreed upon date. This plan would exponentially improve the Borough's annual tax revenue stream and overall demonstrates proof positive that the BOSS 2020 Theory of "Constructing Infrastructure to Attract Private Development" is a valid and workable solution to the Borough's financial challenges.
- Sam Loth said that even though BOSS 2020 has worked to reassure the Council over the years that the plan is and will continue to work, the Borough Council needs more evidence. Therefore he is recommending an Action Plan for 2017 that can be presented to Council in January 2017 that would 1) help to reassure Borough Council that concrete steps are to be taken that would further cement the project into the budgets of PennDOT, DCED, the County and other entities who hold the key to financial resources required and 2) provide Council with the necessary reassurance and confidence to accept the \$1.1 Million dollar grant for Phase 3-1 from DCED and execute the letter requesting a grant contract.

New Financial Funding Opportunities

Redevelopment Assistance Capital Program (RACP)

- Sam Loth explained this State grant program that funds large economic development projects across the Commonwealth. The Governor's office oversees the "Governor's Center for Local Government Services". This group of State officials with various professional disciplines identifies projects that can dramatically change the economics of a particular site or area. Project costs must be over \$1 Million in size and create permanent new jobs. Sam used the Steel Stax Development at Bethlehem as an example of a RACP project paid for largely with RACP State grant dollars. The RACP Grant pays for 50% of the total cost of a project and includes the cost of acquisition, disposition and redevelopment of private lands required for the project.
- Sam said that these projects must first be placed on a list of projects to be considered by the Governor and staff. This is accomplished through project sponsorship by a sitting member of the General Assembly or Senate. With this in mind, Sam received approval from BOSS 2020 to request that Senator Argall sponsor the Sinking Spring project. The Senator agreed and Sam completed

and returned a brief application to the Senator on December 8th. Christine Verdier, Senator Argall's Chief of Staff said that they will submit the project to the Governor's staff for review and possible inclusion in the list for 2017.

PennDOT Federal FAST LANE Grant Program

- The Federal FAST Grant Program focuses on projects that improve Federal Multimodal 'Freight' Corridors. This Program requires that the PA DOT sponsor a project for consideration. Projects must benefit multimodal freight corridors that are experiencing bottlenecks. The minimum grant from this program is \$5 Million dollars. Grants cover at least 60% of the project and include acquisition, disposition and redevelopment of private land for public infrastructure. That translates to a project minimum cost of approximately \$8.5 Million dollars.
- Bob Ludgate explained that he believes Sinking Spring is the only designated "Industrial" Federal Multi-modal Corridor in PA (PA10L). Those corridors so designated are non-US Highways that directly feed the National Highway Network. US 422 is a National Highway.
- Columbia Avenue in Sinking Spring from Penn Avenue to Mountain Home Road in South Heidelberg Township is the Federal designated multi-modal corridor PA10L. PA10L is experiencing a freight bottleneck because of the misaligned intersections in the Sinking Spring central business district.
- Bob recently has had conversations with executives at Sunoco Logistics which is building 2 new pipelines into their Sinking Spring plant. There will be 4 pipelines total when construction is completed.
- The Sunoco executives told Bob about Amerigas which also is located along Mountain Home Road. Amerigas (and others) are presently fed by 2 Texas Eastern pipelines into their plant at Mountain Home Road. Sunoco said that they expect to build a new pipeline connecting them with Amerigas.
- The refineries also receive incoming raw products by rail sidings. Products such as specialty lubricants, heating oil and ethanol are produced and shipped by tanker and semi trucks from Mountain Home Road, along Columbia Avenue and then through the Penn Avenue bottleneck to routes that lead to the nearby National Highway network.
- More incoming raw product to Sunoco, Amerigas and other production facilities means more refined products shipped out by truck. This is why Sinking Spring Borough may in fact be the FAST LANE Grant 'sponsor project' for PennDOT.
- The PennDOT standard morning peak traffic time (Peak AM Period) is from 7:00 AM to 9:00 AM. In Sinking Spring, this Peak AM Period begins around 10:00 AM and continues for the remainder of the day (delivery truck traffic).

- Sam Loth recommended that, as part of the 2017 strategy, a meeting between BOSS members, Borough reps and Refinery executives be scheduled to establish a dialogue on the BOSS 2020 Project.

Borough Debt and Debt Service

- Brian Hoffa said that the main concern of Borough Council members is the amount of debt the Borough would have to incur and the amount of time it would have to service the debt?
- Brian asked how the BOSS Committee will insure that \$60 Million dollars or more in private investment will follow the Borough's investment in constructing the new infrastructure?
- Joe Eways said that the Council is going to need a "Tax Base Model". Something similar to what Bernie Campbell and Jim Adams prepared for the Phase 1 project. An analysis of what can be expected as a result of the Borough's investments.
- Sam Loth agreed, saying that he is recommending that Borough Council consider hiring a professional financial analysis person or organization because no one on Council or the BOSS Committee has that level of skill. This is a critical piece of the jigsaw puzzle that is the total Official Map project.
- Brian Hoffa asked Bernie Campbell if he would be willing to prepare a preliminary analysis that could help Council to decide whether to bring in a professional financial analyst or not. Bernie agreed.
- Bob Ludgate pointed to the New Town Center Market Analysis Study that was recently conducted and previous analysis from several legitimate studies including the LUPTAP, the Traffic Analysis, the Spring Market Analysis, the McDonald's review when rebuilding and the Dunkin' Donuts analysis to locate and build. All of these reviews offer insight into the viability of business activity.
- Joe Eways said that any analysis conducted must also include the downsides of any course of action suggested.
- Brian Hoffa said that a truly important part of any analysis must include a truly aggressive timeline that includes the five 'Ws'...who, what, when, where, how.

BOSS Actions, Projects & Volunteers

- Brian said it is time to reach out to targeted individuals to recruit leaders to be self-starters, recruit their own volunteers and develop/design their own projects based on the G&O of the Committee.
- Sam Loth recommends contacting the new CEO of the Greater Reading Chamber Economic Development Committee.

- Joe Eways agrees but cautions that instead of consolidating three (3) agencies, 1) the Chamber, 2) the GREP and 3) The Greater Berks Development Fund, the actions taken have created instead, a fourth (4th) entity.
- Sam Loth said that the ideas discussed tonight are the basis of a plan of action that the BOSS Committee can produce on behalf of the Borough in order to 1) help Council to see that the BOSS Committee is moving forward on the grand project and 2) that there is an opportunity to improve the financial position of the Borough when the Borough also moves forward by supporting the BOSS actions.

Motion to Approve a BOSS 2020 Action Plan for 2017

- Bernie Campbell asked what the BOSS 2020 Committee needed to do in order to make tonight's discussion official?
- Sam Loth responded that a **Motion** of the Committee to adopt a 2017 BOSS 2020 Action Plan with the components discussed and an action to bring this Plan before Council for their review and Approval, would be appropriate.

The Action Plan would be presented to the Borough Council for their Approval and then sent to PPL Electric as further evidence that the Borough and BOSS 2020 are moving forward on the downtown revitalization plan. This action would provide PPL with the proof they may need to reconsider their plan to ROUTE their State Hill - Berkshire Transmission Line project through downtown and instead find an alternative route.

- **MOTION by Bernie Campbell to adopt the following BOSS 2020 Action Plan for 2017:**

2017
BOSS REVITALIZATION ACTION PLAN

Present the 2017 Action Plan to Borough Council for their Approval and Support.

> Pursue an RACP Grant from the Commonwealth for \$8 Million dollars to construct the Official Map infrastructure project and to work with private developer(s) to build the New Town Center. Public investment = \$16 Million, Grant request = \$8 Million, Borough obligation = \$8 Million, Private development = \$60 Million.

> Pursue a Federal FAST LANE Grant for 60% of the total cost, \$16 Million dollars, of the Official Map infrastructure project; 60% = \$9.6 Million which includes the costs of land and property acquisitions, disposition, demolition and redevelopment. Borough obligation = \$6.4 Million total.

- > Schedule meetings with U.S. Senators Casey and Toomey and U.S. Representative Ryan Costello (6th District) to review the project and ask for support on the various initiatives.
- > Schedule a meeting between BOSS, Borough and Berks County Commissioners to review the project status and to seek additional ways that the County can support and move the SSB project forward.
- > Schedule a meeting with BOSS, Borough and Mountain Home Road Refinery Executives to discuss the Official Map project and to seek ways in which private enterprise can support and move the SSB project forward.
- > BOSS 2020 prepares a preliminary analysis for Council's review that would establish what categories the Council would want to see in a professional analysis.
- > Identify a professional financial analysis person or organization that can provide a quantifiable overview of the project and its costs/benefits to the Borough to benefit decision making of the Council.
- > Develop a "Pro-Forma" Financial Analysis for the total Official Map project that provides all information on each Phase of the project, what amount becomes the Borough obligation and how these amounts would be financed.
- > Develop an aggressive "Time Line" for each Phase of the Official Map project AND the Private Developer recruitment plan to complete the New Town Center. The Time Line will include a series of incentives to attract Master Developers and others to the project.
- > Conduct Outreach to community volunteers to begin organizing local projects including Gateways and more.
- > Continue the Facade Improvement Reimbursement Grant Program with a Year-2 \$50,000 grant.
- > Meet with the new CEO of the Greater Reading Chamber Economic Development Committee (GRCEDC). Continue to develop a professional relationship with Pam Shupp of GREP and Debra Millman/Ed Swoyer at the Greater Berks Development Fund.
- > Present the SSB Official Map Infrastructure Plan to the Reading MPO "RATS" Committee as the single most important project for western Berks County. Seek the RATS Committee endorsement and commitment to the project's success.

Second by Brian Hoffa. Motion passed unanimously. Sam will prepare a draft.

- **Motion by Bernie Campbell** to adjourn at 8:45 PM. **Second by Brian Hoffa.**
Next Meeting: Thursday, January 19, 2017 at 7:00 PM