



BOSS 2020 REVITALIZATION COMMITTEE
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SINKING SPRING
BOSS 2020 REVITALIZATION COMMITTEE
SSB COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

SPECIAL MEETING MINUTES
DECEMBER 29, 2016

Call to Order

Charles Coleman (President) called the meeting to order at 7:00 PM.

Present: Charles Coleman (President-D), Jim Adams (Berks IDA-ED), Joe Eways (Sickafus-ED), Brian Hoffa (Council Economic Chair-ED), Bob Ludgate, Ludgate Engineering Corporation [LEC] and Sam Loth, Community Development Services [CDS].

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

[Committee of the Whole](#)

Special Meeting Topics

Establish a FY-2018 Borough Capital Improvements Budget

- Sam Loth opened the discussion stating that, he believes, Borough Council would benefit by creating a separate Capital Projects Budget that would contain the financials on all Borough construction projects.
- Sam said examples would include Sewer and Storm Water, Roads & Sidewalks, Revitalization & Infrastructure, Parks & Municipal spaces.
- Brian Hoffa stated that if the current Capital Account needs adjusting, then the Administration Committee of Borough Council would be the group to address that issue. The Council Administration sub-Committee would also be the vehicle for reviewing a separate, Annual Capital Improvements Budget.
- Bob Ludgate would like to see Borough Council adopt a 'broad' view of the BOSS 2020 Project. The current approach viewing each Phase separately isn't working well. This view creates skepticism because there is no overview of the entire goals, the costs, the timelines and the methods to achieve the Project goals.

- Sam doesn't believe that the funding gap that exists for Phase 2 of the BOSS 2020 Project should be paid for within the Borough's Operating Budget but rather within the Borough's Capital Improvements Budget.
- Sam added that much of the difficulty between the Borough Council and the BOSS 2020 Project is a result of not having a separate budget and timeline that could be viewed as a 'whole' project rather than a Phased Project.
- The Committee generally agreed that BOSS 2020 and the Council's Economic Development sub-Committee should make this recommendation to Borough Council to establish a separate Capital budget in FY-2018.
- This recommendation to Council's Administration Committee could be contained in the 2017 BOSS 2020 Revitalization Action Plan.

Talking Points for a Capital Improvements Budget

- Large capital improvement projects that will benefit the Borough over an extended period should be financed over an extended period.
- By adopting a Capital Improvements Budget, the Borough finances these projects using long-term bonds and other financial instruments designed to be retired by future residents and businesses that will benefit from the improvements.
- Property Tax increases within the Annual Operating Budget should be focused on day-to-day operating expenses.
- Currently, the Borough has an Annual Operating Budget of \$2.83 Million dollars. Each year, Council sets aside \$125,000 toward a 'Capital Account'.
- The Capital Account was created to build a small reserve for larger operations purchases such as a maintenance truck or police cruiser.

TIF (Tax Increment Financing) for the BOSS 2020 Official Map Plan

- Brian Hoffa wants to initiate several 'actions' of the BOSS 2020 Project that will move the revitalization forward, visibly show progress and signal to others that the Project is on track.
- Brian said that he believes BOSS and the County need to initiate the TIF District discussion in FY-2017. He asked the Committee what needs to happen in order to make a TIF Presentation to Borough Council. He added that Bernie Campbell has volunteered to make the presentation.
- Bob Ludgate noted that Ken Pick (Director of the Berks County Redevelopment Authority) needs to create a 'development plan' in order to establish numbers for a TIF Plan.
- Joe Eways said that the TIF calculations are based on the total amount of value to be achieved. Once the total value is identified, it is possible to "back-out" the itemized numbers. At this point, Joe explained, "timing becomes critical".
- Bob said that determining the likelihood of the TIF being able to meet its financial obligations, has been Ken Pick's largest drawback. Bob wondered aloud if the County would be willing to act as the default debt guarantor if the TIF finances were to fall short on their returns?
- Sam Loth asked if requesting this action by the Berks County Commissioners was reasonable and whether it could be accomplished?

- Bob said that a 'skeleton' of a TIF agreement could be built and agreed upon in order to support the Borough's willingness to obligate itself financially.
- Bob further believes that the Borough would need to buy properties within the CBD and hold them for an extended period until the TIF Plan could be initiated.
- The BOSS Committee consensus is that the Infrastructure Revitalization Construction Plan is well beyond the Borough's capacity to achieve alone and that the benefits to the County and State are far greater than to the Borough.
- Further, if the County were to act as a guarantor for the TIF financing, then the chances for a successful bond issue sale would be greatly improved while interest rates would be lower.

The Berks Industrial Development Authority (IDA) Resource

- Jim Adams and Joe Eways are members of the Berks IDA Board of Directors. Presently, the IDA has around \$15 Million dollars on deposit that, by law, must be invested conservatively.
- One way for the IDA to invest with a higher ROI is to act as the 'buyer' of Sinking Spring CBD land from private ownership in order to assemble the land for redevelopment.
- If BOSS 2020 were to request the assistance of Berks County with financing, the likelihood is that the County would turn to the IDA to tap the pool of funding available.
- After further discussion, the Committee agreed that the first step would be to approach the County for their response and ideas on how to support the BOSS Project.

Tax Increment Financing Planning Committee

- The BOSS Committee agreed that a logical order of business for a TIF Planning Committee would be A) Populate the Committee, B) Establish Preliminary Financial Numbers and C) Develop a Presentation for the Three Taxing Bodies.
- Brian Hoffa asked who might be appropriate to make up a TIF Plan Committee? Three names immediately come to mind; Ken Pick (Berks County), Robert Metzgar (Wilson SD) and Bernie Campbell (BOSS).
- The BOSS Committee agreed to take the following steps:
 - > Joe Eways will contact Tom McKeon about the TIF
 - > Sam Loth will contact Ken Pick and then the County Commissioners

SSB Council's Commitment to Phase 3-1 Grant = \$1.1 Million w/\$684K Match

- Brian Hoffa explained that because there is no 'long-term' strategy in place to finance the cash match required from the Borough, the Council is reluctant to obligate itself, fearing that the Borough will become over-extended. He added that if there were a second party to share the financial burden of the grant's cash match, he believes there would be a positive vote.
- The BOSS Committee will present the 2017 BOSS 2020 Revitalization Action Plan to Borough Council at its January 5th meeting with the intent to convince Council to move forward on the grant acceptance.

- Both Joe Eways and Jim Adams agreed to attend the January 5th Borough Council meeting to assist Sam Loth with the Action Plan presentation.
- All acknowledge that, even with a positive vote to accept the CFA Phase 3-1 Grant, there continues to be a need to establish financing for property acquisition.
- Joe Eways commented that the Borough should consider establishing a 'fund' to buy needed properties 'over time'.
- Sam Loth suggested discussing the County's "Acquisition, Disposition & Demolition Program (A.D.D.) with the Commissioners in a sit-down meeting.
- Bob Ludgate pointed out that this project could be considered an "Industrial Corridor" issue and that approaching the BOSS Plan this way could prove beneficial to the funding need.

*Pedestrian Safety Improvements to Western Penn Avenue
PennDOT \$365,000 "Safe Routes to School" Grant*

- Bob Ludgate reported that PennDOT will be 'letting' the Project, beginning with BIDS on January 12, 2017.
- The Borough will have 90 days to award the contract.
- The local project construction estimate is \$475,000.
- Bids must be under \$475K.
- Construction: 90-120 Days - Est. APR through JUL 2017.

Keystone Communities Grant Change Order

- Keystone Communities Public Improvements Grant = \$75,000.
- Purpose: To widen sidewalks near corner of Penn & Hull Street.
- PennDOT has disallowed use.
- Request a visit from Fadia Halma, DCED Regional Manager in Jan or Feb.
- Request Change Order for \$75,000 reapplied to 'wall safety' project.
- Brian Hoffa has volunteered to make the Change Order presentation.

Phase 2 \$783,000 & Phase 3-1 \$1,100,000 Construction Schedule

- Bob Ludgate has asked STV Traffic Engineers to submit a proposal to Borough Council for not more than \$150,000 to complete engineering documents on Phases 2, 3 and 4.
- Joe Eways added that combining the engineering for Phases 2, 3 and 4 and starting the TIF District project actions would, in his opinion, convince PennDOT of the project's integrity.
- Bob will send Brian Hoffa edits of talking points to be forwarded to Borough Manager, Mike Hart.
- Mike can use the edits to compose a Letter to STV requesting an engineering proposal not to exceed \$150,000.
- Sam asked whether the Committee should have a secondary firm to work with in the event that STV cannot perform the work.
- The Committee identified Traffic Planning & Design as a secondary firm.
- Brian raised the idea of a Berks IDA 'Bridge Loan' as a financial vehicle.

- BOSS will meet with the Berks County Commissioners before any meetings or contacts are made with the IDA.

Adjourn

Motion to Adjourn by Brian Hoffa. Second by Jim Adams. Passed.

Adjourned at 8:45 PM.

**NEXT MEETING: Thursday, January 19, 2017
Borough Council Chambers**