

ALLEN STREET CIVIC DISTRICT REDEVELOPMENT PLAN



CERTIFIED REDEVELOPMENT AREA PLAN
FINAL DRAFT
PREPARED BY:
SC PLANNING COMMISSION
SEPTEMBER 2015

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The preparation of this Redevelopment Plan and RFP involved significant input on the part of the Borough's elected and appointed officials and staff.. Additionally, countless community stakeholders provided valuable input which influenced the recommendations of this Plan.

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The following community organizations participated in community events and focus groups related to this Plan and shared insights that helped shape the overall recommendations for the Allen Street Civic District.

Arts Alliance of Central PA
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Centre Foundation
Centre Region Entrepreneurs
Network
Centre Region Planning Agency
Discovery Space Children's Science
Museum
Members of the local arts community
New Leaf Initiative
Pennsylvania State University
Penn State Downtown Theater
Schlow Library
State College area residents
State College Young Professionals
State Theater
Temporary Housing Foundation
The MakeSpace
Women's Network Group



Figure 1: Mayor Welch Plaza: The 200 block of S. Allen Street and the Mayor Welch Plaza at the State College Municipal Building has become a focus area for community events, such as the inaugural LION Bash in the fall of 2015.



Figure 2: Hillsboro Civic Center: This civic center was built in the mid 2000's in Hillsboro, Oregon, to feature government offices as well as a mix of retail space, housing and public plazas.

introduction

Why a Civic Center?

According to the Project for Public Spaces, civic centers are places that give identity to cities, provide economic benefits, and provide a setting for cultural and social activity. They are considered the “front porches of our public institutions,” where residents of a community can engage with their government as well as each other. Civic centers are places where “celebrations are held, where social and economic exchanges take place, where friends run into each other, and where cultures mix.”¹

¹ “What is a Great Civic Space?” *Project for Public Spaces* 2015. Web. 26 Aug. 2015. www.pps.org/reference/benefits_public_spaces/

Civic centers are prominent areas within a community, which are designed and constructed in such a way that the area becomes the focal point and the functional center of the community. Civic centers typically feature a mix of publicly-focused uses, such as government offices and libraries, as well as convention, sports, entertainment, and business attractions. This core of downtown State College already features many of the makings of a civic district; the vision of this redevelopment proposal is to further enhance the district with a successful mix of uses to clearly define it as the center of the community.

The Allen Street Civic District has long been envisioned as a civic and cultural hub for the Borough and the Centre Region. Numerous Downtown Master Plans have depicted a variety of land uses and buildings to promote and enhance traditional downtown amenities for the 200 block of Allen Street. The certification of the District, and the policies outlined in this Redevelopment Plan, are key tools which will enable the Borough to realize this vision for downtown.

Purpose of the Report

This report includes a summary of the conditions within the Allen Street Civic District and provides guidance for its redevelopment. The report reflects community objectives for the redevelopment of this area and fulfills the requirements of the Pennsylvania Urban Redevelopment Act of 1945 (URA). This Act requires Planning Commissions to prepare a plan for any certified redevelopment area.

Additionally, this report discusses the conditions which are described by the URA as those that may cause an area to become blighted. Under this Act, the certification of a redevelopment area requires the Planning Commission’s finding of an area as blighted due to the presence of one or more of these conditions. The certification of this area is based on the Planning Commission’s finding of three of these conditions, including: inadequate planning, inadequate



Figure 3: Phase I and Phase II Redevelopment Areas: The Planning Commission recommends the certification of the area north of Foster Avenue in the immediate term, with a study of a potential expansion to the south of Foster Avenue within the next few years.

pedestrian access, and economically or socially undesirable land uses.

While municipalities may implement redevelopment projects without the certification of an area, this process allows the Redevelopment Authority to play a greater role in the process of realizing redevelopment. In addition to the Planning Commission certifying and preparing a plan for an area, the URA indicates that a proposal for the redevelopment of all or part of that area should be prepared. Therefore, this Plan is complemented by a redevelopment proposal from the State College Redevelopment Authority (RDA).

The RDA's proposal suggests that the Borough contract the services of a development professional through a "Request for Qualifications," or an RFQ. An RFQ is a tool that is used to solicit potential private sector partners that have the capacity to carry out the development and operations of facilities which are envisioned by this plan. This professional will help the Borough to develop a Request for Proposals, or RFP, which more clearly articulates specific items which the Borough and its partners believe are best for the redevelopment of sites within the Allen Street Civic District, and is consistent with the goals of this report. Issuing the RFP will be the launch of the redevelopment work for this area.

Expanding the District

This plan for the Allen Street Civic District is adapted from a 2007 proposal to certify an area referred to as the Fairmount Civic District, depicted in Figure 3. A number of factors contributed to the decision to define the smaller Allen Street Civic District as the catalyst redevelopment area. While this area was the initial focus, it is important that the Planning Commission and the community to consider the certification of this area as "Phase I."

"Phase II" should continue this analysis and planning by considering the transitional area expanding south from the Allen Street Civic District into the Highlands neighborhood. This transitional area contains many important properties, including the State College Area School District buildings on Nittany and Fairmount Avenues and mix of residential, rental conversions, and neighborhood-scale commercial uses along the Allen and Fraser Street corridors. Within the next few years, the Planning Commission should work with Highlands neighborhood residents, the State College Area School District, and of course, the Redevelopment Authority, to determine the appropriate boundaries of and plan for an expanded Certified Redevelopment Area.

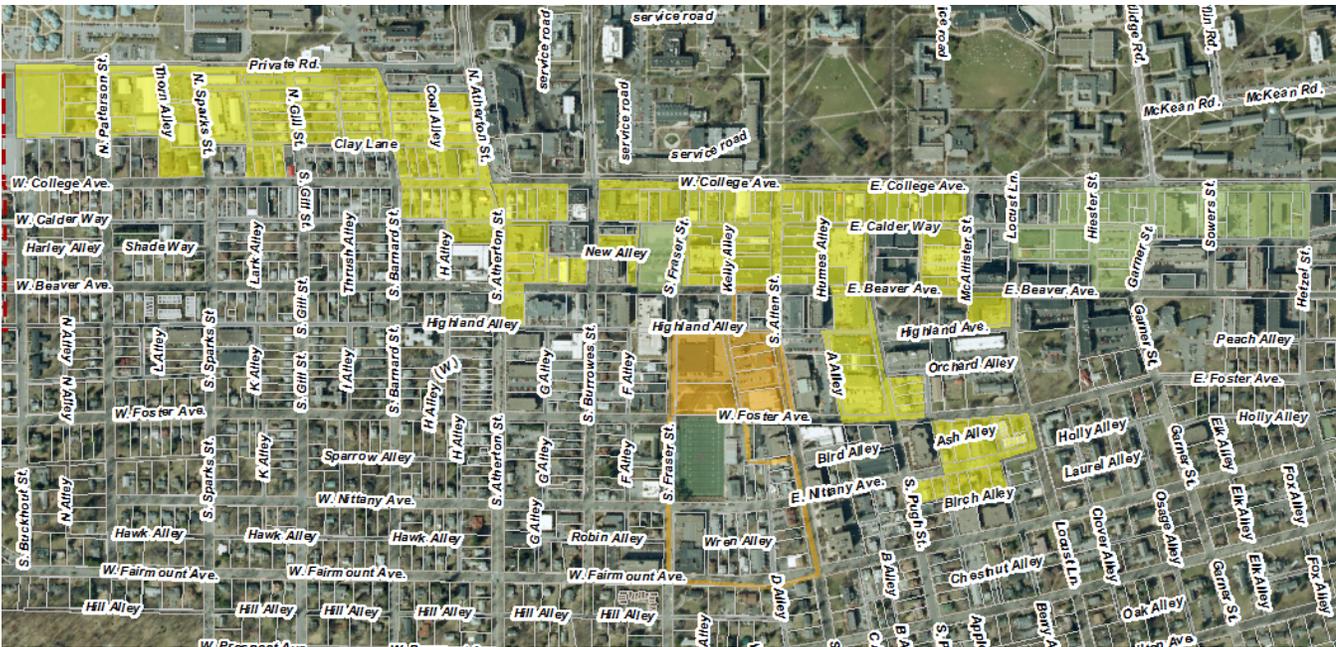


Figure 4: Downtown & West End Certified Redevelopment Areas: Within downtown, there are two approved CRA's, one currently under consideration, and several potential areas; the majority of the West End has been indicated as a potential CRA.

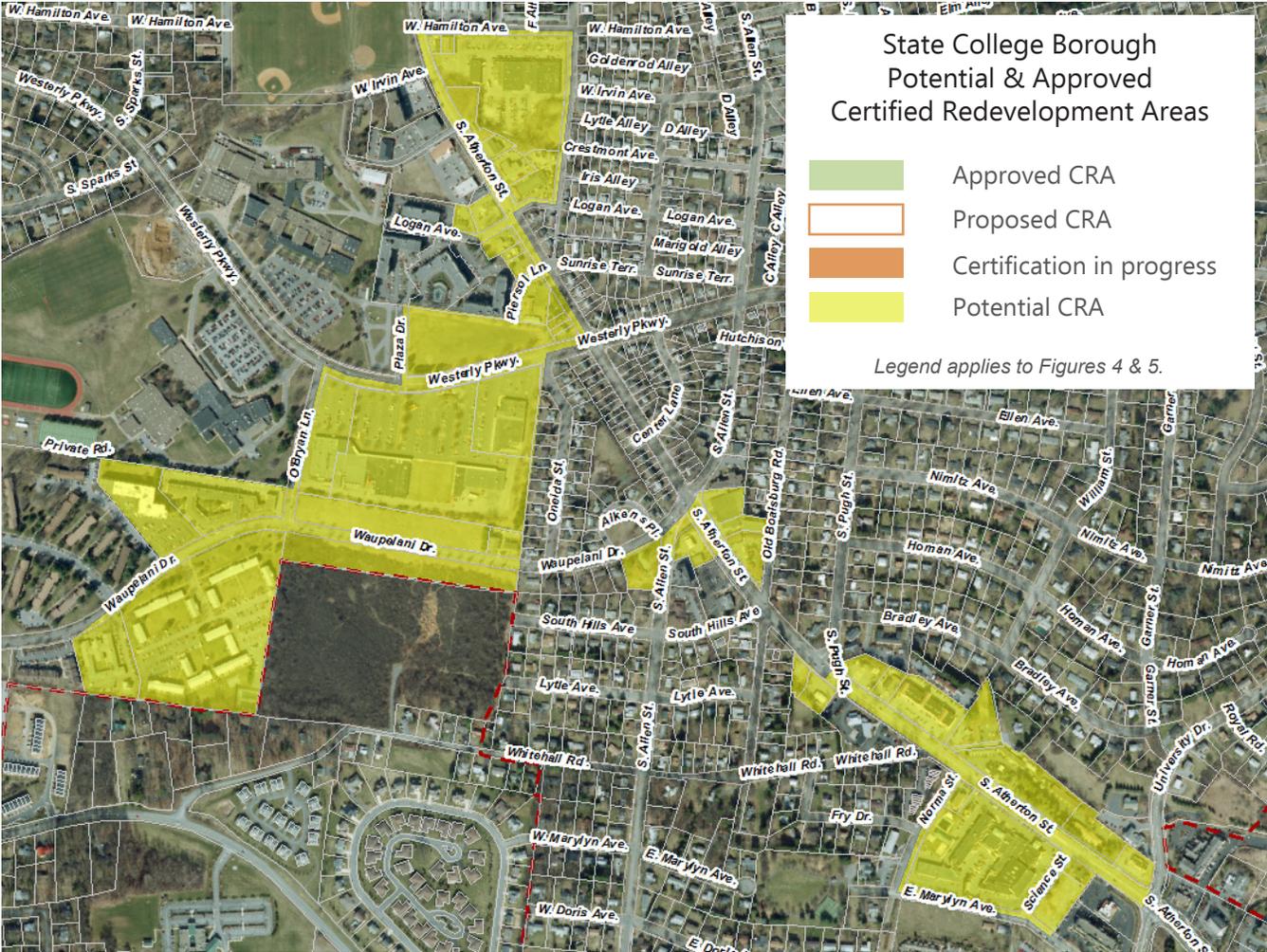


Figure 5: Other Certified Redevelopment Areas: Several potential CRA's have been identified in the southern part of the Borough.

redevelopment area planning

Background

The State College Borough Redevelopment Authority was formed in 2006. That same year, the Redevelopment Authority, along with Borough Council and the Planning Commission, began evaluating potential areas in the Borough that should be considered for redevelopment and reinvestment. At that time, Borough officials identified several key areas, including the South Atherton Street corridor, downtown, the West End and the SCASD High School and Westerly Parkway Plaza properties.

By 2008, these areas had been refined. Two specific areas had been certified, and seven additional areas were identified as potential redevelopment areas. These areas are depicted on the map on page 10. The Garner District and the Fraser Centre site had both been certified by the Planning Commission due to interest in development projects within those areas. Much time has passed since the Planning Commission and Redevelopment Authority last worked on certification of redevelopment areas. However, this process continues to remain on the annual work programs of these ABC's as a priority project to advance.

Purpose

Certification of redevelopment areas provides certain advantages to the Borough. The first advantage is that the process recognizes that there are areas within the Borough that have not developed in ways most advantageous to the community as a whole, and to the residents and businesses within the specific area. This process establishes a framework for redevelopment that is consistent with community plans.

The second advantage is that this process allows for the Borough to assist with redevelopment. The Planning Commission has the opportunity to direct attention towards reinvestment of important areas in the community, and the Redevelopment Authority gains legal tools to assist with the process. Furthermore, the Redevelopment Authority can bridge the gap between the vision of the local government and the realities of the development community to facilitate redevelopment in areas that might otherwise suffer from continued disinvestment.

Of course, redevelopment of key parts of the community can take place without the Borough's certification of redevelopment areas. Planning for redevelopment, though, can foster development interest in parts of the community where needs exist, but where current market interest is not observed. This can create opportunities

Certified & Proposed Redevelopment Areas

Approved Areas (2007):

Fraser Centre Site
Garner District

Proposed Areas (2007):

Fairmount Civic District

Certification in Progress (2015):

Allen Civic District

Potential Areas (2008):

Portions of West End
Portions of Downtown
Highlands Transitional Areas
Hamilton Shopping Center
Westerly Parkway Shopping Center
Waupelani Drive
Allen & Atherton Intersection
S. Atherton Commercial Area

**Urban Redevelopment Act (URA)
Certified Redevelopment Area
Planning Process**

**Planning Commission certifies
an area for redevelopment
using the criteria in the URA**



**Planning Commission prepares
a plan for the redevelopment
of the area**



**Redevelopment Authority
prepares a proposal for the
redevelopment of some or all of
the area**

for development activity by the public or private sectors, or through partnerships. Furthermore, planning for redevelopment allows the Borough to respond to and participate in redevelopment initiatives more readily, and gives the Borough additional mechanisms for achieving development in a way that is consistent with community-wide plans.

Process

The Urban Redevelopment Act of 1945 (URA) outlines the necessary steps for the certification and redevelopment of an area. Specifically, there are three major steps in this process. The first is for the Planning Commission to certify an area as a redevelopment area. The Planning Commission must identify the boundaries of the certified area, analyze its conditions in order to determine whether or not blighting criteria are found to exist within that area.

In order to certify a redevelopment area, the Planning Commission does not need to find that all of the blighting criteria exist within that area; in fact, finding of any one of the criteria is sufficient to justify certification. The URA identifies seven conditions which may cause an area to become blighted, including:

- unsafe, unsanitary, or over-crowded conditions of the dwellings
- inadequate planning of the area
- excessive land coverage by the buildings therein
- lack of proper light and air and open space
- defective design and arrangement of the buildings thereon
- faulty street or lot layout
- economically or socially undesirable land uses

The second step is for the Planning Commission to prepare a plan for the redevelopment of any certified area. This plan should set the vision for the redevelopment of the certified area and, at minimum, should include the following elements:

- boundaries of the area, with a map showing the existing uses of the real property therein
- land use plan of the area showing proposed uses following redevelopment
- standards of population densities, land coverage, and building intensities in the proposed redevelopment
- a preliminary site plan of the area
- a statement of the proposed changes, if any, in zoning ordinances or maps
- a statement of the extent and effect of the rehousing of families which may be made necessary from the redevelopment area plan, and the manner in which such rehousing may be accomplished

- a statement of the estimated cost of acquisition of the redevelopment area, and of all other costs necessary to prepare the area for redevelopment
- a statement of such continuing controls may be deemed necessary to effectuate the purpose of this act

The third and final step of the redevelopment planning process is for a proposal to be prepared for all or part of the certified redevelopment area. Proposals for the area should be reviewed by the Planning Commission to ensure the consistency with the goals set forth in the Redevelopment Area Plan. Following the Planning Commission’s review, a recommendation should be sent to the Borough Council to either approve, deny or modify the proposal.

Catalyst

In 2015, the Borough resumed the redevelopment area planning process in order to consider opportunities for the reuse of its property located at 224 S. Allen Street; this property is commonly known as “the Former Verizon Building.”

The Former Verizon Building had been purchased by the Borough in 2007 for \$750,000.00. The intent for the property was for it to be sold to the Discovery Space Children’s Science Museum for use as its future museum location. In 2008, Discovery Space asked for an extension of its agreement with the Borough, delaying its purchase of the building, and moved into a smaller location on Foster Avenue in order to launch the museum. From 2008 to the present, the Borough has leased the building to various tenants, including campaign and elections offices for the Democratic Committee, and most recently to Penn State University.

In 2015, Discovery Space notified the Borough of its renewed interest in the Former Verizon Building, and requested that the building be gifted to the museum. At the same time, Penn State University requested an extension of the current lease for the building, and several other interested parties shared proposals with Borough Council for the reuse or redevelopment of the site.

While Council supported its partnership with the Discovery Space, elected officials were not keen on disposing of the building free of charge. Council asked staff to consider a number of options that were available to the Borough for the lease, sale or redevelopment of the site in a way that was consistent with the Downtown Master Plan. In May of 2015, after consideration of a number of potential options, Council instructed staff to begin working with the Planning Commission and Redevelopment Authority to prepare a redevelopment plan for the area. This plan was to include at least the Former Verizon Building, the Borough’s public surface lot on Allen Street, and the First National Bank Drive Thru site.

Brief History of the Former Verizon Building

2007: Borough purchased building to convey to Discovery Space

2008-2010: Borough rented building to various campaign committees while awaiting Discovery Space occupancy

2011-2015: Discovery Space launched in a smaller building; Borough leased the building to Penn State University for of-
fice needs

2015: Discovery Space requested the building as a gift; Borough launches redevelopment area planning process

2016-2017: Borough will continue renting to Penn State University for the launch of the “Invent PSU” incubator; redevelopment planning underway



Figure 6: Redevelopment Area Boundary Map: The Allen Street Civic District is proposed to include the properties located between Highland Alley, S. Allen Street, W. Foster Ave, and S. Fraser Street in downtown State College.

location of the district

Location

The proposed redevelopment area is in downtown State College, PA. It is bounded by Highland Alley to the north, S. Allen Street to the east. W. Foster Avenue and the southern property line of Memorial Field to the south, and S. Fraser Street to the west. The map on page 15 depicts the area proposed for the Allen Street Civic District.

Description

The proposed district contains seven tax parcels and a total of 4.72 acres of land. This includes the properties as well as the public rights-of-way for the streets and alleys of Highland Alley, S. Allen Street, W. Foster Avenue, S. Fraser Street and D Alley.

	Parcel ID	Address	Name	Area
a	36-013-,155-,0000	222 S Allen St	FNB Bank Drive Thru	.29 ac
b	36-013-,156-,0000	224 S Allen St	Former Verizon Building	.23 ac
c	36-013-,157-,0000	226 S Allen St	Jeramar Plaza	.34 ac
d	36-013-,159-,0000	236 S Allen St	Allen St. Lot	.47 ac
e	36-013-,161-,0000	250 S Allen St	Verizon Switching Station	.31 ac
f	36-013-,294A,0000	237 S Fraser St	Post Office	1.48 ac
g	36-013-,294B,0000	241 S Fraser St	Sidney Friedman Parklet	.92 ac
			Total Property	4.04 ac
			Total Area	4.72 ac

Table 1: Properties in the Allen Street Civic District

Property Ownership

Four of the seven properties within this redevelopment area are owned by government agencies, and are therefore tax-exempt. The properties located at 224 and 236 S. Allen Street and 241 S. Fraser Street are owned by the State College Borough. The property located at 237 S. Fraser Street is owned by the United States Postal Service. Properties located at 222, 226 and 250 S. Allen Street are privately held, and are owned by Omega Bank, Jeramar Enterprises and the Bell Telephone Company, respectively. The Borough has informed all property owners above of the potential certification of this area.

Redevelopment Area Context



There are a number of attractions and downtown amenities within a 5 minute walk of the Allen Street Civic District:

- Schlow Centre Region Library
- State College Municipal Building
- SCASD Memorial Field
- SCASD Admin Bldg & Fairmount School
- Penn State University Campus
- Downtown shopping & dining
- Beaver, Fraser & McAllister Parking Garages



Figure 7: Current Land Use Map: The Allen Street Civic District currently features commercial, mixed use, open space and civic uses, as well as sites that are utilized for transportation (parking) and utility services.

conditions of the district

Current Land Use

There are two distinct ways of classifying land uses within the proposed redevelopment area. The first is according to the Centre County Tax Assessment Office, which categorizes uses for tax rate purposes. The second is according to traditional land use codes utilized by planning professionals. The map on page 17 notes both the Centre County Tax and traditional land use codes for each of the properties in the district.

According to the Centre County Tax Assessment, the properties in the district are used in the following way:

- Commercial Exempt uses (tax exempt properties) include the Post Office, former Verizon Building, and Allen Street parking lot for a total of 2.18 acres.
- Land Exempt uses include the Sidney Friedman Parklet for a total of 0.92 acres.
- Commercial Business uses include the First National Bank Drive Thru site for a total of 0.29 acres.
- Commercial Mixed Use uses include the Jeramar Plaza, which is a building containing retail commercial uses, 12 student residential units, and parking for a total of 0.34 acres.
- Commercial uses include the current Verizon Switching Station for a total of 0.31 acres.
- Public right-of-way include the public sidewalks and alleys within the study area for a total of 0.68 acres.

According to the traditional land use codes utilized by planners, the properties in the district are used in the following way:

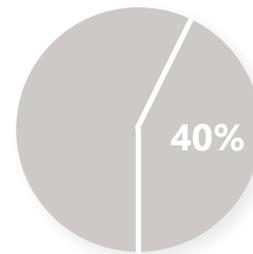
- Civic uses include the post office site for a total of 0.58 acres.
- Commercial uses the First National Bank Drive Thru and the former Verizon Building sites for a total of 0.34 acres.
- Mixed Uses include the Jeramar Plaza for a total of 0.11 acres.
- Recreation/Open Space uses include the Sidney Friedman Parklet for a total of 0.92 acres.
- Utilities include the Verizon Switching Station for a total of 0.34 acres.
- Transportation, Rights of Way and surface parking include the Allen Street Parking lot and all associated surface parking with the other sites, as well as Highland and D Alleys and the sidewalks and rights of way throughout for a total of 2.43 acres.

Features of the Civic District

5 buildings
only one contains
residential uses



12 apartments
all student housing



40% property
owned by
the Borough



47 residents
96% 18-24 yrs old

140 spaces
32 public &
108 private parking



1 acre
downtown
open space



a. FNB Drive Thru



e. Verizon Switching Station



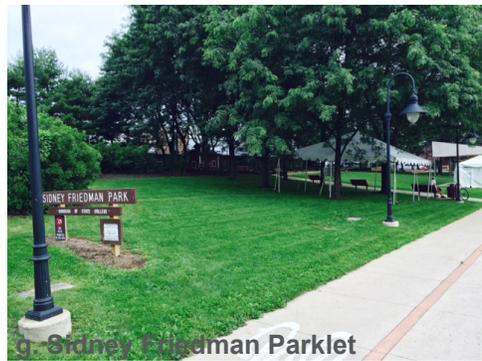
b. Former Verizon Building



f. USPS Post Office



c. Jeramar Plaza



g. Sidney Friedman Parklet



d. Allen Street Parking Lot



Walkway to Parklet

Figure 8: Current Conditions: The photos above illustrate the current conditions of the sites within the proposed Allen Street Civic District. Letters correspond to the sites noted on the maps on pages 14 and 16.

Building Conditions

With the exception of the Jeramar Plaza building, the structures within the district are clearly designed for utilitarian purposes and are not pedestrian oriented. The First National Bank Drive Thru, the former Verizon Building, the current Verizon Switching Station and the Post Office are all single story buildings, with brick or stone facades which feature few windows.

The former Verizon building does not have an ADA accessible doorway on the front of the building, and the current Verizon Switching Station has no windows or doors on the Allen Street frontage.

The Jeramar Plaza is the most appropriately scaled site for the downtown context. This building is a 4 story building that was constructed in 2006. The ground floor features brick facades and two retail commercial storefronts. The three upper stories feature blue vinyl siding, large windows, and roof articulation. The building was awarded the Focus on Appearance Award by the Design Review Board in 2012.

Public Infrastructure

The redevelopment area is currently serviced by public infrastructure and is appropriate for redevelopment. Storm and sanitary sewer service is present within the proposed district as well as street lighting and electrical conduit. A map of this infrastructure is on page 21. Overhead utilities are located in Highland and D Alleys. A large microwave tower, no longer in use, is located on the top of the former Verizon Building near D Alley. There are additional private utilities in the area, including fiber-optic cables, telephone and gas lines. However, the Borough does not maintain maps of the locations of these utilities. Before redevelopment activity, a PA One Call would be required, during which all utility providers mark the location of lines.

Each property within the district has street frontage and a public sidewalk. The Borough maintains all sidewalks in Sidney Friedman Parklet, the sidewalk along Fraser Street in front of the Beaver Avenue Parking Garage and the Post Office, a small section of sidewalk located at the southwest corner of S. Allen Street and Highland Alley and in front of the Allen Street surface lot and Borough building. The only parts of the district that do not have sidewalks include the south side of Highland Alley and all of D Alley. A private passage way is located on the Jeramar Plaza site which provides access between the parking and Allen Street. Roads and alleys in the district are all two-way with the exception of S. Fraser Street, which is one-way traveling north until it intersects with Beaver Avenue, where it is two-way in the 100 block.

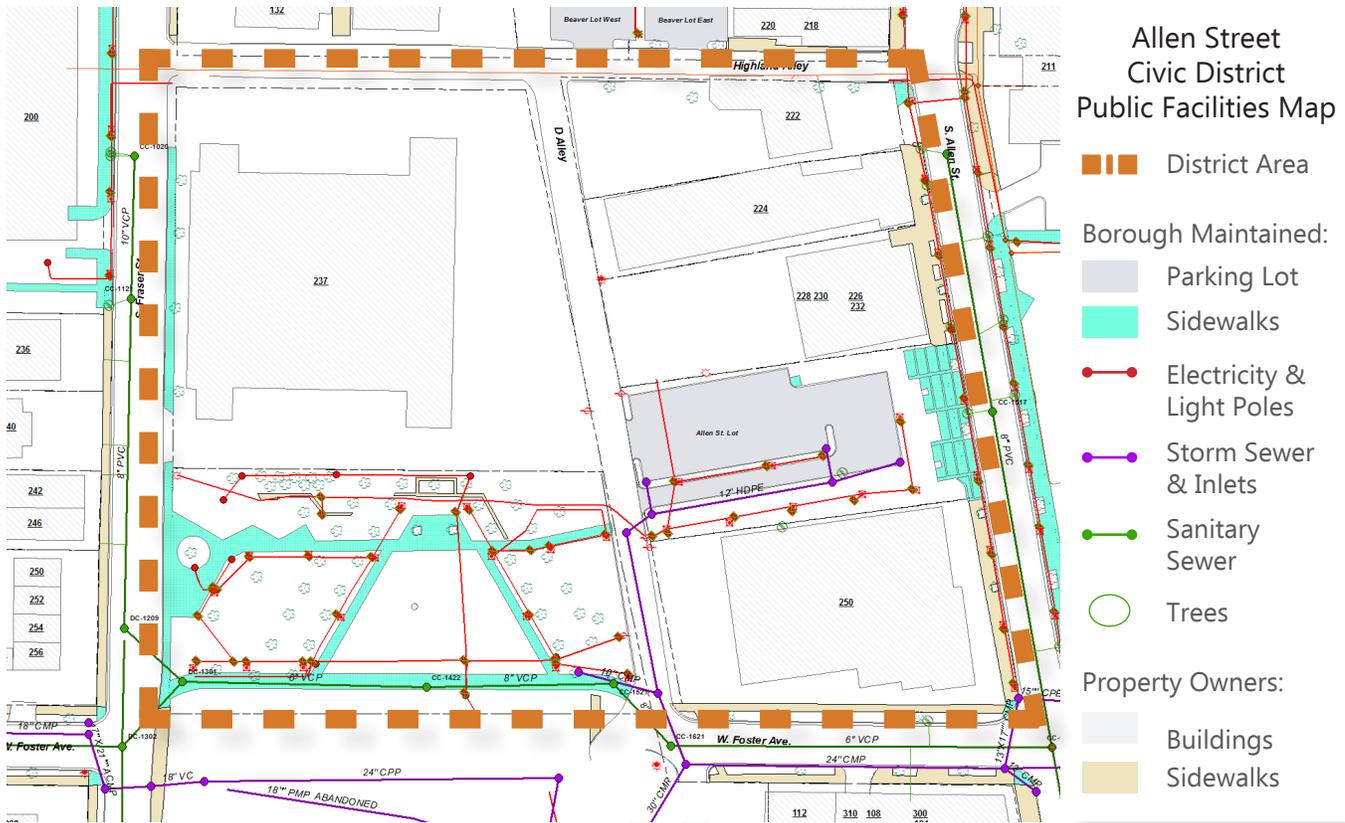


Figure 9: Public Utilities and Infrastructure: The proposed Allen Street Civic District is serviced by water, sewer, and electricity, as well as public streets, sidewalks, open space and nearby parking facilities.



Figure 10: Topography: There is approximately 24 feet in elevation change across the proposed redevelopment area and a known sinkhole in Memorial Field.

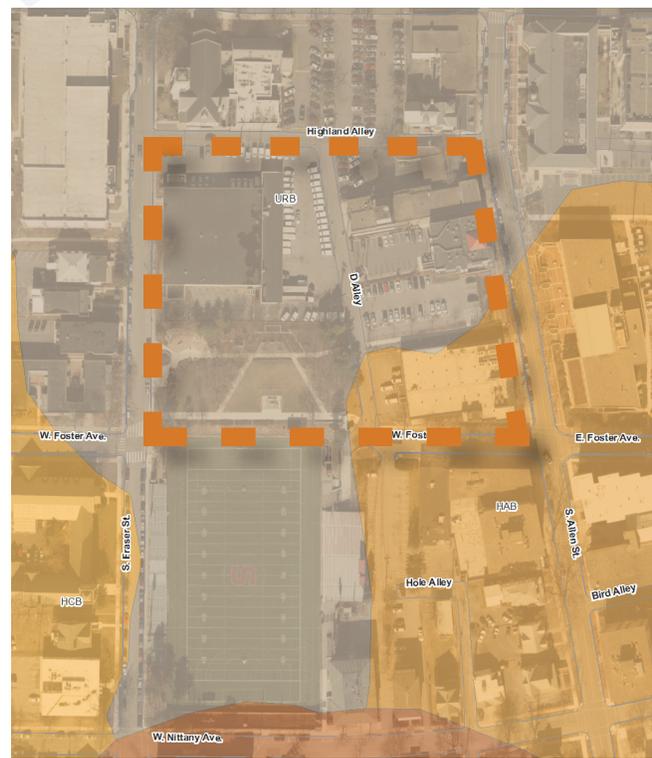


Figure 11: Soils: Hagerstown and Opequon soils and a limestone and dolomite rock ledge sit below the proposed redevelopment area.

Environmental Conditions

The proposed district is located within downtown State College. While many properties in the district could be characterized as underutilized within its urban context, the area is considered to be built-out. This presents the same challenges common to urbanized areas, such as potential for stormwater runoff contamination, areas of heat island affect or occasional impacts on air quality resulting from transportation-related activities. Sidney Friedman Parklet is the only significant green space within the downtown, and features a well-established tree canopy providing shade and air and water filtration benefits.

At present, the major environmental challenges for the area include topography and subsurface conditions. First, the northern portion of the district is located along a limestone and dolomite rock ridge line. This ridge runs somewhat diagonally through the proposed area. Previous excavation activities along this ridge line have revealed that this rock formation is very hard, and can quickly impact excavation costs.

The topography map on page 21 indicates the change in elevation across the district. There is approximately 24 feet of elevation change between the highest point, located near the intersection of Highland Alley and S. Fraser Street, and the lowest point, located at the terminus of W. Foster Avenue with D Alley. Given the grade of the sites within the proposed redevelopment area, some level of excavation for redevelopment is likely.

A second challenge lies in the soil composition. The soil map on page 21 indicates that much of the district features the URB-Hagerstown soil type. This soil type is characteristic of urbanized areas with gentle slopes where the soil has been modified extensively enough to prevent further identification.

Surrounding the district are a number of Hagerstown and Opequon soil types characteristic of the ridge and valleys of the Centre Region. These soils tend to be well-drained, but given the predominance of rock, can be prone to sinkhole formation. Additionally, as is evident in the proposed district, the depth of the soils are generally shallow, with bedrock often within 20" to 40" of the surface.

Underutilized Properties

Within the proposed redevelopment area, many of the sites are consider to be underutilized given their downtown context. A majority of the properties in the area feature one-story buildings with significant surface parking, and a vehicle-oriented character. As a core block within the downtown, these sites could be utilized in a more productive way through redevelopment activities.

Centre County Soil Survey Soil Characteristics

Urban Land (URB): URB is characterized as soil so altered by development that the underlying soil type cannot be identified. The majority of areas of URB soils are improved with impervious pavement and buildings. This soil is generally less than 40 inches deep over a limestone bedrock, with slopes between 0-8%. Limitations of this soil include rapid stormwater runoff and sinkhole formation.

Opequon Series: Opequon soils are shallow, well-drained soils that form in limestone valleys. Most often, these soils are used for crops and pastures. Depending on the depth, the soil profile contains a varied composition of silt, clay, loam and fractured bedrock. Permeability of these soils is moderate; soil limitations are related to depth to bedrock and the possibility for sinkhole formation.

Hagerstown: Hagerstown soils are deep, well-drained soils that form in limestone valleys. Most often, these soils are used for crops and pastures. Depending on the depth, the soil contains a varied composition of silt, clay and loam; bedrock is typically found 40 to 75 inches deep. Permeability of these soils is moderate, and the available water capacity is high; soil limitations are related to slope, sinkhole formation, erodability and clayey layers of subsoil.



Figure 12: Underutilized and Tax Exempt Property: The Allen Street Civic District features a number of underutilized sites containing one story buildings and surface parking. Additionally, 77% of the property in the area is exempt from property taxes.

Redevelopment activities should take into consideration the need for parking and the maintenance of public open space in this part of downtown. However, a more efficient use of the properties in this area could help the Borough achieve community development goals, promote a more pedestrian-focused character, and generate additional tax revenue.

Demographics

Within the proposed redevelopment area, there are 12 residential units, all of which are student-oriented rental apartments. According to the 2010 Census, there are 47 residents currently living in the area; 96 % of those residents are between 18-24 years of age, and the remaining 4% are between 25-34 years of age.

Financial Impacts

The combined assessed value for the properties within the proposed area is \$2.91 million. However, because much of the property within the area is owned by local or federal government entities, only \$1.32 million is taxable. The combined market value for the properties within the proposed area, however, is just over \$5.61 million, with the value of taxable properties totaling just \$2.44 million.

	Name	Assessed Value	Market Value	Borough RE Tax (2015)
a	FNB Bank Drive Thru	\$175,830	\$351,660	\$2,481
b	Former Verizon Building- Exempt	\$313,575	\$627,150	\$0
b	Former Verizon Building- Taxable	\$169,610	\$339,220	\$2,442
c	Jeramar Plaza	\$801,720	\$1,603,260	\$11,312
d	Allen St. Lot	\$143,310	\$286,620	\$0
e	Verizon Switching Station	\$345,420	\$485,610	\$4,874
f	Post Office	\$1,080,110	\$2,160,220	\$0
g	Sidney Friedman Parklet	\$50,050	\$100,100	\$0
			2015 RE Tax Revenue to Borough	\$21,130

Table 2: Real Estate Tax Collection for Redevelopment Area

In 2015, the Real Estate Tax (RE Tax) collection for the Jeramar Plaza, Verizon Switching Station and FNB Drive through yielded \$18,688 in revenue to the Borough and \$10,372 to Centre County. The SCASD school tax for the same properties, which is billed in July and applies to a fiscal year rather than a calendar year, totaled \$55,129.

Within the Borough there exists properties which are owned by a tax-exempt entity, but are used for purposes which are not tax-exempt; such is the case with the former Verizon Building. Because the building is used for commercial purposes, an additional parcel has been created for the property which is taxable at an assessed value of \$169,610. While the Borough is leasing this facility to Penn State, the tax liability is paid by the University. In 2015, this resulted in an additional \$2,442 in Borough Real Estate tax collection and just over \$7,000 for the 2015-2016 SCASD school tax year.

Earned Income Tax (EIT) is not recorded by property. However, some assumptions can be made regarding the potential for EIT collection based on the demographics of the area. According to the 2013 American Community Survey, the median household income for non-family households in the Borough was \$18,888. Assuming that all 12 of the households within the redevelopment area were earning at least the median non-family household income, approximately \$5,100 in EIT revenues could be collected by the Borough annually.

Another source of employment-related income is from the Local Services Tax (LST). Through the LST, each employee has \$52 withheld each year; \$47 of that tax is collected by the Borough, and the remaining \$5 is collected by the SCASD. However, estimating the LST collected by the Borough for the employees in the proposed district is complicated for many reasons. First is that employer registrations and filings are confidential in nature, and the source of this information would be from tax returns. Additionally, several of the employers within the district are agencies not subject to withholding this tax. Finally, several of the employers have multiple office or retail locations in the Borough, and the number of employees for which this tax is withheld is not broken out across each individual office location.

A final source of income to the Borough from within this district is the revenue from the Allen Street Parking Lot. In 2014, \$32,000 was collected in parking revenues from the lot.

Employment

Within the proposed redevelopment area, there are 6 employment generating businesses, including 2 retail establishments, a bank, the post office, a utility company, and the Penn State English Department Offices. It is estimated that there are 75-150 jobs based out of the proposed area, with the majority of these jobs attributed to the

USPS Post Office, Cozy Thai and the Penn State English Department. The number of employees who report to work daily likely fluctuates significantly during various times of year.

Overview of the CID and P Zoning Districts

Zoning Regulations

An excerpt of the Borough’s Zoning Map highlighting the Allen Street Civic District zoning is located on page 29. The proposed redevelopment area currently contains two zoning districts: Commercial Incentive Zoning (CID) and Public (P).

The Public Zoning district is fairly straightforward, and applies to the Sidney Friedman Parklet. This district permits land uses and structures that are for the Borough of State College or other municipal authorities’ use only. This zoning district does not designate height, setback, use or other regulations.

The remaining properties within the area are zoned Commercial Incentive District. The CID is one of two primary zoning districts within downtown and in the 200 and 300 blocks of S. Fraser, S. Allen and S. Pugh Streets. The purpose of this district is to encourage commercial and mixed-use developments within downtown that are pedestrian-oriented. Developments in this district are eligible to take advantage of a number of incentives which provide for increased height and residential density. A summary of the regulations for this district is provided in Table 3.

Commercial Incentive District: (CID): Regulations in the CID encourage mixed use buildings with pedestrian-oriented ground floors. This zoning district is used intermittently throughout downtown, in conjunction with the Commercial district, to promote an appropriate development pattern and residential density for a downtown environment. Buildings are permitted to reach a height of 65 feet; incentives can be utilized to build up to 95 feet, and the signature development process can be used to reach up to 155 feet in designated areas. There are very few restrictions on uses in this district; Motor Vehicle Oriented Businesses and Adult Businesses are prohibited.

Public (P): The only uses permitted in the P district are those of State College Borough and other municipal authorities. There are no dimensional requirements for lots, nor limits on height or density due to the nature of this district.

CID Zoning- Base Regulations				
Min. Lot Area (Sq.Ft.)	Min. Lot Width	Front Setback	Side Setback	Rear Setback
5,000 sq.ft.	25 ft.	15-25 ft.	0-10 ft.	0-10 ft.
Lot Coverage	Height	Open Space	Parking	FAR (Residential)
None	65 ft.- base 95 ft. - incentives 145-155 ft - Sig. Devt.*	Not Req. other than Sig. Devt- 5%	Commercial: 1/800 sq.ft.; 30,000 sq.ft. exempt; Residential: based on unit size	2.0 - base 3.0 - incentives 5.0- Sig Devt.*

Table 3: Base Zoning Regulations for Commercial Incentive District-
*Signature Development is not applicable to the properties in the proposed Allen Street Civic District

In addition to the base regulations, this zoning district provides for increased building height, number of stories and residential Floor Area Ratio (FAR) in exchange for developments which provide

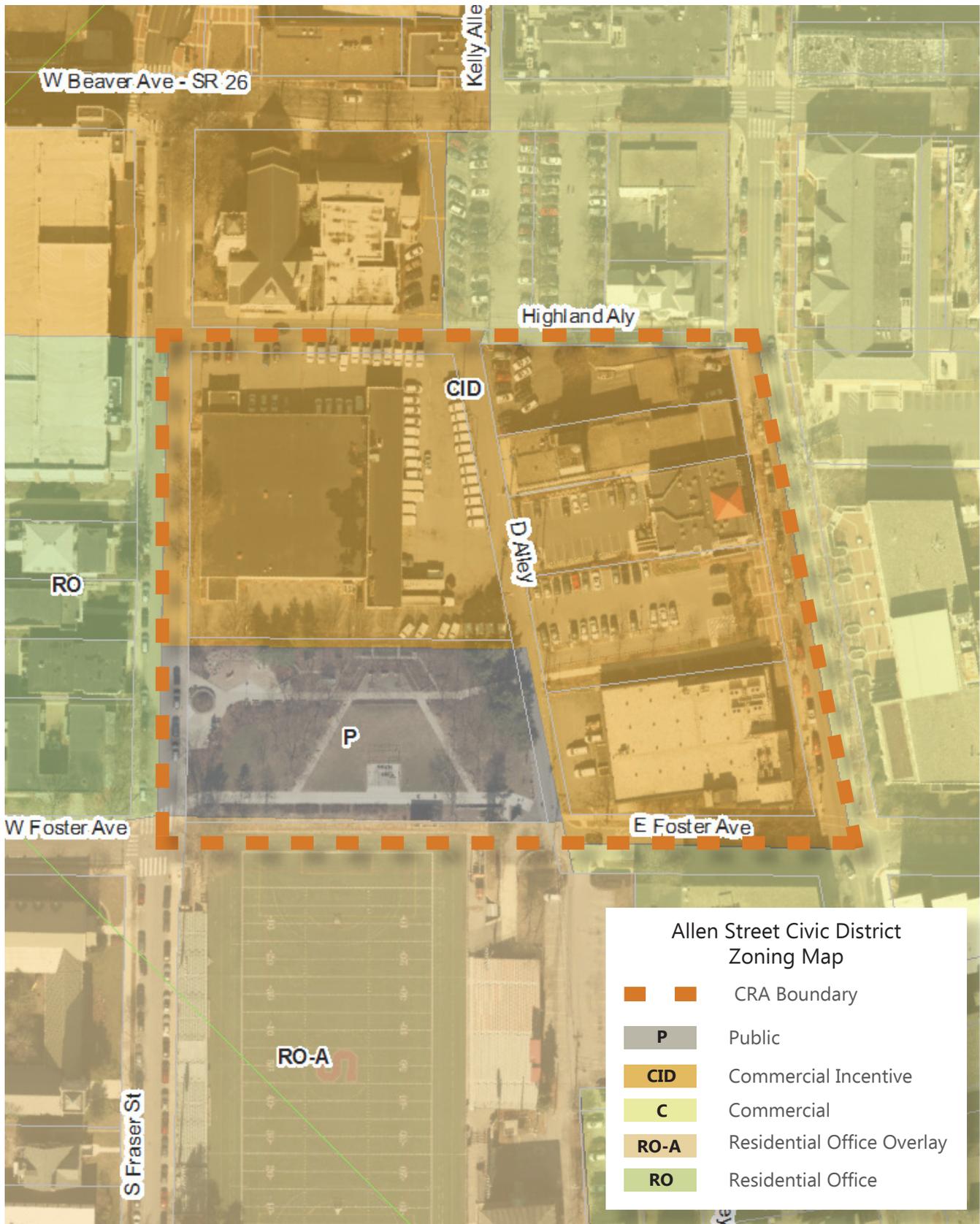


Figure 13: Zoning Map: The primary zoning for the properties in the Allen Street Civic District is the Commercial Incentive District. This zoning encourages pedestrian-oriented, mixed-use developments.

certain features. These features include increased building setbacks, green building certification, underground parking, owner-occupied housing, commercial uses on the first floor where not required, and mixed-use buildings where not required. A summary of the qualifying incentives and the corresponding development bonuses is provided in Table 4.

CID Zoning- Incentives			
Incentive Achieved	Increase in Height Bonus	Increase in Residential FAR Bonus	Reduction in Parking Bonus
Increased Setbacks	1 story (10 feet)		20%
Green Certification	1 story (10 feet)		10-20%
Underground Parking	1 story (10 feet)		each under ground space = 1.5 required spaces
Owner Occupied Housing	Up to 2 stories (20 feet)	1.0 FAR	30%
Commercial First Floor	1 story (10 feet)		20%
Mixed Use	Up to 3 stories (30 feet)		

Table 4: Incentives for Commercial Incentive Zoning District

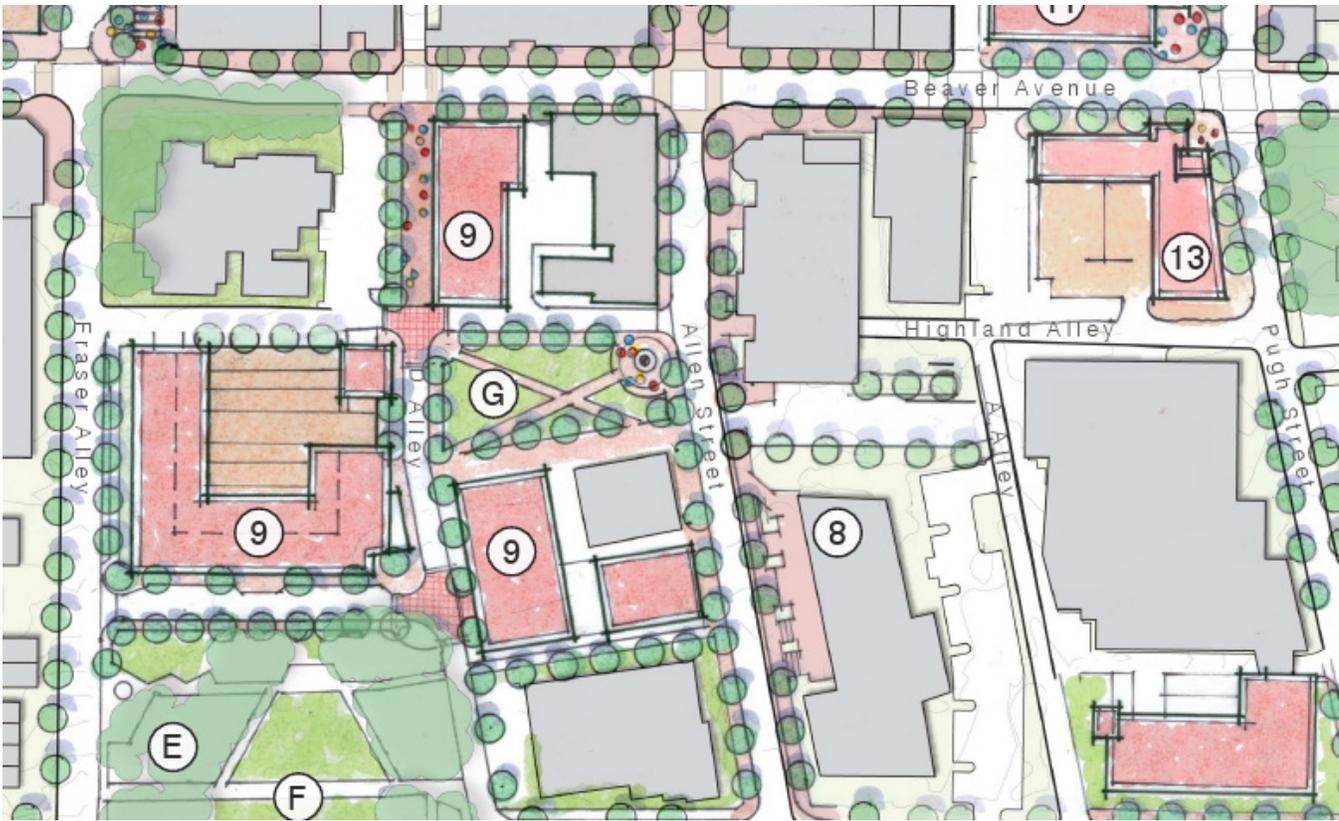


Figure 14: Site Plan for "Allen Square" Redevelopment: The conceptual site plan above indicates a number of redevelopment sites (labeled "9") for Allen Square as recommended by the 2013 Downtown Master Plan.



Figure 15: Rendering for "Allen Square" Redevelopment: The rendering above illustrates the redevelopment potential that corresponds with the site plan above. The large green space is reference point "G" in the site plan above.

downtown master plan recommendations

Allen Square Redevelopment Area

The Downtown Master Plan, adopted by the Borough of State College in 2013, provides guidance for future enhancements to downtown including redevelopment of key properties and improvements to the public realm. According to the Downtown Master Plan, the proposed Allen Street Civic District is within an area of downtown that should be considered and enhanced as the "Traditional Downtown." The Plan outlines a number of high level goals for the improvement of the Traditional Downtown, including:

- Protect and expand family and non-student activities and businesses
- Enhance the area as an arts and cultural district by providing additional cultural and civic amenities
- Support the growth of small businesses and entrepreneurial efforts
- Promote the expansion and diversification of retail, restaurant and service options
- Develop professional and workforce housing
- Incorporate a public plaza/gathering space that can function as a "town square" in a prominent location along S. Allen Street

The Downtown Master Plan provides specific recommendations for the redevelopment of a portion of the downtown called the Allen Square. The Allen Square is roughly the same area as the proposed Allen Street Civic District. The recommendations for this area are based around the idea of creating a central town square, Allen Square, and includes the following redevelopment concepts:

- Develop a small mixed-use building on the eastern portion of the Allen Street parking lot containing similar uses to the existing Jeramar Plaza building
- Develop a small mixed-use residential/retail building on the Beaver Avenue surface lot
- Develop a small residential building on the Jeramar Plaza parking lot and on the western portion of the Allen Street parking lot
- Develop a large mixed-use building on the Post Office site, which includes residences, commercial uses (such as a retail operation for the Post Office) and structured parking; the development should incorporate pedestrian oriented uses along Fraser Street and Sidney Friedman Park
- Demolish existing buildings and create a "town square" on the FNB Drive Thru and former Verizon Building lots
- Enhance pedestrian linkages through Sidney Friedman Parklet, D and Highland Alleys, and the proposed Allen Square

2013 Downtown Master Plan Themes

Marketing the District

State College will cultivate downtown's identity to residents, visitors and investors through a comprehensive marketing initiative.

Navigating the District

Downtown will continue to evolve as a pedestrian-friendly, multi-modal district.

Connecting the District

Downtown will be a comfortable, cohesive and attractive district

Living in the District

Downtown will emerge as a place where professionals will live and work.

Managing the District

Downtown will thrive as a safe and appealing destination.

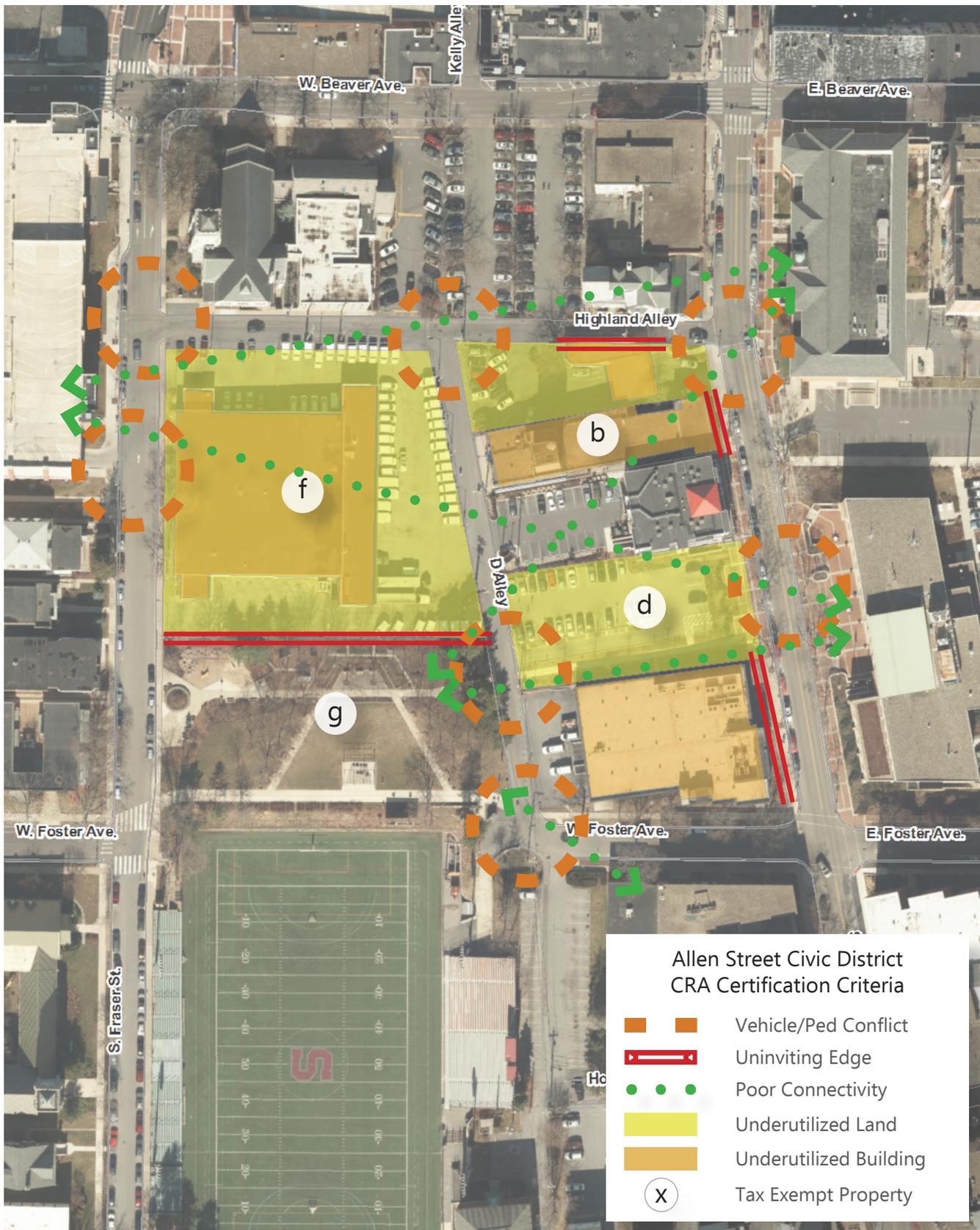


Figure 16: Certification Criteria: The Planning Commission has found several conditions to be existing in the area which warrant certification of a redevelopment area.

certification criteria

The Urban Redevelopment Act of 1945 (URA) outlines seven general conditions which a Planning Commission may find to be existing in an area which warrant its certification for redevelopment. After a review of the conditions of the proposed Allen Street Civic District, the Planning Commission found several of these criteria to be existing. The primary conditions found include inadequate planning of the area and the existence of socially and economically undesirable land uses. In addition, the Planning Commission found that some of the conditions of the area also contribute to lack of proper open space, faulty street or lot layout, and the defective arrangement of buildings. The following sections describe these conditions.

Inadequate Planning of the Area

The current land use and zoning regulations are reflective of and contribute to the inadequate planning of the area. The Planning Commission found that current uses in the area are not conducive to a downtown, pedestrian-oriented environment and that coordinated, forward-looking redevelopment of this area has not been advanced.

In particular, the location of a major Post Office distribution center and a drive-thru bank branch at the heart of the downtown presents several challenges. These challenges are related to the inefficient use of land and the traffic generated by these uses. Both of the sites are improved with single story buildings which do not address the street, and utilize a significant amount of the site's area for the movement or storage of cars and mail trucks. Furthermore, the location of the Verizon switching station further contributes to uses within the block that are not serving downtown patrons. The intensity of this utility presents a significant obstacle for redevelopment.

Past redevelopment efforts for the area have yielded mixed results. Nearly a decade ago, planning was underway for a proposed redevelopment area extending to Fairmount Avenue, and a developer was analyzing the development potential of the Borough's properties on S. Allen Street. This process was impacted by the challenges mentioned above as well as the economic downturn of the late 2000's. Both the Borough's efforts at certifying a redevelopment area and the developer's interest in the properties were postponed. It wasn't until January of 2015, as a result of the request of the Discovery Space to use the former Verizon Building, that this study was resumed.

The Jeramar Plaza, a private development, was completed in 2007 and is an attractive, mixed-use building providing pedestrian-oriented retail uses which help to activate the 200 block of S. Allen Street. In fact, the Design Review Board awarded the Holtzman

What do the symbols mean?

Edges: In the district, these are areas where a physical boundary exists that presents a functional or visual challenge. The 4 edges mapped in Figure 16 include facades which do not engage pedestrians, a building wall which makes pedestrian circulation dangerous, and a retaining wall which is visually unappealing.

Pedestrian/Vehicle Conflict: These are areas where pedestrians, bikes and vehicles have the potential for dangerous encounters. These are areas that are either missing designated crosswalks, where mid-block pedestrian crossings occur, have very poor sight distance, or are generally designed such that the vehicular and pedestrian paths cross in a way that is not clearly articulated.

Poor Connectivity: This refers to the path between two destinations. While there are many amenities in and around this district, the safest, quickest or most appealing route is likely not the one that is utilized to travel between these destinations. Furthermore, given the current arrangement of uses, there is some lack of cohesion functionally and visually between these destinations.

Underutilized Land: These are properties within the district that have a utilitarian purpose, and are almost exclusively used for the effective movement or storage of cars. This is not considered to be the highest and best use of these properties given the downtown location and under the CID zoning.

Underutilized Building: These are buildings within the district that have a utilitarian purpose. These buildings do not necessarily contribute to the vibrancy and activity of a civic center. Additionally, with exception of the post office, they do not provide services or attractions that can be accessed by the public.

Award to the Jeramar Plaza to recognize its consistency with the Borough's design principles.

This property was redeveloped privately, following an initial attempt to negotiate a partnership with the Borough. The partnership was never realized due to the inability to reach terms which were acceptable for both parties. The intent of the potential partnership was to either provide an opportunity for a more intensive development by combining public and private properties, or to conduct a land swap which would have resulted in the Borough owning contiguous properties.

In addition to the location of less than desirable land uses within the area, the Planning Commission found that the more desirable land uses seem to be somewhat disjointed. Again, this land use pattern has resulted over decades of improvements within the area without a coordinated effort. The Sidney Friedman Parklet is an asset for the downtown, and for the redevelopment of the proposed district. However, its current location, while adjacent to the SCASD Memorial Field, is separated from the civic and family-oriented uses along Allen Street by the utility building and a surface parking lot. Because of this lack of connectivity, the park is somewhat underutilized as the only existing green space in downtown. Additionally, surface parking is limited in downtown, and while the Allen Street Lot is considered an asset by many, its prominent location directly across from the Municipal Building does not represent the highest and best use of a key property on Allen Street.

Another challenge impacting this district is the lack of housing opportunities for a diversity of resident groups. Despite the Borough's required Inclusionary Housing ordinance, for workforce and affordable housing units, no such units exist within the district.

Finally, the Commission has noted that the current Zoning Ordinance could be a factor impacting more cohesive redevelopment efforts. The Borough's Zoning ordinance has not been updated in a comprehensive way since the 1970's. This has led to the addition and modification of several zoning districts over the years. The Commercial Incentive Zone was added in the 1990's, and areas of downtown were rezoned with this designation. A long overdue update to the ordinances is presumed to have had two effects on redevelopment in downtown, and potentially in this area.

The proposed redevelopment area is situated south of Beaver Avenue on one of the last blocks considered to be a part of downtown. Further south along Allen Street, the corridor becomes a transitional area between downtown and the Highlands neighborhood. In recent years, these transitional areas have not been rezoned with the proper mechanisms to support appropriately scaled redevelopment. Within one block in each direction of the proposed Allen Street Civic District there are properties zoned with

6 different designations, which permit a range of urban, infill and single family development patterns. This mosaic of zoning districts makes it somewhat difficult to establish a deliberate development pattern.

Due to the fact that the zoning ordinances have not been updated in a number of years, some of the standards for development are out of date. The Borough has recently adopted a number of zoning amendments to address such issues as the height of commercial floors and restrictions on residential Floor Area Ratio (FAR). Without these amendments, Borough officials have received feedback that modern redevelopment activities conflict with the current zoning regulations and, in some cases, has discouraged property owners from taking on significant projects.

Socially and Economically Undesirable Land Uses

When evaluating the current land use, economics and demographics of the area, the Planning Commission found that socially and economically undesirable uses exist within the proposed area.

First and foremost, the land use pattern and the current ownership of properties within the area contribute to the existence of undesirable uses. As noted in the current conditions, nearly 50% of the proposed area contains parking areas, alleys and sidewalks. While parking is a valuable resource that is needed by the businesses that are located within the area, the Commission has noted that surface parking in particular not the highest and best use for a downtown environment. With nearly a quarter of the land area in the proposed district dedicated to the post office, a significant amount of this space is used for the purposes of storing mail delivery vehicles. Drive thru bank traffic, mail delivery truck traffic, and some cut through traffic utilizing Highland Alley to avoid Beaver Avenue further lend to the complications presented by these land uses.

As the economic conditions of the area show, this district does not currently generate a significant amount of real estate or personal income tax for the Borough and other taxing bodies. Three quarters of the land area in the district is currently tax exempt and only one property houses residents, who may or may not earn income. The Allen Street Parking Lot did generate just over \$32,000 in parking revenues in 2014. Therefore, parking revenues for a small surface parking lot generates greater income for the Borough than the tax revenue generated from properties in the district. With all of these sources combined, the potential income to the Borough each year is likely less than \$55,000. Redevelopment efforts in the area could generate new properties with higher tax assessments and potentially bring additional income earning residents into the area.

Finally, many of the land uses within the area do not follow best practices for placemaking and urban design. The Borough's Design Review Board has prepared Design Guidelines for the community,

and other policies, such as the requirement for pedestrian-oriented uses on the ground floor of buildings in parts of downtown provide a model for the character and type of uses preferred to be located in this part of the community. However, only the Jeramar Plaza meets the design recommendations put forth by the DRB, and only the Jeramar Plaza and the Post Office accommodate uses that are accessible to downtown patrons.

Lack of Proper Open Space

The Planning Commission found this condition to be existing due to the location and accessibility of Sidney Friedman Parklet. The parklet is not highly visible, particularly from the Allen Street corridor, and is somewhat underutilized despite the fact that it is the only green space in downtown State College. Furthermore, during many of the stakeholder meetings regarding the Allen Street Civic District, community members felt that there is still a need for a downtown gathering space that provides the feel of a “town center” and is a place for socialization and community events.

Faulty Street or Lot Layout

The Planning Commission found this criteria to be existing due to two primary reasons. First, as has been previously mentioned, there has not necessarily been a coordinated effort to locate uses in this district. This has led to a disjointed pattern of uses on the lots in the area. Second is the location and use of the alleyways in the proposed district. Presently, locations and traffic patterns on D and Highland Alleys presents conflict areas both for vehicles and pedestrians. D Alley is regularly used as a pedestrian route, despite the lack of pedestrian infrastructure and the uncomfortable environment for users. Highland Alley is very narrow and there are significant sight distance issues for pedestrians and vehicles at the intersections of the Alley with S. Allen and S. Fraser Streets. Furthermore, the 200 block of S. Allen Street represents a gap in the on-street bicycle infrastructure located elsewhere in the Allen Street corridor.

Defective Arrangement of Buildings, Lots or Streets

Several of the buildings in the area are situated in such a way that the Planning Commission considers their arrangement to be defective. The First National Bank Drive Thru building is one such example. The building is located right on the northern lot line, causing Highland Alley to be incredibly narrow. Additionally, the drive thru lanes are oriented such that exiting vehicles cross the sidewalk along S. Allen Street. Sight distances are limited in the alleys due to the orientation of the post office parking, FNB employee parking, and the placement of shrubs, utility poles, signs and dumpsters. Elevation change also presents a challenge, particularly in areas like the lot line between the Post Office and Sidney Friedman Parklet, where a large retaining wall separates the two properties.

policies for redevelopment

Setting Policies for the District

The Planning Commission considered a number of issues when preparing recommendations for the redevelopment of the proposed Allen Street Civic District. This included a review of the current conditions and their relationship to the proposed goals from the Downtown Master Plan, and feedback from the community.

As outlined on page 29, the Downtown Master Plan provided several high-level recommendations for how this area could be enhanced as part of a “traditional downtown.” The Planning Commission evaluated the conditions of the proposed district and its ability to be redeveloped within the context of these goals. Commissioners felt that there were several aspects of the district that could make meeting these goals very successful. First and foremost, the Planning Commission observed that the existence of public infrastructure means the area is not only able to be redeveloped, but is also a suitable location for this to take place. Another significant opportunity is the Borough’s ownership of properties within the area. The Commission observed that this enables the Borough a number of mechanisms for achieving its community goals because it can have a more direct role in shaping development in the area.

The Commission also felt that the area provided opportunities for advancing the Downtown Plan’s goals because of its location within the surrounding area. Due to the existence of several arts and cultural amenities, including Schlow Library, Discovery Space Children’s Science Museum, the Penn State and State Theaters, Memorial Field, and proximity to public parking resources make this area a logical center for an arts or civic district, as well as an area that is focused on family-oriented uses. Additionally, the Commission felt that the character of downtown could be extended into this area by building appropriately-scaled transitional development to bridge the gap between the 100 and 300 blocks of Allen Street.

The Commission also received feedback from a number of community stakeholders on the priorities for and implementation of Downtown Plan goals in the proposed area. Stakeholders were engaged around four main themes: creating an arts and civic hub, diversifying retail offerings, growing entrepreneurship and small businesses, and developing professional or workforce housing. Through the conversations and various methods for community input, the Commission learned that there was the greatest support and readiness for a civic center for downtown and the community. The charts in Appendix A, on page 49, provides an overview of the ways that the various community goals could be implemented as part of this project.

Existing Amenities to support a Civic Center



Schlow
Centre Region
Library

Discovery Space
Children’s
Science Museum



Penn State &
State Theaters

SCASD
Memorial Field



3 Public
Parking
Garages



Figure 17: Future Land Use Map: The Allen Street Civic District currently features commercial, mixed use, open space and civic uses, as well as sites that are utilized for transportation (parking) and utility services.

Future Land Use

The Planning Commission has recommended that redevelopment of the sites within the area should feature mixed use redevelopment. The mix of uses should include those which will support a the overarching goal for this area as a civic district, including the commercial, retail, residential, parking and open space needs that will successfully support the redevelopment of the area.

While the commission recognizes that utility-related uses are not necessarily cohesive with the downtown character, the likelihood of the current Verizon switching station or the post office relocating out of downtown is very low. Therefore, the Planning Commission's recommendation for future use of these sites is to encourage redevelopment activity which can incorporate these uses into a new or adapted facility, possibly through the use of air rights.

Furthermore, the Planning Commission recommends that the site currently used as Sidney Friedman Parklet be maintained as an open space, and that additional areas within the district be considered for future open spaces or enhanced connections to the Parklet.

The Planning Commission's proposal for the future redevelopment of this district also supports the recommendation from the Downtown Master Plan that residential development be geared towards professional housing. While student housing is a lucrative business, there is a recognized need for the addition of multi-family housing units which support a different market. These units may be suitable for young professionals, graduate students and post-doctoral employees, as well as empty-nester's and seniors.

To the greatest extent possible, these uses should be pedestrian-oriented in nature, particularly the ground floor uses. While this area may not be the most suitable for retail establishments such as dining, other pedestrian-oriented services could be successful. Pedestrian oriented uses are defined in the Borough's zoning ordinance, but in general engage passersby rather than being exclusive destinations accessed by a vehicle.

The Planning Commission recommendation also includes a suggested phasing of redevelopment activity. The sites along S. Allen Street should be considered for redevelopment in the near-term, within the next five years, for example. The Post Office site should be considered for longer-term redevelopment, occurring after the redevelopment of sites on Allen Street.

Land Coverage and Building Intensities

The Commission's recommendation for the redevelopment of the proposed district is to encourage new or infill development that will



Figure 18: Potential Redevelopment Sites: The contiguous sites along S. Allen Street, between the FNB Drive Thru and the Allen St. surface lot should be considered a redevelopment site; the post office and Verizon switching station should be considered for adaptive reuse, or development of air rights.

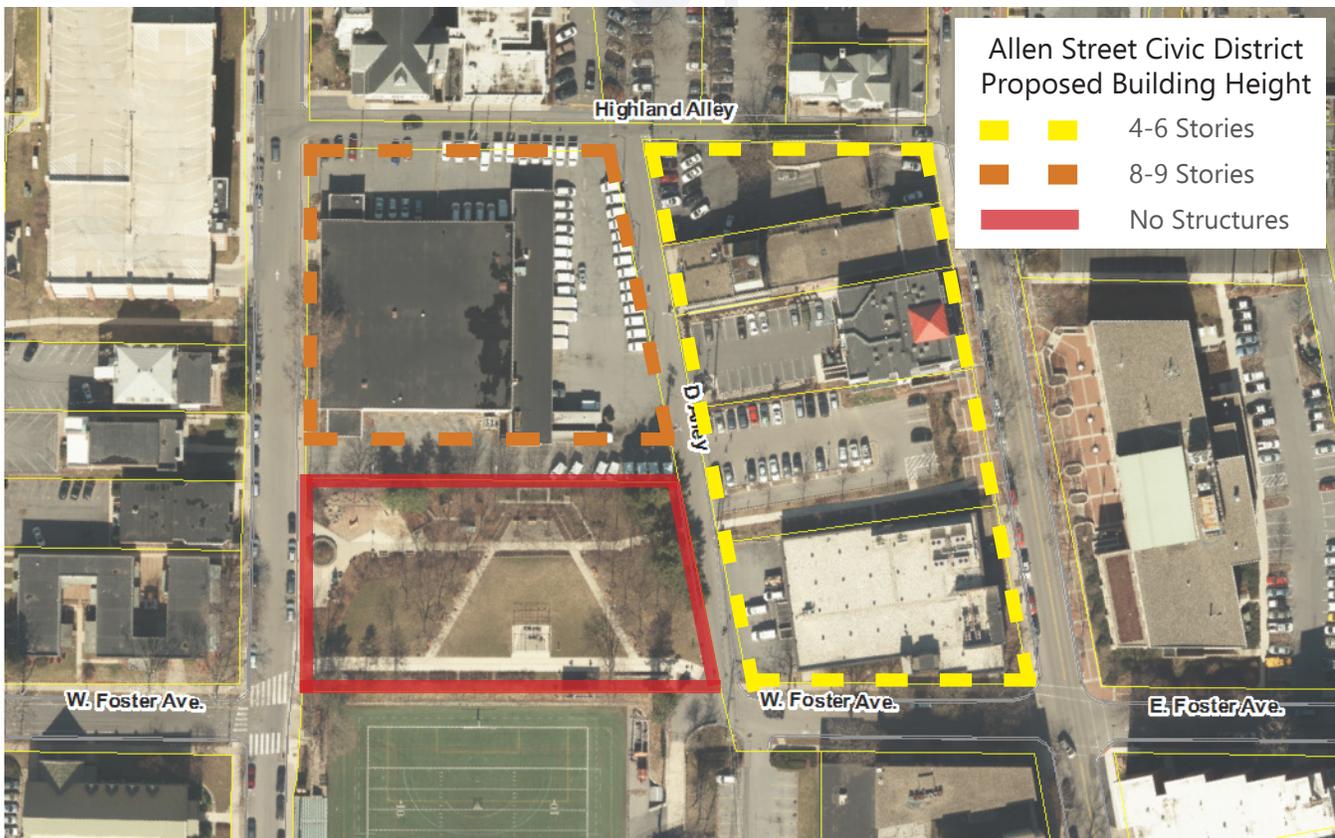


Figure 19: Building Intensities: Properties along S. Allen Street should be developed with 4-6 story buildings, while the post office site should be developed with an 8-9 story building.

help create a transitional pattern between the 100 and 300 blocks of S. Allen Street and S. Fraser Street. While zoning is in place, through the Commercial Incentive District, to permit up to 9 story buildings along S. Allen Street, the Planning Commission believes that buildings that range from four to six stories in height are most appropriate for this block. This is a recommendation provided by the Downtown Master Plan, which the Planning Commission supports. This building scale will take into consideration the character of the surrounding area, and create a transition between the 1-2 story buildings on the 100 block of Allen Street and the 6-8 story buildings on the 300 block of Allen Street. Redevelopment of the post office site is a suitable location for taking advantage of a development up to 8-9 stories, given its location near the Beaver Avenue Parking Garage and the Fraser Center, which is currently under construction.

Redevelopment activities are encouraged to consolidate properties, to allow for more appropriately scaled redevelopment. Consolidation can promote more intensive use of sites, make redevelopment activity more economically feasible, and make structured parking a more realistic component of a redevelopment project.

Population Density

The Planning Commission recommends a population density for the redevelopment area of approximately 50 housing units per acre. This density is consistent with a downtown context and, again, promotes a transition between the density of downtown and the 300 block of S. Allen Street. With just over 3 acres of the district which are suitable for mixed use development, a density of 50 units per acre would promote up to 150 units in the district following redevelopment. Today, there are 12 units in the district.

The Planning Commission recognizes that there may be redevelopment activity within this proposed area that does not take advantage of residential development. This area may include mixed use development that includes commercial and civic spaces, which are not suitable for or supported by residential units. The population density described herein does not mandate residential development, but rather, sets a standard for a desired maximum density if residential development is included.

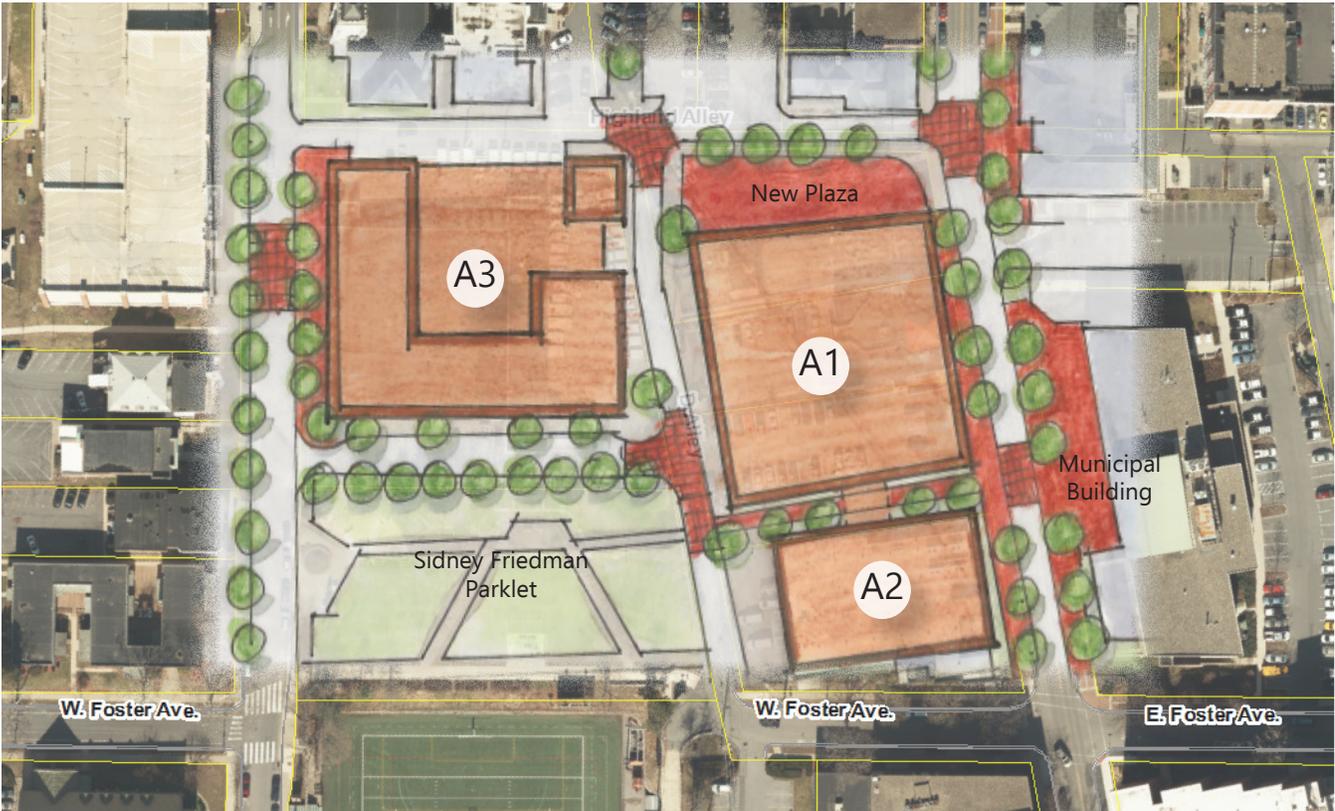


Figure 20: Conceptual Site Plan- Option A: This site plan illustrates redevelopment of all of the parcels along Allen Street (A1), including a plaza at the corner of Allen Street and Highland Alley, and redevelopment above the existing post office (A3) and Verizon Switching Station (A2).

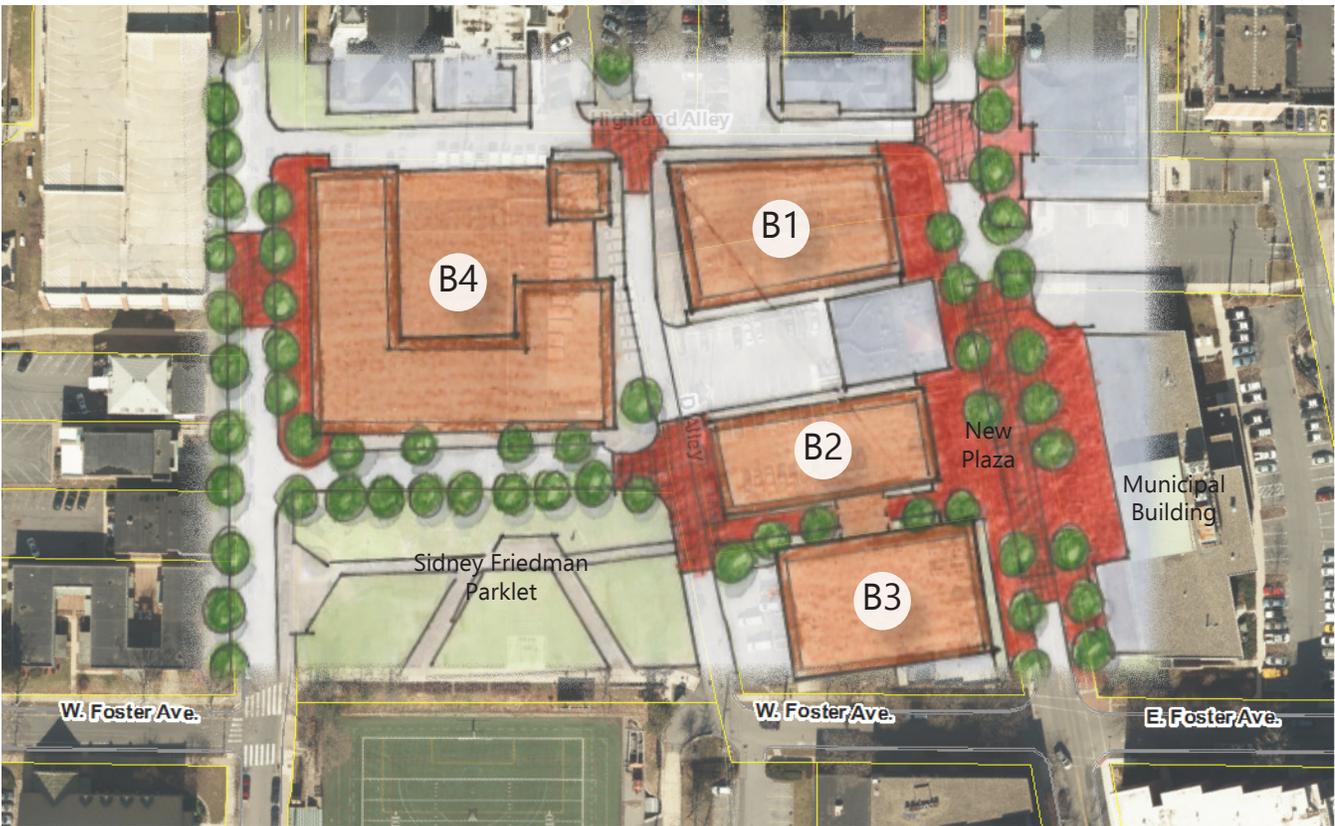


Figure 21: Conceptual Site Plan- Option B: This site plan illustrates two small redevelopments on the Allen Street Parking lot (B2) and on the former Verizon Building and FNB sites (B1). It also illustrates redevelopment above the existing post office site (B4) and Verizon Switching Station (B3), and a plaza-like paving treatment across Allen Street in front of the Municipal Building to expand a central gathering place.

proposed site plan & area enhancements

Conceptual Site Plan

Two conceptual site plans for the redevelopment of the area have been prepared. The first provides a concept for the redevelopment of all sites within the Allen Street Civic District, while the second focuses on redevelopment on the Borough's sites.

In the illustrations on page 40, new or redeveloped buildings are shown in a brown color, while existing buildings are shown in grey. Both of the concepts illustrate redevelopment of the post office site and the Verizon Switching Station. The redevelopment of these properties would likely occur through the development of the air rights or through an adaptive reuse of the current facilities.

Figure 16 on page 40 illustrates a single redevelopment project occurring on the four adjoining properties along Allen Street. This illustration is the most optimistic representation of redevelopment activity within the area, assuming partnerships are possible with both the owners of the First National Bank site and the Jeramar Plaza. Additionally, this plan includes the Downtown Master Plan recommendation to locate a public plaza in a prominent location along Highland Alley and across from Schlow Library. This is modified from the Downtown Plan in that the plaza shown here occupies only the FNB site. The Downtown Plan indicated a plaza on both the FNB site and the former Verizon Building site.

Figure 17 on page 40 illustrates a series of redevelopment projects within the district. This concept assumes that redevelopment activity will be phased, and that partnership with all property owners in the district may not be possible. Therefore, smaller-scale developments are shown on both the FNB and former Verizon Building site and on the Allen Street parking lot. This illustration also features a public plaza, although its location is moved to the center of the block on Allen Street. This plaza mirrors the dimensions of the plaza in front of the State College Municipal Building, and would connect the two sides of the street functionally and visually. This plan illustrates a paving material that continues through the cart way of Allen Street to connect the two plazas. This expanded plaza space can become the focal point for many of the events during the year that utilize the 200 block of Allen Street and carry the proposed design aesthetic from the 100 block of Allen Street into the 200 block.

Finally, this plan illustrates a zone in D Alley that would be paved or striped in such a way to articulate a loading zoning for buses or other large vehicles that may be associated with a children's museum or other arts and cultural venue. This zone would allow for large vehicles to pull up along a rear entrance of the building without blocking traffic through D Alley. Large vehicles using this

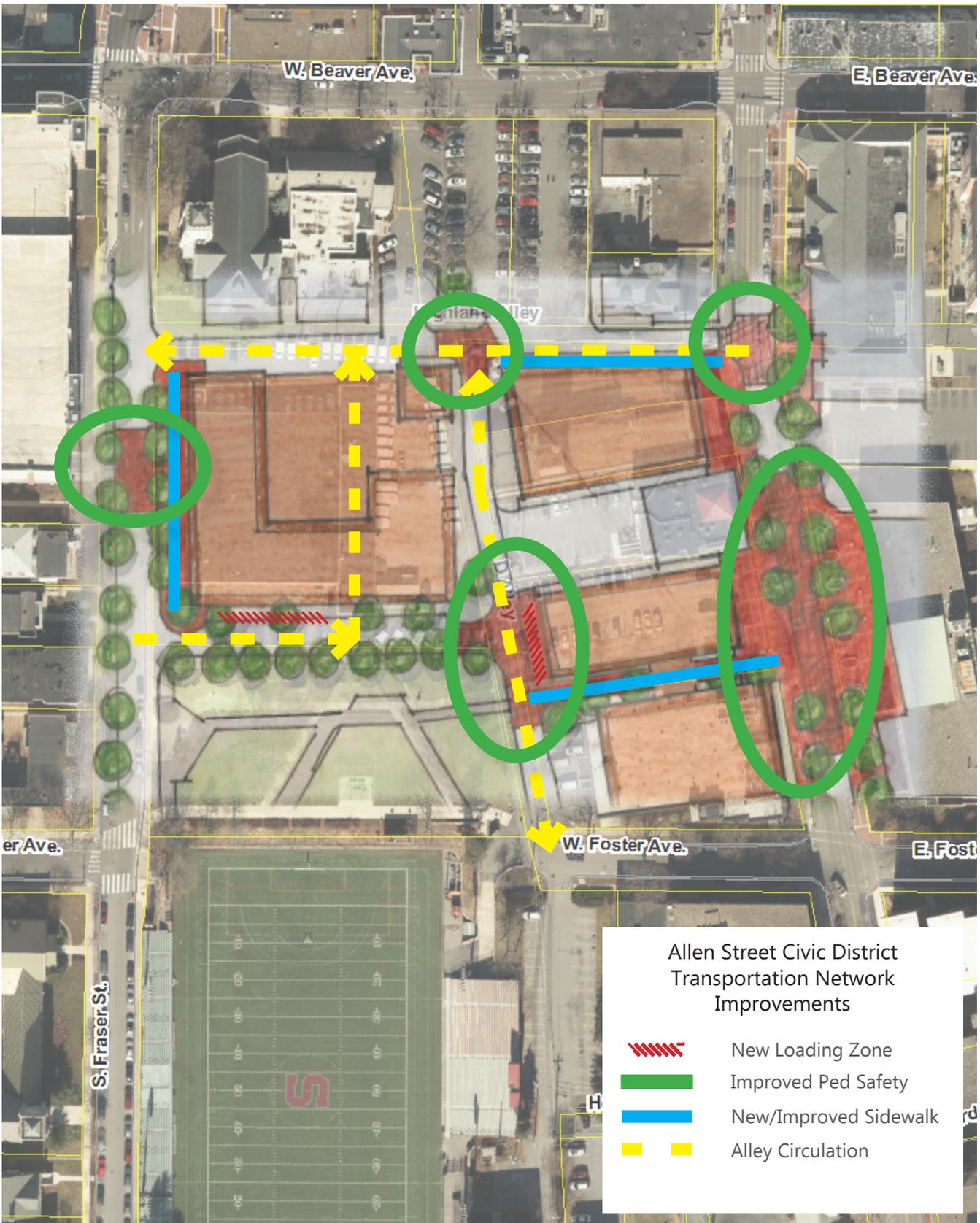


Figure 22: Proposed Changes to Transportation Network: The redevelopment of this area can address a variety of transportation challenges through sidewalk improvements and strategic changes to the alleys' functions.

zone could enter from Foster Avenue and continue in a northern direction on D Alley, where they can exit via Highland Alley or through the Beaver Avenue Parking lot onto Beaver Avenue.

While there are a variety of factors which may influence the final design for redevelopment in this area, proposals should be generally consistent with the recommendations illustrated in these concept plans.

Changes to Transportation Network

This plan assumes the implementation of the recommendation from the Transportation Commission to turn the eastern portion of Highland Alley into a one-way only traffic pattern. The concept plans also illustrate a slight widening of Highland Alley as a part of the redevelopment of the area, to at least include enough area to construct a sidewalk along the south side of the alley. In Figure 16, this sidewalk is shown to be bordering on the new plaza at Highland Alley and in Figure 17 it is shown to along the side wall of an infill development.

The Planning Commission also recommends that bike infrastructure be included along S. Allen and S. Fraser Streets and within the alleyways when it is appropriate and when the right-of-way permits the installation of such resources.

The conceptual site plans reflect a recommendation from the Downtown Master Plan to add a new alley along the southern edge of the post office site, following its redevelopment. These concepts assume that a post office distribution use is maintained within the redevelopment of this site, and a parking structure is incorporated into the lower levels, or underground levels, of a new building. This new alley could serve a variety of purposes. First, it could help provide for a one-way in, one-way out parking system for the post office vehicles to enter from and exit onto Fraser Street via the new alley and Highland Alley. This could help eliminate some of the mail truck traffic in other parts of the alley network in the district. Additionally, this new alley could help provide an area for tractor-trailers that need to service the post office. These vehicles could park in the alley for deliveries without obscuring traffic in other parts of the district.

During the planning process, there was some discussion of resuming two-way traffic on Fraser Street south of Beaver Avenue. The Planning Commission discussed that this may be an option for improving overall circulation in the district. The Transportation Commission and the Borough's Public Works department have discussed this and will continue to study the feasibility of this change in the future.

Changes to Public Infrastructure

The two concepts also feature a number of pedestrian improvements

for the streets and alleys within the district. These improvements are recommended to improve safety for pedestrians and provide a visual reminder to both pedestrians and vehicles to be aware of each other in potential conflict zones. These improvements are illustrated in the plans with red hatching, presumably representing a brick paver or similar material.

The plans also illustrate the widening and repaving of the walkway between Allen Street and Sidney Friedman Parklet to provide a stronger visual and functional connection to the park. The Planning Commission has suggested several options for improving the usability of the walkway. The first is to work with urban design and landscape architecture professionals to design a walkway which will be safe, inviting and functional to draw pedestrians through the space. This may include additional landscaping, archway elements, or other features. The second is to consider the recommendation from the Downtown Master Plan to locate "micro" retail or artists spaces somewhere in downtown. These spaces, typically less than 200 square feet, provide temporary, flexible working or retail spaces for art, entrepreneurship or special events. The Planning Commission believes this could be an opportunity for drawing additional activity along this walkway.

Finally, the Commission recommends that as redevelopment activity takes place, the feasibility of burying utilities is explored. This could include the relocation of existing overhead utilities, as well as the potential to begin laying infrastructure for publicly-available wireless internet technology. The Borough may also explore locations and opportunities for leasing rooftops or light poles for private cell or internet antenna needs.

Zoning Changes

The CID zoning regulations were developed in 2004 and 2005 as a method to use a package of development bonuses and incentives to encourage developers to undertake projects that incorporated the design characteristics and mix of uses recommended by the Downtown Plan. This new district replaced the general Commercial zoning in several locations throughout downtown. This zoning district permits all uses prescribed by the Downtown Master Plan and envisioned in this planning effort, with the exception of new motor vehicle oriented businesses and industrial uses which could produce a nuisance to nearby properties.

Therefore, this plan does not recommend changes to the current Commercial Incentive Zoning. However, the Planning Commission recognizes that there may be particular aspects of the ordinance that could present obstacles to the redevelopment of the area. Therefore, the Planning Commission recommends that Borough Council and the Redevelopment Authority consider requests for zoning amendments if they are related to the following elements of the CID zoning:

- requirements for shared or off-site parking arrangements
- % of parking provided that may be provided through fee-in-lieu funds
- flexibility in overall building height when non-residential floors are greater than 10 feet in height

Additionally, the Planning Commission has suggested that the Borough may consider rezoning the Sidney Friedman parklet. This change, which could take place as a part of the Borough's comprehensive zoning ordinance update, could consider rezoning the parklet from Public to Park in order to preserve it as open space.

Aside from these elements, the Planning Commission believes that the regulations in place through the Commercial Incentive District zoning are sufficient to permit the level of density and intensity appropriate for developments in downtown.

Rehousing of Displaced Residents

The proposed redevelopment of the Allen Street Civic District serves to provide additional housing in an area of downtown where very little exists today. Currently, the district contains only 12 rental units, housing up to 48 potential residents. Assuming redevelopment of the area follows the recommended 50 units per acre residential density outlined in this plan, the area could accommodate up to 150 units.

The two conceptual site plans address the residential units in different ways. The first assumes that the Jeramar Plaza, which is the location of the district's only rental units, is included as a redevelopment site. In this scenario, the construction cycle should be phased such that the tenants' leases are not interrupted. Generally, these units are rented on a cycle corresponding with the Penn State academic calendar, so all of the leases should terminate at the same time, in late spring or early summer. With no new tenants slated to move in for the next cycle, this would eliminate the need to find alternative housing for dislocated tenants. Currently, in the core area of downtown, there is well over 2,000 rental units, with several hundred additional units in construction or planning. The downtown market should be suited to absorb 12 if these units being taken off line.

In the alternative scenario, the current Jeramar Plaza is not part of a redevelopment project. Therefore, there will be no resident displacement as a result of a development project.

Regardless of the redevelopment activity pursued, and assuming residential development is part of the program, the provision of a developer's inclusionary housing requirements on site is recommended. Both the Planning Commission and the area housing professionals agree that this area should be developed with a range of housing options, from workforce to market rate. This diversity will help meet the larger community's need for all of the "rungs in the ladder" of housing need to be met.

Costs to Prepare Area for Redevelopment

Real Estate Development and Public Private Partnership literature strongly recommends that the entity interested in advancing redevelopment should control the properties desired for development. In the case of the Allen Street Civic District, the Borough owns two of the sites identified by this plan as potential development sites, and has communicated with First National Bank about their willingness to be a part of the study of feasibility for the area. When considering the illustration in Figure 17 on page 40, the Borough is two-thirds of the way to controlling the property identified for short-term redevelopment along Allen Street.

The best opportunity for redevelopment in the Allen Street Civic District will be through the formation of public-private partnerships. A partnership will allow the Borough to reach an agreement with other parties to structure a deal which is economically viable for all of the partners involved. Additionally, a partnership may be necessary in order for the appropriate land to be assembled to make redevelopment feasible in this area. This could happen through a direct partnership with a land owner. Alternatively, the Borough could hire a developer as a partner, with this partner's role to include negotiating partnerships with additional property owners.

This can be the least expensive option for preparing the area for redevelopment to take place. It could potentially result in some net revenue to the Borough, either through a long term arrangement, or through an immediate sale of assets. In the best case scenario, the cost could be as low as the cost of hiring a development consultant, and legal representation, to act on behalf of the Borough to develop a partnership. An additional expense could come from the Borough's participation in a partnership in general, such as revenue sharing or offering the equity in the Borough's assets as its stake in the partnership.

However, there may be situations in which the Borough is not able to negotiate acceptable partnership terms with an individual property owner. If the Borough felt that it was most appropriate to include properties not owned by the Borough, there are two options. The first is to negotiate with property owners to purchase the properties outright and hold them in the Borough's control. The other would be for the Redevelopment Authority to exercise its authority through eminent domain. Both options can be costly, and multiple factors can impact the cost to acquire properties using these tools. In the former scenario, the Market Value as well as the owner's desired return will certainly be factored into the price. In the later option, the value of the property post-development is used to estimate the "just compensation" owed to the property owner by the government's taking.

The market values of the properties in the area, adjusted to reflect the 3.52 Common Level Ratio, shed light on how costly acquiring property can be. The Common Level Ratio is the ratio between the assessed value and the current market value. In this area, the current

market value is most likely to be 3.52 times its last assessed value.

	Name	Assessed Value (Tax Record)	Market Value (Tax Record)	Market Value Adjustment (3.52 CLR)
a	FNB Bank Drive Thru	\$175,830	\$351,660	\$618,921
b	Former Verizon Building- Exempt	\$313,575	\$627,150	\$1,104,424
b	Former Verizon Building- Taxable	\$169,610	\$339,220	\$597,027
c	Jeramar Plaza	\$801,720	\$1,603,260	\$2,822,054
d	Allen St. Lot	\$143,310	\$286,620	\$504,451
e	Verizon Switching Station	\$345,420	\$485,610	\$1,215,878
f	Post Office	\$1,080,110	\$2,160,220	\$3,801,987
g	Sidney Friedman Parklet	\$50,050	\$100,100	-
Market Value (Cost) to Acquire Non-Borough Properties				\$8,458,840

Table 5: Market Values Adjusted for Common Level Ratio (CLR)

Continuing Controls

Continuing controls are tools which can be used to ensure the longevity of the affordability or operations of particular aspects of a development project. Typically, continuing controls are associated with funding sources for affordable housing, or other significant grant sources for projects. These controls specify a maximum rental rate or a number of years that a project must be maintained as affordable. Controls could also take the form of deed restrictions, such as the requirements in the Borough's owner-occupied housing incentive in the Commercial Incentive District.

This plan does not recommend any continuing controls for the redevelopment of the area. The Planning Commission recognizes that any funding sources which may be provided for affordable housing or other components of a project will likely carry its own stipulations. Furthermore, there may be reversion clauses that are negotiated in a development agreement between the Borough and its partners for a project. Therefore, additional controls are not necessitated at this time.

appendix a: stakeholder feedback

STAKEHOLDER FEEDBACK SUMMARY	
Arts & Cultural Organizations	Entrepreneurship Organizations
Arts Alliance Members, Centre Foundation Discovery Space, Schlow Library PSU & State Theaters, Artists	Centre Region Entrepreneurs Network (CREN) New Leaf Initiative (NL) Women's Network Group (WiNG's)
<p>Insights:</p> <ul style="list-style-type: none"> • Interest & support for a space that can be shared by multiple organizations • Desire for space to be flexible to be used for a variety of classes, small performances, working space and gallery/display needs could be most successful; outdoor component is desirable • Multiple goals could be achieved by incorporating a live-work model with units dedicated to artists (local or traveling) with studio and display space in the lower levels of the building • Missions of these organizations align with "maker spaces"- space provides resource for artists as well as entrepreneurs • Management entity and decision about ownership structure will be necessary consideration for success of space • Potential exists for grant funding sources for planning or management <p>Impacts on Redevelopment Planning:</p> <ul style="list-style-type: none"> • Need to continue discussions to identify management structure and ownership of such a space; no single entity ready to partner until this element is determined • Best opportunity to meet this goal in redevelopment plan: <ul style="list-style-type: none"> • Approx. 5,000 sq.ft. to compliment children's science museum that could be used part time by Discovery Space, part time by other organizations • Purposes for space could range from arts camps & workshops to exhibit & display space • Outdoor gathering space could increase demand/attractiveness of these amenities 	<p>Insights:</p> <ul style="list-style-type: none"> • New Leaf should be on the ground floor to create more community presence and synergy • Addressing barriers to startups-- not about lack of space per se, but about cost of outfitting, length of leases, and other zoning/code restrictions on use of properties • Larger, Class A office spaces are hard to come by in downtown • Large, architecturally unique buildings for adaptive reuse also hard to come by in downtown • Supporting entrepreneurship and wage-sustaining jobs is dependent on excellent quality of life, including professional housing, retail and dining diversity, and "third places" • Need spaces with more social component to create "sticky" community <p>Impacts on Redevelopment Planning:</p> <ul style="list-style-type: none"> • Implementation of downtown plan goals for housing, retail diversity, and public realm improvements will support desirability of downtown for employees of new/existing companies • One new building won't be the solution; reinvestment and reuse of existing building stock in and near downtown presents opportunities • Best opportunity to meet this goal in redevelopment plan: <ul style="list-style-type: none"> • space in a new building should be designed for utmost flexibility rather than "purpose build," which renders space too expensive to adapt to new uses; i.e. "vanilla box" to promote maximum flexibility for attraction of initial and future tenants • Outdoor gathering space could increase demand/attractiveness of these amenities

STAKEHOLDER FEEDBACK SUMMARY

Arts & Cultural Organizations	Entrepreneurship Organizations
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STAKEHOLDER FEEDBACK SUMMARY

Housing Staff	Young Professionals
Centre County Planning & Adult Services staff Borough Housing Staff, CRPA Housing Staff Temporary Housing Foundation Director (THF)	State College Young Professionals (SCYP) CBICC Gateway Group, New Leaf Initiative Community Members at large
<p>Insights:</p> <ul style="list-style-type: none"> Good location for graduate students, professionals and empty-nester's If target market is specific, need to focus on the supporting services/uses that would make the housing attractive- consider what is available in downtown currently (i.e. family housing- daycare, graduate students- 24 hour coffee shop, etc) Addison Court (age-restricted housing) difficult to fill; loss of Senior Center impacts downtown's attractiveness for senior housing Single occupancy and/or transitional housing not appropriate due to critical need for co-located support services Any addition of non-undergraduate student housing helps add "rungs to the ladder" of housing choices, inventory which can have a positive impact the entire county <p>Impacts on Redevelopment Planning:</p> <ul style="list-style-type: none"> May not be the best location for more "traditional" affordable housing tax credit projects or investment of CDBG/HOME funds Opportunity to provide a housing product that currently exists in limited supply in the area; start small and see how market accepts Best opportunity to meet this goal in redevelopment plan: <ul style="list-style-type: none"> Stay away from too narrow a "target market" by focusing on mixed-income and mixed-tenant housing in downtown Rents should range from just above rates considered to be affordable through housing assistance programs up to market rate Encourage provision of developer's required inclusionary housing on-site to promote this diversity 	<p>Insights:</p> <ul style="list-style-type: none"> 85% of survey participants don't live downtown today; 35% tried to find housing, but couldn't find something suitable; 38% didn't look because they didn't believe they would find something suitable 27% want to live downtown; another 52% are interested if they can find the right housing stock Searching for living arrangements to accommodate: a single individual or a couple, possibly with a pet Desired amenities in downtown housing: <ul style="list-style-type: none"> Respondents had a split preference for renting versus owning a unit 50% of respondents ranked 2+ bedrooms as one of the top 5 needs for suitable housing Car parking is most highly ranked desired amenity 60% consider \$500-800/bedroom an affordable rent, but do not want prices to be based on a per bedroom rate, since this could be cost prohibitive for the desired living arrangements Many comments regarding living in buildings that do not allow undergraduate tenants <p>Impacts on Redevelopment Planning:</p> <ul style="list-style-type: none"> Support Downtown Plan policy for non-student housing in core area of downtown Start with a small supply of units to test absorption rates and unit prices Parking either on-site or off-site will be needed to be attractive for target market; may be able to provided at a lower ratio than current zoning requires and may be priced separate from residential units Best opportunity to meet this goal in redevelopment plan: <ul style="list-style-type: none"> see recommendations from housing staff insights

Community Residents

Community at large engaged during public meetings and through an online/in person ranking of potential project goals:

Engage State College Website (38 rankings submitted)
Community Events (35 rankings submitted)

Insights:

- Community preference for goals based on number of times ranked as #1 or #2 most important:
 - Civic, Arts & Family Center
 - Entrepreneurial & Business Hub
 - Professional Housing
 - Retail Diversity
- "Other idea" posts supported a range of potential uses
 - Nearly half supported a community maker space idea
 - Frequent comments about a "town square" or pedestrian mall concept
 - Desire to see more and different dining/retail options, such as food trucks and fewer bars; but mixed responses to creating more retail space given current challenges with existing stock
 - Some ideas for professional, affordable, and senior housing

Impact on Redevelopment Planning:

- General community support for most goals; least support for incorporating retail into project
- All focus groups generally support the idea that this part of downtown should feel like the "center" and should have a more easily accessible and usable "town square"
- Redevelopment Area Plan (PC Role) should articulate that any of these uses are acceptable for core of downtown, but greatest emphasis on "civic" uses
- Redevelopment Proposal (RDA Role) should articulate minimum required elements (Discovery Space & FNB needs, minimum replacement parking required) and allow proposals to address additional uses that will financially & strategically support focus on civic center

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