

# *City Planning Commission*

*Erie, Pennsylvania*

*October 15, 2013*

## *-Minutes-*

### **MEMBERS OF THE CITY PLANNING COMMISSION:**

The regular meeting of the City Planning Commission was held on Tuesday, October 15, 2013 at **1:00 pm** in Room 500, Municipal Building, 626 State Street.

1. *Roll Call*

**Members Present:** Richard Speicher, Gary Antalek, Daniel Collins, and Thomas Dworzanski

**Members Absent:** Don Marinelli

2. *Approval of the September 17, 2013 regular meeting minutes of the City Planning Commission as received.*

On a motion by **Mr. Antalek**, seconded by **Mr. Collins**, the September 17, 2013 meeting minutes were approved unanimously as received.

3. *At the request of City Council, the Commission discussed and made a recommendation for the Erie Federal Credit Union to rezone a parcel located at 3503 Peach Street, identified by tax parcel number 18-53-26-200 from R-1A, Traditional Single Family Residential, to RLB, Residential Limited Business.*

Jim Toohey, the attorney for the Erie Federal Credit Union (EFCU), was present to explain the rezoning request. Attorney Toohey stated that the EFCU purchased the property in February of 2013 and, pending the rezoning, want to redevelop the area for their headquarters and branch office. The back half of the property is currently zoned R-1A and they would like to rezone it to RLB so that the back half of the property is consistent with the front half of the property, which is currently zoned RLB. The EFCU has also had public meetings with the residents regarding a compatible traffic pattern that would not disrupt the neighborhood. The Commission asked if the current building would be demolished. Attorney Toohey stated that it is a possibility but that the EFCU want the property rezoned before they decide on a plan. The Commission commented that the rezoning is a natural expansion of the RLB district and would not be considered spot zoning.

With a motion by **Mr. Antalek** and seconded by **Mr. Collins**, the Commission unanimously recommended that the rezoning be approved.

4. *City Council referred to the Planning Commission a request by the Erie County Historical Society to rezone property located at 356 West 6<sup>th</sup> Street and 333, 337, 341, 345, 349, and 353 West 5<sup>th</sup> Street from RLB, Residential Limited Business, and R-3, High Density Residential, to C-1, Local Commercial.*

As no one appeared to speak on behalf of the rezoning, on a motion by **Mr. Speicher** and seconded by **Mr. Antalek**, the review was tabled until next month.

5. *John Elliot from GEIDC returned to add further information to his initial Basic Conditions Report for the Port of Erie Redevelopment Plan.*

John Elliot was present to add further information to his initial Basic Conditions report for the Port of Erie Redevelopment Plan. Mr. Elliot began by stating that last month, time was spent reviewing the basic condition report. Prior to the meeting, Mr. Elliot had submitted a memo to the Commission simplifying the requirements to declare an area blighted; the memo created a checklist. See Exhibit A for the memo. The questions to declare a property blighted are: does blight exist (Part 1a of the memo) and the blight conditions have or will continue to be undesirable (Part 1b of the memo)? The answers to these questions were on the third page of the memo.

Mr. Speicher made a statement that it should be noted that declaring the property blighted is just the first step in a long process of reviews before the property would be redeveloped. The designation allows for more funding options. Mr. Elliot commented that after the designation, bonds can be issued and points are given for certain applications if the property is declared blighted. Mr. Speicher then continued that blight has a very emotional connotation; it is important that people step away from the emotional connotation and realize that the Urban Redevelopment Law uses the term in a technical sense which is not necessarily the same connotation.

Mr. Elliot then proceeded to address the memo.

Mr. Dworzanski made a comment that you could take any of the blight terms and make an argument for or against a property being declared blighted. He had a problem calling the area blighted. Mr. Elliot addressed his comment that you could make that argument but nothing happens overnight. The blight designation would not change anything except make the property eligible for more funding sources. Mr. Dworzanski stated that he would not want to have a parcel vacated of tenants because it was declared blighted and then left as a cleared lot waiting for development.

Mr. Antalek stated that the Planning Commission declares areas blighted all the time but that the current improvements do not give a feeling of blighted. Mr. Elliot replied that the comprehensive plan as well as the Port Authority have designated the area for the expansion of a commercial harbor. The area is an opportunity for waterfront development for commercial, industrial, and harbor activities. The designation of blight

cannot be made emotionally. Every plan wants this area to be developed as a harbor. The current conditions are obstructing this vision and it needs public assistance to realize the harbor.

Mr. Antalek then asked why no private companies have come in to develop the area as a harbor. Mr. Elliot replied that in 2010, \$58 billion of economic activity was generated along the Great Lakes. Pennsylvania saw only 0.3% of this activity. There is almost no harbor activity in Pennsylvania. Toledo has a large harbor industry because it was planned out that way. Erie does not. A port project needs to be put together to accomplish this. If not, private companies will locate to the other developed cities or harbors.

Mr. Speicher then questioned if the lack of blighted designation would have an impact on tax revenue. Mr. Elliot replied that there would be no tax impacts due to the designation. TIF requires neutral or increase tax revenue. Mr. Speicher further queried as to who the development opportunity will be marketed towards, in particular towards port activities. Mr. Elliot said that port dependent activities would absolutely be the targeted market. Any prospective developments would fit into the harbor context and nowhere else.

Mr. Speicher continued his questioning with does the blight designation end after a specific timeframe. Mr. Elliot replied that the act is silent regarding this matter. Mr. Speicher further delved into this question by following up with any blighted areas have been undesignated and if the designation changes anything. Mr. Elliot said that he is not aware of any areas that have been undesignated and that, to his knowledge, nothing changes, respectively.

Mr. Speicher changed the course of questioning by asking who would own the property. Mr. Elliot replied that GEIDC and Port Authority may own it and lease the property. There would be no change to the current tenants. Mr. Speicher then asked what the impact would be if no blight designation was made. Mr. Elliot stated that the change of ownership could result in the property going tax exempt. The designation would allow borrowing against tax revenue instead of investing the increased revenue from being tax exempt. The designation would not stop the project but it would definitely change the scope of the project.

Mr. Antalek then wanted to know the process of developing the area and how it was set up. Mr. Elliot began by saying that the EDC represents multiple affiliates which spins out for-profit affiliates and have tenants. GEIDC sponsors the process and would put the property into one of the affiliate authorities. They have a for profit tenant in mind that is tied to a multi-national business.

Mr. Dworzanski asked how EDC stands with the Port Authority. Mr. Elliot said that EDC and the Port Authority signed a partnership agreement. EDC has been collaborating with the Port Authority and have a sales agreements or options with the Port Authority.

Mr. Collins wanted to know why no one was present from the Port Authority. Mr. Elliot said that the Port Authority was a passive player in the process and that EDC is the developer with an agreement to purchase the land. Mr. Collins then commented that it

appeared that a large, stagnant piece of land that no one has developed was being pushed onto EDC. Mr. Elliot said that was exactly the case. If EDC did not develop the land, it would revert back to the Port Authority per the sales agreement.

Mr. Speicher asked if the Port Authority participated in the conditions report. Mr. Elliot said that the Port Authority had reviewed the report and gave no negative comments.

Mr. Antalek expressed concern regarding any competition being brought in for the current tenants. Mr. Elliot assured Mr. Antalek that there would no competition brought in since in an active port, each tenant has their own particular specialty. Mr. Antalek then followed up by asking if the port is currently deep enough or if dredging would be required. Mr. Elliot responded that the project would be more of a fill project for another dock.

Mr. Dworzanski asked if the current businesses on the property would be protected. Mr. Elliot assured Mr. Dworzanski that since the current tenants have leases, they are protected.

With no further questions from the Commission for Mr. Elliot, the public was permitted to make comments.

Brenda Sandberg stated that there is a definition of blight and then there is the definition of highest and best use. The intent of the law is not to establish the highest and best use for a property. It is fairly easy to combine the eight lots when one public entity owns all the land. Underutilization of a site is not undesirable. She gave examples of undesirable land uses also known as LULUS. Public assistance is not necessarily forbidden if the property is not declared blighted. The City is supportive of any good development but is the property blighted under the law? No.

Ed Keisel posed several questions regarding plans for the road and rail system, the public park to be dedicated and if the property on the October 16, 2013 agenda being sold from the Port Authority to EDC is related to this project.

Dan Koppelman was concerned if the blighted designation would affect the Convention Center.

Mark Karuba stated that the ordinance is counterintuitive to use to declare the property blighted and believes it is a manipulation of the ordinance. He also stated that the City needs a project like this. He was unclear why TIF could not be used if the property was not declared blighted. He was also worried about losing more public access. His final comment was that a declaration of blight ended after 20 years.

John Evans, who serves on the Finance Committee for City Council, stated that the project is a fundamentally good idea to investigate. He says that it is very difficult to encourage people to move here. It is incredibly important to look at this project from all aspects discussed. The population is currently stable. If the property remains undeveloped, there will be no tax revenue. This is not blight that most people think about in concept.

Pat Long stated that it was a conflict of interest to take tax money for their (EDC) use. There should have been an independent analysis to the blight report. The Planning Commission should have made that determination for an independent analysis. Furthermore, the school districts, which are financially hurting, have to give up their tax money for this project.

With all public comments made, on a motion by **Mr. Speicher** and seconded by **Mr. Antalek**, the Commission voted three to zero, with **Mr. Dworzanski** abstaining to approve the resolution to designate the area as blighted.

With there being no further business, the meeting was adjourned at 2:25.