

Subcommittee on Community & Economic Development; Planning & Zoning; and Building Code Enforcement, Inspection & Health

Consolidation proposal

March 13, 2003

Objectives

Overall, the subcommittee was charged with the task of *projecting a vision of an efficient and cost-effective service being provided and financed under a single municipal government for the Shenango Valley*. The service in question is community & economic development; planning & zoning; and building codes & health.

The subcommittee was also advised that no jobs are to be lost as an immediate result of the consolidation proposal.

The subcommittee also recommends the following objectives:

- No decrease in quality or quantity of services.
- No decrease in state and federal funding support.
- Geographic equity in community and economic development programs and support throughout the entire consolidated municipality.

Functions

The subcommittee dealt with several specific functions:

- *Community development* – The development and delivery of programs to improve the community in areas such as housing, recreation, infrastructure, and quality of life.
- *Economic development* – The development and delivery of programs to improve the community economy and standard of living by attracting new business and industry investment and related jobs.
- *Planning* – Conducting long-range planning to define and then achieve quality land use and development objectives.
- *Zoning* – The administration and enforcement of a zoning ordinance (each of the 5 Shenango Valley municipalities has its own zoning ordinance).
- *Subdivision* – The administration and enforcement of a subdivision ordinance (each of the 5 Shenango Valley municipalities has its own subdivision ordinance).
- *Code enforcement* – The administration and enforcement of codes for building and construction (each of the 5 Shenango Valley municipalities except Hermitage administers a comprehensive building code).

- *Health* – The administration and enforcement of state & local health standards covering eating & drinking places, retail food establishments, safe and healthy dwelling conditions, etc. (each city has its own health officer; the boroughs are served by state health officers).

Existing organization & staff

The table on page 3 shows the how services are currently delivered in each of the Shenango Valley municipalities.

Functions are generally divided into either community & economic development on one side and planning/zoning/codes/health on the other side. Other observations include:

- *Sharon and Hermitage* are fully staffed in these functions. Staffing is supported by administrative dollars from annual Community Development Block Grants (CDBG) and by the larger tax revenue base of the municipalities.
- *Farrell* is partially staffed in these functions. Full staffing is hindered by the lower level of CDBG funding and smaller municipal tax base. The city is currently pursuing state funding support to enable hiring of a full-time community and economic development director. Funding may be available because of the city’s Act 47 distressed status.
- *Sharpsville* performs these functions via the borough manager and office secretaries who have many other responsibilities. The borough has neither sufficient funding nor workload demand to justify a full-time position.
- *Wheatland* performs these functions via elected officials, the borough secretary, and a part-time officer working limited evening hours. The borough has neither sufficient funding nor workload demand to justify a full-time position.

In addition to staff, each of the municipalities utilizes consultant services to some degree to prepare applications, help administer grants, and provide other support services.

Also, each municipality is supported by and partners with county and local organizations which provide functional support, such as the Mercer County Regional Planning Commission, Penn-Northwest Development Corporation, Shenango Valley Industrial Development Corporation, and an array of housing providers.

Proposed organization and staff

The diagram on page 4 shows the subcommittee’s proposed organizational structure within a single municipal government.

All functions should be contained within a single Department of Community and Economic Development. Within the department would be an Office of Development, an Office of Planning, and an Office of Zoning, Codes & Health. Existing staff are generally arranged in the proposed department and offices on the diagram.

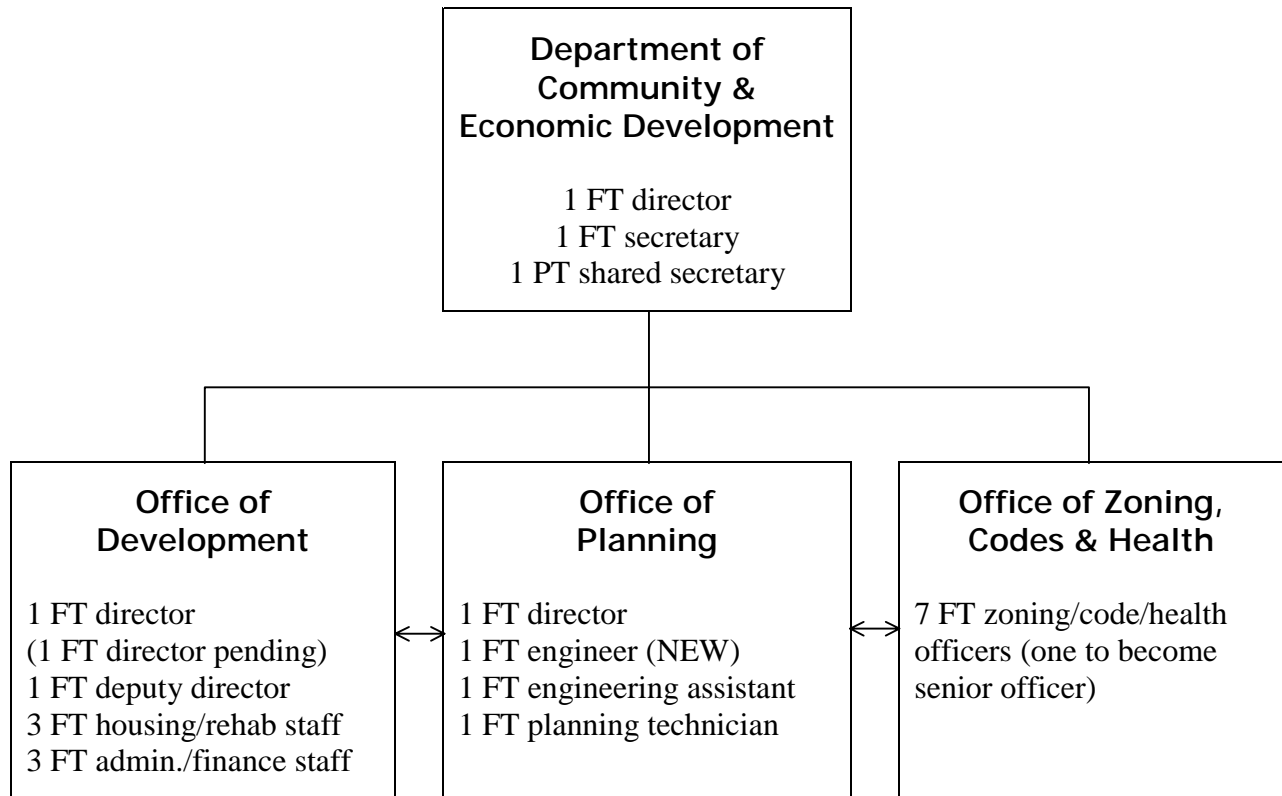
Table – Existing organization & staff

Summary of existing staff resources utilized in each Shenango Valley municipality

Municipality	Community & economic development	Planning, zoning, codes & health	Clerical support
Sharon	FT director FT deputy director FT rehab specialist FT rehab inspector FT finance/personnel officer Some consultant services	FT code administrator FT code officer FT health officer	FT secretary
Hermitage	FT director FT housing specialist FT admin./finance officer FT administrator/secretary Some consultant services	FT director FT engineering assistant FT planning technician FT zoning officer FT code/health officer FT code officer	
Farrell	PT via city manager (FT director pending) Much consultant services	FT code/health officer	PT via office secretary
Sharpsville	PT via borough manager Much consultant services	PT via borough manager Some consultant services	PT via office secretaries
Wheatland	PT via elected officials	PT code officer	PT via borough secretary
TOTAL	2 FT directors (3 rd pending) 1 FT deputy director 3 FT housing/rehab staff 3 FT admin./finance staff 1 PT via other positions Consultant services	1 FT director 1 FT engineering assistant 1 FT planning technician 7 FT zoning/code/health officers 1 PT via other positions Consultant services	

Diagram – Proposed organization & staff

Summary of organizational structure and utilization of existing staff resources in a consolidated municipality



A single department is recommended in order to ensure that the various functions are integrated and interrelated, as they should be. The Office of Planning would have both unique planning responsibilities, such as preparing a comprehensive plan, but would also provide planning assistance to the other offices, i.e., helping develop community improvement projects or helping draft zoning or subdivision ordinance updates.

Funding

A consolidated municipality will have access to community and economic development funding that is greater for some programs and lesser for others than as single municipalities.

- *CDBG funding* – The table on page 5 shows that the 5 municipalities separately access about \$1.9 million annually (based on 2002 funding levels) via Sharon as a federal entitlement, Hermitage, Farrell & Sharpsville as state entitlements, and Wheatland as an occasional benefactor of Mercer County CDBG funds. A single consolidated municipality would be a federal entitlement. State CDBG funding would no longer be available.

Table – CDBG funding amounts – PA cities comparison

Comparison of Shenango Valley total CDBG funding to CDBG funding of other Pennsylvania cities of comparable size

	<u>2000 Population</u>	<u>FY 2002 funding</u>	<u>Funding type</u>
Sharon City	16,328	836,000	1
Hermitage City	16,157	514,168	2
Farrell City	6,050	380,195	2
Sharpsville Borough	4,500	117,358	2
Wheatland Borough	748	35,477	3
Total Shenango Valley	43,783	1,883,198	
Altoona City	49,523	2,610,000	1
Harrisburg City	48,950	2,892,000	1
Wilkes-Barre City	43,123	2,430,000	1
York City	40,862	2,110,000	1
Williamsport City	30,706	1,686,000	1

Funding type key

1 -- US HUD entitlement

2 -- PA DCED entitlement

3 -- Not an entitlement; amount is average funding received from Mercer County

US HUD grantees receive the greater of two formula amounts. Formula A is based on each city's share of: population (0.25); poverty (0.50); and overcrowded housing (0.25). Formula B is based on shares of: growth lag (0.20); poverty (0.30); and pre-1940 housing units (0.50).

The U.S. Department of Housing and Urban Development (HUD), at the urging of the local Congressional delegation led by Senator Rick Santorum, estimated the amount of the FY 2002 entitlement that hypothetically would be allocated to a single consolidated municipality (including the 5 now separate municipalities) – \$1,677,000. It is less than the roughly \$1.9 million combined total accessed by the 5 municipalities separately, despite the higher funding allocations experienced by other PA municipalities of similar size and character.

- *HOME funding* – Currently, the Shenango Valley municipalities occasionally apply for and receive HOME funding for affordable housing improvements from a statewide competitive program. Larger cities can qualify for annual HOME allocations from the federal government. 2001 HOME allocations for comparable cities include: Altoona – \$556,000, Wilkes-Barre – \$441,000, York – \$574,000.
- *ESG funding* – Currently, the Shenango Valley municipalities occasionally apply for and receive ESG (Emergency Shelter Grant) funding from a statewide competitive program. Larger CDBG entitlement cities can qualify for annual ESG allocations from the federal government. 2001 ESG allocations for comparable cities include: Altoona – \$90,000, Wilkes-Barre – \$84,000.
- *Other funding* – From a standpoint of funding program rules, a consolidated municipality will not likely gain advantage or disadvantage for other funding programs. However, enhanced political clout can provide benefits in terms of funding results.

Related boards & commissions

Within various functions of community and economic development, there are several boards and commissions that must be consolidated into a single municipal government:

- *Planning commission* – Each Shenango Valley municipality has one; assigned specific roles under law in planning, zoning, and subdivision.
- *Zoning hearing board* – Each SV municipality has one; considers variances and appeals under zoning ordinances.
- *Code board of appeals* – Each SV municipality has one; considers variances and appeals under building codes.
- *Board of health* – Each SV city has one.
- *Economic development commission* – Hermitage has one; assists city staff in setting and working towards economic development objectives.
- *Redevelopment authority* – Sharon and Farrell each have one; uses certain state-granted powers to undertake redevelopment projects in blighted areas.

All of the above groups work in conjunction and cooperation with community and economic development staff. They are comprised of citizens and officials appointed by the governing body and serving typically without compensation (beyond reimbursement of expenses). All except the economic development commission would be normally functioning elements of any city and should be created (one each) for the consolidated municipality. The economic development

commission or similar group is recommended to bring broader private sector involvement to the community and economic development process.

Other issues

- *Adequacy of existing staff* – The existing planning, zoning, and codes functions currently are understaffed. Additional secretarial support is also needed.
- *New PA uniform construction code* – Beginning likely in 2002, the new statewide construction code will be implemented. The new code will be similar to codes in effect in Sharon, Farrell, Sharpsville, and Wheatland and will hardly alter existing staff or organization except to require certification of code officers. The PA code will, however, be new in Hermitage. The city will have an opportunity to administer and enforce the new code. Assuming it accepts that opportunity, additional code officers will be needed.
- *Consolidation efficiencies* – Consolidation into a department with larger staff will enable the consolidated municipality to maximize staff positions and responsibilities, reduce duplicative responsibilities (such as working with multiple zoning hearing boards), and cross-train staff to yield efficiencies that could improve services and help with previously identified staff needs.
- *Fee evaluation* – Fees charged for zoning, building, and subdivision applications should be evaluated to ensure they fairly support the required municipal services and generate revenue needed by the new consolidated department without discouraging desired development.
- *Engineer* – The consolidated municipality would benefit greatly by having its own engineer on staff. Revenue support could come from the pooling of funds spent separately by each municipality now on consulting engineering services.
- *Consultant services* – The consolidated municipality would continue to need occasional additional expertise via consultants to design special projects, prepare needed plans, and assist in project reviews. Funds currently used for consultants could continue for such use.
- *Legal support* – The consolidated department would need dedicated legal support. Revenue support could come from the pooling of funds spent separately by each municipality now on legal services.
- *CDBG funding distribution* – It is important that the consolidated municipality establish a broad, community-wide planning process to strategically utilize CDBG funding to serve critical needs and encourage quality development throughout the community.
- *Mapping, aerial photos, and GIS* – The 5 SV municipalities, to varying degrees, utilize maps, aerial photos, and GIS to aid planning and community development activities. Establishing uniform data for the new consolidated municipality will incur effort and costs not yet determined.

- *Comprehensive plan* – The consolidated municipality should prepare a new comprehensive plan. This task is deemed very important! A comprehensive plan will determine future development priorities, land use patterns, and housing, transportation, and infrastructure needs, all within the framework of the new single municipality. Such a plan could cost a consultant from \$50,000 to \$150,000 depending on the level and quality of the product. Pennsylvania provides funding currently in amounts which may be sufficient to meet up to 50% of this need. The Mercer County Regional Planning Commission can provide staff resources to help offset some cost. (The individual municipalities, absent a consolidation, do periodically conduct their own comprehensive planning. The coming years will be an opportune time to do so with all existing plans being dated 1992 or older. A plan for a consolidated municipality can likely be prepared at less cost than 5 individual plans.)
- *Zoning and subdivision ordinances* – The consolidated municipality should prepare a new zoning ordinance and subdivision and land development ordinance, each covering the entire consolidated municipality and designed to implement the new comprehensive plan. Such new ordinances could cost a consultant a combined \$20,000 to \$50,000 depending on the level and quality of the product. Pennsylvania provides funding currently in amounts which may be sufficient to meet this need. The Mercer County Regional Planning Commission can provide staff resources to help offset some cost. (The individual municipalities, absent a consolidation, do periodically prepare their own updated zoning and subdivision ordinances. New ordinances for a consolidated municipality can likely be prepared at no greater and possibly less cost than ordinance updates in 5 individual municipalities.)

Community & economic development revitalization needs

The municipalities of the Shenango Valley have specific project needs to revitalize the Valley community and its economy. Those needs are detailed in the table on page 9. In total, project needs amount to about \$13 million (with downtown Sharon revitalization still not fully quantified).

Table – Community & economic development project needs

Projects needed for community & economic revitalization of Shenango Valley municipalities

<u>Project</u>	<u>Description</u>	<u>Public Cost</u>
Farrell 84 acres site development	Installation of public utilities and access road to facilitate industrial development (Hermitage)	\$750,000
Legacy Commons site development	Installation of entranceways and site/corridor enhancements to facilitate industrial development (Farrell & Sharon)	\$1,300,000 *
SQP site development	Installation of public utilities and access road plus possible demolition of existing structures to facilitate industrial development (Sharpsville)	\$1,500,000
Westinghouse redevelopment	Structural renovations to facilitate development of multi-tenant business facility (Sharon)	\$2,500,000
KOZ Walnut to 6th site development	Installation of public utilities and access road to facilitate new development (Sharpsville)	\$250,000
Gateway Commerce Park	Installation of access road and sidewalk sections not affordable within capital budget project (Hermitage)	\$1,500,000
Phase II redevelopment Idaho Street	Acquisition of properties and demolition of deteriorated structures to facilitate new development (Farrell)	\$1,000,000
Sharon downtown revitalization	(Capital projects now being planned by consultant) (Sharon)	
Hermitage town center master plan	Preparation of plan and design guidelines for enhancement of existing development plus redevelopment (Hermitage)	\$100,000
New infill housing	Subsidizing construction of new single-family homes on vacant lots – 30 homes in 2 years @ \$40,000 subsidy per home (Sharon & Farrell)	\$1,200,000
Sidewalk construction program	Installation of new sidewalks (cost-share with private property owners) along main streets and commercial areas (Hermitage)	\$2,500,000
Pine Hollow bike/ped trail	Construction of multi-purpose paved trail from SV Mall to Shenango Reservoir (Hermitage)	\$600,000
Parking lots	Construction of 3 parking lots (Sharpsville)	\$150,000
Total costs		\$13,350,000

*Funds for this project have already been sought (but not awarded) from state programs.