

This letter is written for the purposes of clarifying the Borough's intentions regarding the Waterfront Business District. It has not been without deliberation that Bellefonte Borough has initiated eminent domain proceedings against two properties situated adjacent to Spring Creek between High and Lamb Street bridges.

Tragically, the Bush House Hotel was destroyed by fire in February of 2006. The Borough met with the property owners at that time and talked about what issues had to be addressed in regard to re-building in the floodplain. Borough officials sought financial help from the State to help with the cost of a flood wall. A \$3 million dollar grant requiring a dollar-for-dollar local match was approved as a line item in the Commonwealth's budget, but was not released at that time.

In October 2008, Borough officials met with PA Department of Community and Economic Development (DCED) officials on site to discuss grant options for assisting with redevelopment of the Bush House property. The Borough received a grant contract for a \$120,000 (\$60,000 state grant with \$60,000 local match from the Borough) project to complete a feasibility study under the Land Use Planning Technical Assistance Program. A 16-member steering committee, made up of community representatives, was formed to oversee the project. The final report states, "In order for any development to occur within the waterfront district site, the challenge of the flood-plain needed to be addressed..."

In June 2010, the Borough received word that the \$3 million in grant funds were available upon submitting an application and meeting all conditions. There was much contemplation on whether or not the Borough should borrow the funds to match the grant monies as required. The factors for moving forward included:

- If the properties are ever to be redeveloped, the flood-plain issues must be addressed
- The \$3 million dollar grant from the state will not be available again if unused
- There was essentially no likelihood that a private developer could develop any of the properties
- If the Borough borrows the money to match the grant and builds the floodwall making the properties eligible for any type of development, then they must have control of the outcome; i.e., the uses, the aesthetics, the impact on Waterfront District, etc.
- The Borough does not wish to burden the taxpayers

Borough officials met with the Bellefonte Area Industrial Development Authority and agreed that the Authority would oversee the project. The Authority decided in accordance with options identified in the LUPTAP feasibility study, that the properties must be purchased and filled in to the grade or height of the floodwall. Otherwise the floodwall would create a barrier for stormwater runoff and cause flooding on these properties, for which the Borough would be liable.

In September 2010, Borough Officials and members of the Authority began meeting with all property owners to explain the project and to negotiate their purchase. The Authority offered to do what it could to assist with the relocation of Mr. Bowersox, a tenant in the middle property, and his Victorian Signs business. Mr. Bowersox is a highly-valued business owner whose services the Borough

has used numerous times over the years. It is the goal of the Authority to help him find a new location in the borough if at all possible. The Authority has not been able to come to terms with two property owners. Eminent domain proceedings mean that the Borough must pay fair market value for these properties as determined by a Court-appointed Board of Viewers. The floodwall, once built, will always remain as public property and maintained as such. The fact of the matter is if the Borough and the property owners could reach a fair and reasonable agreement, then the community of Bellefonte can derive the highest and best waterfront redevelopment plan for years to come.

Bellefonte Borough's website, bellefonte.net, has links to the documents referenced in this article. If we work together, great things in the best interest of the community can be achieved!

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Bellefonte Borough