MEMORANDUM

TO: **Bellefonte Borough Council**
FROM: **Joanne Tosti-Vasey, Chair**
SUBJECT: **Ordinance Ad Hoc Committee Meeting**
DATE: **July 14, 2026**

Key Takeaways

- Three pieces of state legislation related to a data center moratorium to allow time for municipalities to come up to speed on zoning associated with this use are advancing (HB 2496, HB 2533, SB 1345). The committee discussed how these may or may not apply to Bellefonte Borough, given its limited land area.
- An intermunicipal agreement with surrounding townships may be the most practical approach for managing large-scale ("hyperscale") data center development, while smaller-scale data centers could be regulated locally via conditional use.
- Proposed state ADU (Accessory Dwelling Unit) legislation is viewed as highly problematic, preempting local zoning controls on parking, stormwater, and historic district requirements; the committee recommends Council send a letter opposing both the House and Senate bills.
- A foreclosed property registration program was introduced as a potential revenue-generating tool to address blighted and vacant properties in the Borough.
- A property conservatorship model (under existing state legislation) was discussed as a mechanism to rehabilitate severely blighted properties, with one fire-damaged property identified as a potential pilot.
- A recent court ruling in the Borough of Pottstown case may limit the use of administrative warrants for rental housing inspections, which could affect Centre Region Code Agency enforcement practices.

Data Centers

State Legislation on Data Center Moratoriums (HB 2496, HB 2533, SB 1345)

The committee reviewed three active state bills that would allow municipalities to impose moratoriums on high-impact data center development. Discussion focused on the definition of "high impact," the current status of each bill, and its relevance to Bellefonte Borough.

The PA House introduced HB 2496 and HB 2533. HB 2533 is not moving, but the companion SB 1345 is. HB 2496 passed the House and was referred to the Senate Rules and Executive Nominations Committee as of June 30th. SB 1345 passed out of the Senate Rules and Executive Nominations Committee with a 13–4 vote on July 11th after being amended.

HB2533 and SB 1345 allow for up to an 18-month moratorium on accepting and reviewing “high-impact” data centers. HB2496 provides for an 180-day moratorium.

The bills define "high-impact" data centers as those with a critical IT load of 25 megawatts or higher, exclusive of non-IT building loads (lighting, HVAC, etc.). We observed that a 25-

megawatt facility is unlikely to be feasible within Bellefonte Borough, given its limited land area, making the moratorium language potentially less useful for the Borough itself. The Ordinance Committee suggested the moratorium provisions may be more relevant for the Nittany Valley Joint Planning area, which has larger open parcels.

The committee agreed to monitor the legislation closely, as movement through the Senate Rules Committee suggests a floor vote may be imminent. In addition, we suggest that the Borough develop its own definitions and parameters for data centers (e.g., by square footage or power usage) rather than relying solely on the state's 25-megawatt threshold.

Crypto Mining Operation at Titan (Spring Township)

The committee briefly discussed the existing crypto mining facility near Axeman Brewery in Spring Township as a reference point for understanding data center-adjacent uses.

Joanne recalled visiting the Titan facility around 2020 at the invitation of its owners, who had proposed installing a satellite crypto-mining unit in the Bellefonte Borough building's basement. She described the facility as having two components — a traditional crypto mining operation with servers and fans, and a small hydroponics section.

Using GIS, the facility was identified as a long building on a parcel owned by Navitus LLC (Joseph Leahy), estimated at approximately 9 acres, located near Axeman Brewery off Axeman Road in Spring Township. This Titan facility is a useful reference for understanding the scale and character of crypto mining/data center uses in the immediate region.

Data Center Zoning and Land Availability in Bellefonte Borough

The committee examined potential sites within and near the Borough that could theoretically accommodate data center development and assessed the Borough's limited capacity for large-scale facilities.

We identified two potential industrial parcels within the Borough — a small parcel off Valentine Street (partially owned by SIG) and the Graymont property off Railroad Street. We then used the county GIS system to review parcels, including a cluster of three parcels near Karsh Auto on Willowbank Street totaling approximately 1.89 acres — noted as too small for a data center.

The second potential Industrial Zone property, currently owned by Graymont (Bellefonte Lime Company) on Railroad Street, is approximately 10 acres, with an additional 12 acres behind it, though the latter is a steep hillside. Buildings on the property are reportedly vacant and used only for washing lime trucks.

An 8.25-acre parcel owned by Alan Bechtel near Thomas Street was also noted, though a steep hillside along the Scenic Street edge limits usability.

We noted that the Borough already has a small data center (Verizon building) in the middle of town that operates relatively unobtrusively, though neighbors have raised concerns about noise and water runoff.

We concluded that large-scale ("hyperscale") data centers are not feasible within the Borough due to land constraints. The Graymont property represents the most significant potential for data center development, though no sale or redevelopment has been indicated. And the existing Verizon data center can serve as a model for defining acceptable, smaller-scale data center uses within the borough.

Intermunicipal Agreement Strategy for Data Center Uses

The committee discussed using a Nittany Valley Regional Comprehensive Plan Implementation Agreement as a mechanism to trade land uses between municipalities, directing larger data centers to townships with available land while Bellefonte could accommodate smaller-scale facilities. Note, currently, only College and Patton Townships have an Intermunicipal Agreement to swap uses.

At the Nittany Valley Joint Planning Commission meeting on July 16, 2026, we learned that before we can create Intermunicipal Agreements between member municipalities in the Nittany Valley Region, the Commission must update the Nittany Valley Regional Comprehensive Plan Implementation Agreement. The Commission passed a motion to draft a revised Implementation Agreement, to be reviewed and accepted at the September 17, 2026 meeting. Once passed by the NVJPC, the proposed Implementation Agreement will be sent to all five municipalities for acceptance or rejection.

Note that the only options for each municipality are to “Accept” or “Reject.” If any one municipality does not want to accept the Agreement, that municipality could make comments on their concerns to take back to the Nittany Valley Joint Planning Commission for discussion and possible revision of the Agreement. This agreement will ONLY go into effect once all five municipalities have agreed to the revised Implementation Agreement. Until then, the current Implementation Agreement remains in effect, which does not have any language allowing for trading land uses for shared zoning purposes.

Meanwhile, the Ordinance Committee suggested reaching out to Mike Danneker (Spring Township) to explore whether Spring Township would accept large-scale data centers in exchange for uses Bellefonte already accommodates. Dave Pribulka raised the unresolved question of whether there needs to be an equitable trade-off between exchanged uses, noting that no planner has provided a definitive answer.

We then suggested consulting Ray Stolinas, Kristina Bassett, and Liz Lose at the County Planning Office for draft template language for shared-use agreements and for potential data center ordinances.

FYI, the Walker Township representative to the NJVPC announced at the July 16, 2026, meeting that they are almost ready to pass a simple data center ordinance. Zane Sherman said he would send the ordinance to the other municipalities in the region once it is completed.

The committee will pursue an intermunicipal agreement approach for hyperscale data centers, directing them to willing surrounding municipalities once the Comprehensive Plan Implementation Agreement is revised and accepted by all five communities. Smaller-scale data centers (like the Verizon facility) that the Borough is willing to accommodate will be regulated locally through conditional use approval.

Regulation of Smaller-Scale Data Centers in the Borough

The committee discussed how to craft local zoning regulations for data centers that the Borough is willing to permit, using the existing Verizon facility as a baseline model.

We recommend that permissible data centers be approved through conditional use, allowing Council to impose site-specific conditions related to noise, stormwater, historic district compatibility, and other public health and safety concerns.

Issues to be addressed that have raised concern among nearby residents of the Verizon building include noise (constant white noise from ventilation), water runoff, and outstanding compliance.

Challenges

- The 25-megawatt threshold in the data center moratorium bills may not be applicable to Bellefonte's scale, leaving the Borough without direct legislative protection against smaller data center development.
- The question of equitable trade-offs in intermunicipal use-sharing agreements remains legally unresolved, unless we update our regional Comprehensive Plan Implementation Agreement.

Actions

- Gina: Contact the County Planning Office regarding ordinance templates and shared-use agreement language (DONE).
- Dave: Contact Mike Danneker to discuss Spring Township's interest in data centers.
- Gina and Dave: conduct exploratory research on the Verizon facility — its electrical usage, critical IT load, and physical scale — to use as a regulatory model for definitions as well as conditional use parameters.
- Gina and Dave: Develop definitions and zoning standards for smaller-scale data centers, using the Verizon facility as a baseline model.
- Ordinance Committee: Once the Nittany Valley Joint Planning Commission reviews and accepts the revised Nittany Valley Regional Comprehensive Implementation Agreement

in mid-September, Bellefonte Borough will place this document on the next Council agenda as soon as possible after receiving the final Agreement document.
- Ordinance Committee: Continue reviewing Data Center issues, reviewing other model ordinances, and consider possible language related to data center uses within Bellefonte Borough.
- Joanne and Gina: Raise HB 2496, HB 2533, and SB 1345 at the Thursday, July 16, 2026, Nittany Valley Joint Planning Commission meeting and recommend that member municipalities begin planning for potential moratoriums and zoning changes (DONE).

Accessory Dwelling Units (ADU)

Legislation — State House and Senate Bills

The committee reviewed proposed state ADU legislation and expressed significant concern about its broad preemption of local zoning authority, with implications for Bellefonte's historic district, stormwater management, parking requirements, and rental housing balance.

We noted that the House bill is more problematic than the Senate bill; the House bill amends the consolidated statutes rather than the Municipalities Planning Code (MPC), which is the appropriate vehicle for zoning-related legislation. The House bill is heading toward a third consideration and final vote, making the timeline urgent.

The House bill applies to all residential uses, not just single-family detached homes, and prohibits municipalities from requiring additional parking or stormwater controls beyond those required for the primary residence. The stormwater preemption language could prevent Borough from requiring a stormwater site plan even when an ADU addition triggers the impervious surface tipping point. We noted that very few residential properties in the Borough are large enough to accommodate an ADU while meeting permeability requirements — particularly in R2 zones (minimum lot size 7,500 sq. ft.). In addition, ADUs could conflict with our existing short-term rental restrictions, potentially forcing the Borough to either allow short-term rentals in all residential districts or prohibit them entirely.

The Ordinance Committee observed that ADUs will likely become rental units over time, potentially increasing the Borough's already-high rental percentage — contrary to Council's stated goals.

Dave Pribulka mentioned that a New Jersey law on ADUs is considered a better model by colleagues in eastern Pennsylvania, as it obligates municipalities to accommodate ADUs without fully preempting local zoning. He agreed to look at this legislation as a potential alternative to the current pieces of legislation in the General Assembly.

Challenges

- The state ADU legislation is advancing rapidly toward a floor vote, leaving limited time for the Borough to organize opposition or prepare local regulatory responses.

Actions

- Ordinance Committee: We recommend that Council send a letter opposing the House ADU bill, to be drafted by Bellefonte staff (DONE), signed by the Borough Council President (Doug) for added weight. NOTE: This is an action item that has been added to the July 20, 2026, Council agenda.
- Dave Pribulka: contact Logan Stover at PSAB to determine whether PSAB has already drafted advocacy language on this issue.
- Dave Pribulka: research the New Jersey ADU legislation as a potential alternative model to present alongside the opposition letter (IN PROCESS).
- Ordinance Committee: If ADU legislation does pass, conditional use approval is the preferred local mechanism to manage impacts on a property-by-property basis and will need to be considered based on whatever preemption provisions are created.

Foreclosed Property Registration Program

The committee reviewed a draft ordinance establishing a registration program for foreclosed properties, modeled on a program previously implemented at Susquehanna Township.

Dave described the program as a revenue-generating tool that establishes a single point of contact for foreclosed properties, facilitating code enforcement and accountability for maintenance. In Susquehanna Township, a vendor collected $250 per property per year (split 50/50 with the municipality), handled enforcement, and maintained a network of contacts at banks and property acquisition companies.

Joanne Tosti-Vasey raised the question of whether the program would also cover vacant properties that are not in foreclosure but meet the definition of "evidence of vacancy." The answer is no.

We noted that the Borough's most problematic properties are not in foreclosure, meaning this program would not directly address them. So, we suggested the first step is to determine how many foreclosed properties actually exist in the Borough, with Barbie Watson and Deb Berger identified as potential sources of that data.

The foreclosed property registration program could run as a parallel track alongside the conservatorship model (see next section), addressing different categories of problem properties.

Actions

- Dave Pribulka: gather data on the number and ownership profile of foreclosed properties in the Borough before deciding whether to proceed. This can be coordinated with Barbie Watson and Deb Berger to assess the feasibility of a program for registering foreclosed properties.
- Ordinance Committee: We will look further at this issue once we gather more information, if appropriate.

Property Conservatorship Model for Blighted Properties

The committee discussed using Pennsylvania's property conservatorship statute to rehabilitate severely blighted, vacant properties in the Borough, with several identified as potential candidates.

Dave Pribulka and Joanne Tosti-Vasey explained that the conservatorship model involves petitioning the court to be appointed conservator of a blighted property, without taking ownership. Center Region Code Agency has offered funding for rehabilitation costs to be recovered from the eventual sale proceeds.

Dave noted that the legislation has been in place for nearly 10 years but is rarely used; Ben Estelle of COG introduced the concept to Dave, based on his experience in Oakmont Borough, where it demonstrably spurred improvements to surrounding properties.

We reviewed the statutory criteria to see whether any of the properties we consider blighted would fall under this law. In order to be considered as a blighted property, it must meet the definition of blighted (e.g., not legally occupied for 12 months, not actively marketed, no foreclosure pending) and satisfy a subset of nine additional conditions (public nuisance, need for substantive rehabilitation, unfit for habitation, site of illicit activity, etc.).

One of the fire-damaged properties in the Borough was identified as a promising pilot candidate, as the owner has indicated he lacks funds to restore it and may be willing to consent to conservatorship.

It was noted that the IDA cannot serve as a conservator because redevelopment is not within its articles of incorporation. However, the Borough can act as a conservator, as can other private or non-profit entities that meet certain criteria outlined in the law.

The Gamble Mill loan rollover fund (500,000) could serve as an alternative or supplemental funding source, with no prevailing-wage or competitive-bidding requirements, since the Borough would not take ownership.

Challenges

- The IDA cannot serve as a conservator due to its articles of incorporation, requiring an alternative institutional pathway.
- The owner of one of the other fire-damaged properties has not responded to the Borough's letter regarding his property, and no meeting has been scheduled with him yet.

Actions:

- Gina: set up a meeting with the owner of the fire-damaged property, who has said he can't afford to rehabilitate the building, to gauge his willingness to proceed with a conservatorship arrangement on his property.
- Blight Remediation Ad Hoc Committee: Once this owner's consent is confirmed, the blight remediation subcommittee (including Walt Schneider) will be convened.
- Dave Pribulka: Follow up with the owner of the fire-damaged property, as the response deadline in the Borough's letter has passed with no contact.
- Dave Pribulka: Explore whether a memorandum of understanding with the Centre Region Code Agency if needed to formalize their role in funding conservatorship rehabilitation projects.
- Dave Pribulka: Council will be briefed on the conservatorship model, with emphasis that no taxpayer dollars are at risk.
- Dave Pribulka: Verify whether the current property conservatorship statute's tax payment criterion has been amended (or eliminated) since the original legislation the Borough used for the conservatorship actions in 2013 against the Garman Opera House and the DoDe Hotel.

Rental Housing Inspection — Administrative Warrant Court Ruling

The committee received a brief update on a recent court decision affecting the use of administrative warrants for rental housing inspections.

Dave Pribulka reported that a Common Pleas court ruled the Borough of Pottstown's use of administrative warrants to force entry for rental housing inspections was unconstitutional; the case is now on appeal to the Commonwealth Court.

Walt Schneider (Center Region Codes) has used administrative warrants at least once in the Center Region and is concerned about the ruling; he is seeking to file an amicus brief in support of Pottstown's appeal.

Deb Cleeton raised the question of whether permit revocation for refusal of inspection would be a simpler enforcement tool, but Dave Pribulka noted that Walt Schneider has indicated that refusal alone is not currently grounds for revocation.

Challenges

- The court ruling on administrative warrants for rental housing inspections may limit enforcement options if tenants or landlords refuse inspection access.
- The issue of noncompliance may become more significant if ADU legislation passes and increases the number of rental units subject to inspection.

Actions

- Ordinance Committee and Staff: monitor the appeal outcome, as it could affect Center Region Code Agency's enforcement capabilities in Bellefonte.