

NEWS *from Middletown, Pa.*

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Borough awarded \$1.5 million low-interest loan for downtown revitalization project

The Middletown Borough Downtown Infrastructure Project took a major step forward this morning when the Dauphin County Commissioners awarded the Borough a \$1.5 million from the County's innovative new Infrastructure Bank program.

"We greatly appreciate the Commissioners recognizing the merits of our downtown project and the importance of this project to the Borough's economic revitalization," said Borough Council President Christopher R. McNamara.

Dauphin County's Infrastructure Bank, the first of its kind in the state, allows municipalities to borrow funds at a low interest rate, with the loans to be repaid with future state Liquid Fuels tax money. By providing the funding up front, it helps needed major infrastructure projects get completed in a timely manner, instead of having to wait until money is accumulated to fund the project, or borrowed at high interest rates.

The terms of the loan approved for Middletown, by far the largest of the five approved by the Commissioners, call for the money to be loaned at an interest rate of 0.5 percent (one-half of a percent).

This money will be used towards the portions of the \$4.3 million downtown project which are eligible for Liquid Fuels funding. That includes rebuilding South Union Street in the project area, curbing and other eligible streetscape improvements, which will come in the second phase of the project.

The first phase of the project, expected to get underway late this spring, will involve replacing aging brick and mortar sewer lines running underneath South Union Street in the downtown area. Tests have shown those decaying lines are responsible for a significant portion of the Borough sewer system's inflow and infiltration (I & I) problems.

I&I refers to leaks and improper connections which allow storm water and other fresh water to enter the sanitary sewer system. That results in increased wastewater treatment costs, which are passed on to the ratepayers and can cause environmental problems during extreme weather events, when the amount of flow can exceed the sewer plant's capacity.

The Commissioners last month announced the Borough was awarded a \$250,000 Dauphin County Gaming Local Share Municipal Grant to help fund the first phase of the downtown project.

The grant is a key component in the funding of the \$4.3 million project, which includes extensive infrastructure improvements and streetscape enhancements.

All three commissioners voiced support for the project, with Commissioner Mike Pries lauding the efforts of Borough Council to make the project possible.

“I commend the Borough and its officials for what you have done the last two years to get your house in order,” said Pries. “Two years ago, I wouldn’t have thought this was possible.”

The project also dovetails with plans for the new Amtrak station in Middletown, which will be located at the west end of town near the intersection of Ann and West Main Streets. As part of the train station project, Emaus Street will be extended to connect with the station and West Main Street.

The Emaus Street extension will serve as a gateway to the downtown area and will provide a direct route for Penn State students, staff and visitors to the new downtown area.

In his comments supporting the project, Commissioner George Hartwick pointed to the growth of Penn State and the new train station as indicators of the potential for economic revitalization in Middletown.

The streetscape portion of the downtown project was originally included in the Borough’s Capital Improvements Plan as adopted back in 2009. At the time, the project was to be completed by the Greater Middletown Economic Development Committee (GMEDC), with a projected 2013 implementation.

In that 2009 Capital Improvement Plan, the streetscape carried an estimated \$1.12 million price tag, which was to be funded by a combination of tax dollars, grants, and assessments to property owners. GMEDC subsequently became largely inactive and never followed through on the project.