

**MEMORANDUM REPORT ON REVIEW OF  
EARTH CONSERVANCY  
ASHLEY, PENNSYLVANIA**

**Land Use Plan**

**ARC Grant No: PA-12051-95-I-302-0418**

**October 1, 1995 through December 31, 1996**

**CAUTION:** *Certain information contained herein is subject to disclosure restrictions under the Freedom on Information Act, 5 USC 522 (b) (4). Distribution of this report should be limited to Appalachian Regional Commission and other pertinent parties.*

**Report Number: 97-42 (H)**

**Date: April 28, 1997**

MEMORANDUM REPORT ON REVIEW OF  
EARTH CONSERVANCY  
ASHLEY, PENNSYLVANIA

Land Use Plan

ARC Grant No: PA-12051-95-I-302-0418

October 1, 1995 through December 31, 1996

Prepared By:

Tichenor & Associates  
Certified Public Accountants  
Woodbridge, Virginia

Under Contract Number J-9-G-5-0010 with the  
U.S. Department of Labor  
Office of the Inspector General  
Office of Audit

# TICHENOR & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS and MANAGEMENT CONSULTANTS

WASHINGTON OFFICE  
12531 CLIPPER DRIVE SUITE 202  
WOODBIDGE VA 22192

PARTNERS

WILLIAM R. TICHENOR  
JONATHAN D. CROWDER  
JAMES M. ANDERSON  
DEIRDRE MCKENNA REED

BUSINESS: (703) 490-1004  
METRO: (703) 352-1417  
FAX: (703) 491-9426  
E-MAIL: TICHASSOC@AOL.COM

**TO:** Appalachian Regional Commission (ARC)  
Office of Inspector General (OIG)

**FROM:** Tichenor & Associates  
Woodbridge, Virginia

**REPORT FOR:** The Federal Co-Chairman  
ARC Executive Director  
OIG Report No. 97- (H)

**SUBJECT TO:** Memorandum Review Report on Earth Conservancy, Ashley,  
Pennsylvania. Grant No: PA-12051-95-I-302-0418, ARC Contract No.  
95-147.

**PURPOSE:** The purpose of our review was to determine if (a) the total funds claimed for reimbursement by Earth Conservancy (Grantee) for its Land Use Plan were expended in accordance with the ARC approved grant budget and did not violate any restrictions imposed by the terms and conditions of the grant; (b) the accounting, reporting and internal control systems provided for disclosure of pertinent financial and operating information; and (c) the objectives of the grant have been met.

**BACKGROUND:** ARC awarded Grant Number PA-12051-95-I-302-0418 to Earth Conservancy for the period October 1, 1995 through December 31, 1996. Total grant funding was for an amount not to exceed \$350,000, or 50 percent of actual, reasonable and eligible project cost, whichever was less. The Grantee was to pay, or cause to be paid, the non-federal share of \$200,000 in cash, contributed services, or in-kind contributions, as approved by ARC. Other federal funds in the amount of \$150,000 were to be provided by the Economic Development Administration (EDA). ARC made four progress payments to the Grantee totaling \$315,000 and a final payment of \$35,000 upon completion of the project in December 1996.

The overall objective of the project was to prepare a long-range land use plan for 17,000 acres of mined lands in the Wilkes Barre area of Luzerne County, in Appalachian Pennsylvania. The land was previously owned by the Blue Coal Corporation and was acquired through the federal bankruptcy court. The acreage is located in non-contiguous lots south, west and southwest of Wilkes-Barre city. The land use plan is needed to assure proper and agreeable use for

commercial, industrial, residential, recreational and other uses consistent with existing land uses in the 20 affected municipalities. The specific tasks of the grant project were to:

- Prepare a comprehensive plan to be implemented by the Earth Conservancy and others over the next 25 years. The plan should specify what will be accomplished in the first five years, should outline in less detail the work of the second five years, and should describe in general the staged continuation of the plan through the year 2020.
- Prepare cost estimates (in 1995 dollars) for the implementation of each item recommended in the plan.
- Locate a new transportation corridor that will eventually result in a highway connecting Mocanaqua and the new bridge across the Susquehanna River with Route PA 29 and I-81, performing the work in accordance with the procedures of the Pennsylvania Department of Transportation.
- Provide an environmental overview for the transportation corridor to identify wetlands, wildlife habitats, flood plains, and other sensitive areas, performing the work in accordance with the procedures of the Pennsylvania Department of Transportation.
- Provide an environmental overview of the remainder of the Earth Conservancy land. Identify land parcels where significant environmental damage has occurred.
- Provide an economic analysis of the Greater Wilkes-Barre region and predict demographic changes within the Earth Conservancy area during each of the subsequent 5 year periods.
- Consider all land use possibilities in order to achieve the best use of the land and the highest quality community design. The plan will include, but not be limited to, the consultant's recommendation for:
  - Land reclamation and rehabilitation;
  - A transportation network, in addition to the major highway corridor;
  - Infrastructure development - gas, water, electric, telephone, cable TV, sanitation;
  - The location mix and density of residential housing to provide for a variety of family compositions, ages and income levels;
  - The location of schools and educational facilities;
  - Parks, recreation areas, open spaces network;
  - The riverfront, wetlands, flood plains, and streams;
  - Large industrial locations;
  - Business and industrial areas;
  - Mixed-use and commercial locations; and,

- Other land uses believed by the consultant to be needed or appropriate.
- Coordinate the plan with Luzerne County Long Range 2020 Plan and other current activities of Luzerne County and the affected municipalities that would impact the plan.
- Where feasible, coordinate the plan with the plan of Delaware and Lehigh Canal Heritage Corridor/State Heritage Park.
- Conform the plan to the Pennsylvania Municipalities Planning Code.
- Recommend appropriate changes in existing zoning and ordinances to promote planning objectives.
- Identify land parcels that do not fit into the plan and that could be disposed of; identify land parcels that should be purchased in order to properly implement the plan.
- Coordinate the plan with the Earth Conservancy funded research contracts now underway at Wilkes University and King's College. Consider the use of methods that may result from that research in recommendations for land reclamation and for mine acid water treatment.
- Provide a process to keep the Earth Conservancy, Land Use Planning Committee, and the many interested and affected organizations and municipalities, informed of the periodic progress of the work.
- Integrate the plan with the ongoing and the planned land reclamation projects of the State Department of Environmental Resources and the Earth Conservancy.
- Describe a process, after the plan is accepted, for a periodic review of the plan that will allow modifications where necessary, and make it possible for the plan to be a working document capable of guiding the development of the Earth Conservancy land for the next 25 years.
- Submit a completion schedule for the various elements of the plan and a time-line diagram containing milestones for all the activities. Schedule the work so that it can be completed within no more than twelve months.

**SCOPE:** We performed a financial and compliance program review as described in the Purpose, above. Our review was based on the terms of the grant agreement and on the application of certain agreed-upon procedures previously discussed with the ARC OIG. Specifically, we determined if the tasks listed above had been performed, if the accountability over ARC funds was sufficient as required by the applicable Office of Management and Budget (OMB) Circulars,

and if the Grantee had complied with the requirements of the grant agreement. In addition, we discussed the program objectives and performance with the Grantee's personnel. Our results and recommendations are based on those procedures.

**RESULTS:** The following results were based on our review performed at Earth Conservancy's offices in Ashley, Pennsylvania on April 7 and 8, 1997.

**A. Incurred Costs**

The Grantee reported total project costs of \$767,790, of which they claimed direct and indirect reimbursable costs from October 1, 1995 through December 31, 1996, of \$350,000, in-kind costs of \$67,790, EDA funding of \$150,000, and local funding of \$200,000. We reviewed all of the costs incurred for the project, regardless of funding source, and determined that the funds had been expended as reported by the Grantee. Incurred costs are discussed briefly below, for informative purposes.

The Grantee incurred costs for the consultant, EDAW, Inc., to prepare the land use plan, all cost estimates, the implementation plans, and all necessary land use maps. The consultant conducted the work in accordance with a fixed price contract. The contract was procured competitively and totaled \$599,123. The Grantee also incurred \$500 for audit costs associated with the inclusion of this project in the audit prepared in accordance with the Single Audit requirements.

The Grantee reported total in-kind costs, including those funded by local sources, of \$168,167. However, the Grantee's accounting records supported \$169,881, or an additional \$1,714 not reported to ARC. The in-kind costs consisted of the EDAW Summer Student Program, which focused on development aspects of the Grantee's land holdings and provided two plans to augment EDAW's contracted work on the overall Land Use Plan: an Open Space Plan for the South Wyoming Valley land area and a Development Plan for parcels within the Route 29 area. The program was organized and conducted at EDAW's expenses as a community or client service. The remaining in-kind costs were for time and travel to attend meetings of the Land Use Committee and for time spent directly by the Grantee's staff on the project. All in-kind costs were supported.

The in-kind costs for attendance at the Committee meetings was valued at \$50 per hour. We reviewed the list of Committee members and determined the hourly rate was reasonable, however, we recommended that the Grantee request approval from ARC for all proposed in-kind rates to be used in the future.

**B. Internal Controls and Program Results**

We determined that the Grantee's internal control policies and procedures for assuring the grant costs were properly accumulated, supported and reported were adequate. We determined that all of the goals and specific tasks of the grant had been completed within the grant period. We also determined that the Grantee had complied with all grant conditions.

DISCUSSION:

We discussed these issues with the Grantee's management during an exit conference held on April 8, 1997. Management concurred with the results of our review.



TICHENOR & ASSOCIATES  
Woodbridge, Virginia