

STATED MEETING - CITY COUNCIL – AUGUST 23, 2016

A meeting of the Lancaster City Council was held on Tuesday, August 23, 2016 in Council Chambers, 120 North Duke Street, (Rear Annex) Lancaster, PA, at 7:30 p.m., with President Graupera presiding.

The Council led the assembly in the Pledge of Allegiance.

Present – Mr. Reichenbach, Mr. Roschel, Ms. Sorace, Mr. Soto and Ms. Wilson and President Graupera – 6

Excused – Ms. Williams - 1

The minutes of the meeting of Council for August 9, 2016 were approved by a roll-call vote. Ms. Sorace abstained.

PUBLIC COMMENT

Arthur E. Morris, 434 West Chestnut Street, addressed the financing of the planned expansion of the Lancaster Marriott at Penn Square Hotel. Mr. Morris, the former chairman of the Lancaster County Convention Center Authority, said that Lancaster City took great financial risk with the financing of the original hotel and convention center. With the agreement with the Redevelopment Authority of the City of Lancaster, there are no real estate taxes paid on the hotel and center. He noted that the ballroom on the third floor of the center was built with taxpayer money – likely costing \$5 million-\$6 million – but rented to the hotel operators, Penn Square Partners, for \$1 annually. If the hotel and center ever became taxable – as the result of a legal challenge – the City has guaranteed to pay those taxes as part of the original agreement.

Now, the Penn Square Partners and Redevelopment Authority are asking to extend those same guarantees to the planned expansion tower by amending the existing agreements. The project cost for the expansion is estimated to be \$34 million-\$36 million, with \$30 million funding construction of the new tower and the remainder paying for renovations to the existing facility. The CRIZ Authority has approved a \$5.7 million grant for the project.

As part of the amended agreements, Penn Square Partners would increase its In-Lieu-Of-Taxes payment to the City by \$150,000 annually, for a total of \$350,000. Mr. Morris provided Council members with a spreadsheet showing the annual tax-avoidance for the expanded Marriott totaled more than \$2.8 million. Of that amount, \$883,000 would be due to the City if the project were taxable.

At a time when the mayor has convened a poverty commission and the City and School District are scrambling for all available dollars, Mr. Morris contended the City can do better than an additional \$150,000 from the expansion deal.

A November 1 ground-breaking for the project is planned, which Mr. Morris contended is fast-tracking the project. It assumes quick approvals from the Planning Commission and City Council. He asked that Council go slowly and carefully and seek public input.

INTERIM REPORTS OF COMMITTEES OF COUNCIL

ECONOMIC DEVELOPMENT & NEIGHBORHOOD REVITALIZATION COMMITTEE – Mr. Reichenbach reported that the City Revitalization and Improvement Zone Authority meeting for the month of August was cancelled due to a lack of business.

PERSONNEL COMMITTEE – Ms. Wilson reported that Mayor Gray had nominated members of the Sewer Appeals Board for reappointment.

Ms. Wilson made a motion to reappoint Daniel J. Becker, Mike Davis and Lois Dostalick for reappointment to terms beginning September 12, 2016 and continuing until September 12, 2021.

Mr. Soto seconded the motion. The motion was approved by a unanimous roll-call vote of Council members.

LEGISLATIVE AGENDA

City Council considered the following applications and recommendations from the Historical Commission for improvements to properties within the Heritage Conservation District:

1. Lancaster Country Day School, owner of 720 North President Avenue, proposes demolition of a one-story dwelling at the corner of West Clay Street.
2. Rachel Adams, owner of 201 West Walnut Street, proposes the enlargement of a deck on the building's north elevation.

(Both applications were recommended for approval by the Historical Commission.)

Ms. Wilson made a motion to accept the Historical Commission recommendations. Mr. Soto seconded the motion.

Council approved the recommendations by a unanimous roll-call vote.

ORDINANCES FOR FINAL PASSAGE

Administration Bill No. 9-2016, (the title) was read by the City Clerk as follows:

An ordinance of the Council of the City of Lancaster, Lancaster County, Pennsylvania, creating the City of Lancaster Land Bank Authority; outlining legislative findings; defining terms; authorizing and establishing the City of Lancaster Land Bank Authority; outlining powers regarding acquisition, maintenance and management of real property under the City of Lancaster Land Bank Authority; outlining disposition of property by the Land Bank; establishing pricing, proving authorization for discharge and abatement of real estate property taxes and other municipal claims by the City of Lancaster Land Bank Authority; establishing other requirements for operations of the City of Lancaster Land Bank; outlining governance of the Land Bank including board of directors, officers, vacancies, meetings and powers; establishing Land Bank staff; providing indemnification to the Land Bank; proving for taxing jurisdictions to participate in the City of Lancaster Land Bank Authority pursuant to inter-governmental cooperation agreements, providing general provisions relating to the operation of the Land Bank including third party beneficiaries and immunity; authorizing and directing the mayor to

effectuate the provisions of this ordinance; providing for the repeal of inconsistent ordinances; providing for the severability of the ordinance; and providing that the ordinance shall take effect in accordance with Pennsylvania law.

Mr. Reichenbach made a motion to approve Administration Bill No. 9-2016. Mr. Soto seconded the motion.

Mr. Reichenbach noted the bill had been discussed at the previous Council meeting. He reiterated that a Land Bank Authority will not have the authority to take property through eminent domain. Secondly, he said the seven-member board of the Land Bank Authority will be comprised of the five members of the Redevelopment Authority and two members appointed by City Council. Those members must be City residents. Reading from the bill, he said at least one of the appointees must not be a public official or municipal employee and “shall maintain a membership with a recognized civic organization in Lancaster City.”

Mr. Reichenbach said the wording was vague, but said the intent of the language is to have representation on the board from someone involved in a non-profit organization concerned with housing issues. That person should be able to provide leadership and insight to the Authority board about areas of the City on which the Land Bank should focus its attention.

He noted that he has spoken to real estate agents who are excited that the City is moving forward with this tool for redevelopment.

Ms. Sorace commented that the Land Bank Authority was a priority of the “Building on Strength” economic development plan. She said it was great to see the initiative coming to fruition so quickly.

Council approved Administration Bill No. 9-2016 by a unanimous roll-call vote. It will hereafter be known as Administration Ordinance No. 10-2016.

PUBLIC COMMENT

Arthur Morris, 434 West Chestnut Street, provided Council members with copies of his remarks to the Redevelopment Authority of the City of Lancaster, made at the Authority’s August 16, 2016 meeting.

Mr. Morris maintained the Redevelopment Authority’s proposal to demolish three rowhomes to create a park will cost \$450,000. That money can be better spent on redevelopment projects in poorer areas of the City, he believes.

Mr. Morris said the City has already extended itself on behalf of the Lancaster Press building developers. The City, through the Redevelopment Authority, built the Market Street parking garage for the benefit of the Press building project.

As with the Marriott expansion, the pocket park is an example of powerful business interests winning, at the expense of everyone else, he said.

COUNCIL COMMENTS

Mr. Reichenbach thanked everyone involved in the back-to-school backpack give-away at the Lancaster Rec Commission on Saturday. He praised the Franklin & Marshall College

athletes and municipal union members who volunteered to help with the effort. There were more than 1,600 backpacks filled with school supplies and given to children.

He praised the effort by the Rec Commission and other groups who helped prepare children to return to class.

President Graupera adjourned the meeting at 7:55 p.m.

John E. Graupera, President

Attest:

Bernard W. Harris Jr., City Clerk