

STATED MEETING - CITY COUNCIL – OCTOBER 11, 2016

A meeting of the Lancaster City Council was held on Tuesday, October 11, 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. Roschel, Ms. Sorace, Mr. Soto, Ms. Williams, Ms. Wilson and President Graupera – 6

Excused – Mr. Reichenbach - 1

The minutes of the meeting of Council for September 27, 2016 were approved by a roll-call vote. Mr. Soto abstained.

REPORTS REQUESTED BY COUNCIL

Southwest Lancaster Revitalization Strategy:

Ray D'Agostino, chief executive officer of the Lancaster Housing Opportunity Partnership, and Jim Shultz, program director of LHOP, briefed Council members and the public on the development and recommendations of the Southwest Lancaster Revitalization Strategy. The plan was formulated over 14 months with extensive public input.

A 25-member steering committee for the plan was composed of residents and non-resident neighborhood stakeholders. Six task forces were formed. Those task forces developed strategies to address community concerns, as found by a survey of 300 neighborhood households. Those task forces and the plan focuses are: Neighborhood Connections, Housing, Open Space/Public Realm, Community Safety, Education and Economic Opportunity. Mr. D'Agostino and Mr. Shultz described highlights of those focus strategies.

Mr. Shultz said LHOP will be applying for \$1.25 million in grants from the Wells Fargo Foundation to implement the strategies in the plan. That funding will come over five years. LHOP has made a commitment to be involved in the southwest, even if the Wells Fargo funds are not granted, he said. LHOP will open an office in the neighborhood.

A new group, the 22-person Southwest Neighborhood Leadership Board has been formed as an outgrowth of the planning effort. The Leadership Board will help lead the subsequent redevelopment effort.

Ms. Sorace made a motion to advance Council Resolution No. 43-2016, which was slated to be addressed later on this evening's agenda. The motion was seconded by Mr. Soto and approved by a roll-call vote of Council members.

Council Resolution No. 43-2016, (the title) was read by the City Clerk as follows:

A resolution of the Council of the City of Lancaster endorsing the Southwest Lancaster Neighborhood Revitalization Strategy, developed by residents through a process led by the Lancaster Housing Opportunity Partnership, and supports the implementation of the strategy.

Mr. Roschel made a motion to approve the resolution. Mr. Soto seconded the motion.

Todd Spidle, a Lancaster Township resident who grew up in the Cabbage Hill neighborhood, said it has been very difficult to see the decline of the neighborhood. He said an effort was made to establish a neighborhood group and revitalize the area about 10 years ago. Those efforts failed. He applauded the efforts of the current group.

Kate Lutz, also a Lancaster Township resident, said he had relatives in Cabbage Hill. She said he attended the meeting to hear the discussion on the Marriott expansion project. She believes that the revitalization of the neighborhood was more deserving of the City's support than the hotel expansion.

City Council approved Council Resolution No. 43-2016 by a unanimous roll-call vote.

PUBLIC HEARING – Redevelopment proposal for 14, 16, and 18 East King Street for the expansion of the Lancaster Marriott at Penn Square hotel.

City Economic Development & Neighborhood Revitalization Director Randy Patterson explained the redevelopment proposal for the hotel expansion has been reviewed by the Planning Commission, which recommended City Council approval. The redevelopment proposal was submitted by the City Redevelopment Authority and developer Penn Square Partners. That proposal was provided to City Council several months ago.

Tom Smithgall, senior vice president of High Associates, representing Penn Square Partners, said the proposed 12-story hotel addition is an 87,000-square-foot, 110-room hotel tower, which will be constructed adjacent to and connected with the existing hotel tower. With approval, project construction will begin this fall and is slated for completion in early 2018. The budget for the project is \$29 million-\$30 million.

Since the existing hotel was open in 2009, nearly 1 million new visitors have come to Lancaster City, Mr. Smithgall said. The hotel and attached Lancaster County Convention Center opened at the beginning of the recession, but have performed well since that time. In May 2012, Wells Fargo bank commissioned a study of the convention center. That study found that 500 convention-quality hotel rooms within walking distance of the center are needed in order to attract larger, multi-day conventions and conferences with attendance of 300-500 people. With the opening of the proposed tower, along with those in the existing Marriott and Hotel Lancaster, there will be 550 rooms within walking distance. With that number, the convention center's share of larger conventions is expected to increase from 25 percent of the market to 50 percent. Last year's Building on Strength economic development plan also called for the creation of 300 new hotel rooms downtown. Construction of the new tower is expected to provide employment to 100-200 workers. Following completion, the expanded hotel will provide employment for 61 additional people.

Paul Lundeen, bond counsel for the Redevelopment Authority, said this public hearing had been advertised in LNP on September 16, 23 and 30, 2016. The proposed redevelopment ordinance was advertised in LNP on September 20, 2016. Mr. Lundeen said the Redevelopment Authority will acquire the three properties at 14, 16 and 18 East King Street and will contract for the demolition of the existing buildings and contract for the construction of the new tower described by Mr. Smithgall. That hotel will be owned by the City of Lancaster as part of its hotel condominium unit,

along with the existing hotel. The addition of the new tower and alteration of existing spaces to accommodate the addition of the new tower require amendment of the condominium agreement with the City, the Redevelopment Authority and the Lancaster County Convention Center Authority. Penn Square Partners is the operator of the existing hotel and will continue as the operator of the expanded hotel under an amended lease agreement. The redevelopment proposal before Council also includes the amendments to the existing agreements and agreement to the financing of the expanded hotel. Approval of the redevelopment proposal by City Council authorizes the City Redevelopment Authority to execute those agreements.

Mr. Patterson said the financing for the \$30 million project is broken into two financing mechanisms. The first is primarily for acquisition of the site, some fees and some furniture, fixtures and equipment costs. That is being financed through the City Revitalization & Improvement Zone program. The debt service on that financing will be paid by taxes generated by the project and returned from the state. The second part is a bond issue which will pay for construction and other costs associated with the project. That bond will be issued by the Redevelopment Authority but will be repaid by Penn Square Partners. The City and Redevelopment Authority are not guaranteeing that bond and assumes no risk. Penn Square Partners assumes the risk if there is a shortfall in revenue necessary to repay the debt.

Mr. Patterson showed spreadsheets in which the payment in lieu of taxes for the existing tower totaled \$200,000 annually through 2029. Those payments total \$2.4 million. Once Penn Square Partners reaches a 12 percent cumulative return on their investment, they will begin to share their return with the Redevelopment Authority. That participation rent is expected to begin in 2023 and is anticipated to total \$5.9 million by 2029. It is projected that the current tower will pay \$8.34 million by 2029 to the City through the Redevelopment Authority.

With the addition of the new tower, there will be an additional \$150,000 annual PILOT payment and the combined PILOT total \$350,000 will be increased by 3 percent annually. Through 2029, those payments will total \$5.6 million.

Were this project treated as a private, taxable development, it would be entitled to receive a tax abatement under the City's LERTA program. That allows taxes to be abated on a graduated scale over seven years. Mr. Patterson said he valued the proposed tower at \$10.5 million in tax assessed value based on the valuation of other recently constructed projects. He also showed figures based on assessed values of \$14 million and \$18 million. By the end of the seven-year program, in 2026, the proposed project would pay \$1.97 million in all property taxes if it was valued at \$10.5 million for tax purposes. If valued at \$14 million, the project would pay \$2.584 million. If valued at \$18 million, the project would pay \$3.285 million in property taxes.

Mr. Patterson then compared the PILOT payments under a non-taxable development plan and payments under a taxable plan with a LERTA tax abatement. The total of the PILOT payments, along with the participation rent paid in 2023-2029, was \$14.097 million. The taxable project with a LERTA benefit and participation rent would pay \$3.468 million on a building valued at \$10.5 million; \$4.5 million if valued at \$14 million; and \$5.8 million on a building valued at \$18 million. Mr. Patterson's totals are based on the current tax rate without an increase and he cautioned that the participation rent is not guaranteed.

Based on those numbers, Mr. Patterson contended the negotiated PILOT agreement for the new tower will provide more money to the City than if the hotel project were taxable.

Mayor Gray said he has discussed with the superintendent of the School District of Lancaster the prospect of splitting the participation rent from the project with the school district.

Arthur Morris, 434 West Chestnut Street, took issue with the assessed value placed on the proposed Marriott expansion by Mr. Patterson. Mr. Morris said the existing hotel was built for \$45 million and assessed for \$45 million. He said that is the example to use. He contended that \$17 million to \$18 million assessed value on \$19 million of construction is a reasonable expectation. With the \$1 million set aside for contingency, he said the construction cost will likely be \$20 million.

Further, he said LERTA wasn't an issue. This project as proposed does not have a LERTA tax abatement. At issue is the participation rent of \$8.34 million, which he said is not guaranteed. They said there would be a sharing of profit on the existing tower. That opened in 2009 and there has been no profit sharing.

With a LERTA abatement on a taxable tower, the City would receive \$5.8 million. With the \$150,000 PILOT payment on a new tower, the City will receive \$2.4 million. The only way the City receives more with the PILOT is with the participation rent, which is not guaranteed.

He contended that this deal is special treatment for these two towers. Together, under this proposed deal, they will receive \$62 million in tax forgiveness. The PILOT will bring in \$7 million, so the total net forgiveness is \$55 million, he said. He said the project is getting \$5.7 million from the CRIZ and if they are getting CRIZ money they should not also be getting tax breaks, but here they are getting both.

He contended that the proposal for the new tower is not a good deal for the City and its taxpayers. Removing the unguaranteed participation rent, he said the City will receive \$8.6 million under the PILOT proposal. Yet, the taxing bodies are losing \$11.4 million. That includes \$7.6 million to the School District, \$1.7 million to the City and \$1 million to the County.

Further, he stated that if Penn Square Partners does not exercise its option to buy the hotel in 2029, the City Redevelopment Authority and the City's taxpayers are liable for the \$11.2 million outstanding debt on the hotel.

He added that the Downtown Investment District has not gotten a penny from this project. By the time the second project is done, the DID will have lost \$2.5 million which it could have received if the project was taxable, he contended.

He asked Council to table its decision on the project for 30 days to allow time for complete disclosure of the financing of the proposal.

Steve Sikking, of Mountville, who works at the Eden Resort and owner and operator of the Fulton Steamboat hotel, contended the Marriott hotel and convention center were built for the revitalization of downtown. Additionally, it was built for increased spending and visitation by visitors to the center. In addition to staying in the Marriott, visitors were to be spread out to area hotels. He said it has not benefitted other hotels. With an increase in large conventions, he predicted other hotels will still not receive additional visitors. Hoteliers charge their guests a tax to benefit the convention center and yet receive no benefit for that, he said.

Tony Dastra, 113 North Plum Street, said he was conflicted about the proposal. He said Mr. Morris presents a valid argument. He said if the inflation rate exceeds 3 percent, than the City loses

money on this deal. He called for the annual increases to be pegged to the national rate of inflation. He also called Council action to be delayed by 30 days.

Ms. Sorace asked whether the Redevelopment Authority had always projected that it would receive participation rent payments on the existing tower in 2023. Mark Fitzgerald, chief operating officer of Penn Square Partners, responded that the participation rent is slated to be paid once Penn Square Partners receives a 12 percent return on its equity investment. Due to cost overruns on project construction, that required additional investment. Further, the payback was longer because the project opened in the midst of the “great recession.” As a result, the participation rent payments were pushed out.

He maintained the 20-year financing for the proposed expansion could have had a shorter payback period, but that would have reduced the partners’ cash flow and made it less likely the Redevelopment Authority would have received payments in the short term. Further, he addressed Mr. Morris’ statement that the Redevelopment Authority could be liable for the outstanding debt in 2029. He said the agreements place no risk on the Authority or taxpayers.

Additionally, he said the anticipated tax assessment for the original hotel was \$21 million, based on other full-service hotels in Lancaster County, rather than the \$45 million which Mr. Morris claimed. At that time, a full-service hotel room was valued for tax purposes at \$55,000. Based on the number of rooms in the existing tower, that totaled \$15 million. He called the \$45 million claim a gross overstatement of the assessed value.

Randy Harris, 314 West Chestnut Street, commented on the historic buildings which are slated for demolition for to allow construction of the new tower. He stated the City and the community need to do a better job protecting its historic resources. When buildings cannot be saved, he said there should be some compensation to the community for their loss. These three buildings contribute to the historic district. He cited the example of the developer of the Belmont project in Manheim Township, who is making a significant contribution to preserving historic resources. In that case, the farm was recognized as historically significant and the developer provided a “give-back” that allowed the project to proceed. High Real Estate will do a similar give-back with development of The Crossings, near Long’s Park.

He called for a meaningful mitigation for the loss of these historic properties in the City.

Shawn House, of Columbia, a candidate for the 16th Congressional District, stated he was concerned when government is picking winners and losers. He agreed with Mr. Morris that a 30-day delay would allow time for more public input.

Todd Spidle, of Lancaster Township, asked whether the tables showing the projected growth in the participation rent and PILOT payments would be made publically available. He was told that they would.

Mr. Morris responded to Mr. Fitzgerald’s comment by saying he has a document which showed the Redevelopment Authority will be responsible for the \$11.2 million debt of the hotel. Further, he asserted that the taxable value of existing is hotel is \$45 million and the value of the proposed tower will be \$18 million.

Patrick Hopkins, City director of Administrative Services, said he had written the document to which Mr. Morris referred. It states that \$11.2 million would still be owed in 2029, but it would

be owed on a building worth \$33 million. That's why it is anticipated that Penn Square Partners will exercise their option to purchase the property. They would owe far less than the building will be worth.

President Graupera then closed the public hearing.

REPORTS OF COUNCIL COMMITTEES

PUBLIC SAFETY COMMITTEE – No report.

PUBLIC WORKS COMMITTEE – Mr. Roschel said his committee had one item on the agenda at the October 3 meeting. Resolution No. 45-2016 was discussed. It is on the agenda for action later this evening.

ECONOMIC DEVELOPMENT & NEIGHBORHOOD REVITALIZATION COMMITTEE – Ms. Sorace, on Mr. Reichenbach's behalf, said there was no report of the committee.

However, she made a motion to add Resolution No. 46-2016 to the agenda. That resolution would approve an agreement between the City and Redevelopment Authority for PILOT payments related to the Marriott expansion.

Mr. Soto seconded the motion.

Ms. Wilson asked if there was any reason not to table Bill No. 10-2016 for the requested 30 days.

Mr. Fitzgerald responded the project has been in the planning stages for more than two years. A franchise agreement was negotiated with Marriott, which requires the project to break ground and be completed within a certain time period. Additionally, there is risk based on construction costs. A budget has been developed for construction costs. Those costs could rise if it is delayed. And, the sooner the additional rooms are constructed, the sooner they will benefit the convention center authority and the ability to attract larger conventions.

Mr. Patterson said the CRIZ Authority approval is contingent on the PILOT agreement and the redevelopment proposal being approved by City Council. Council approval is needed before an application is submitted to the state that will authorize the CRIZ financing. State review of that application will take 30 days or longer, thereby further delaying the project.

Council approved placing Resolution No. 46-2016 on the agenda by a unanimous roll-call vote.

FINANCE COMMITTEE – Ms. Sorace said her committee reviewed several items at its meeting October 3 which will appear later on the agenda.

She called for a motion to approve a quarterly legislative budget transfers for worker's compensation costs. Those two transfers totaled \$19,346.69.

Mr. Roschel made the motion to approve the transfers. Ms. Wilson seconded the motion and it was approved by a unanimous roll-call vote of Council.

COMMUNITY DEVELOPMENT & PLANNING COMMITTEE – Mr. Soto said his committee met on October 3 and discussed Resolution No. 43-2016 and the Southwest Lancaster Neighborhood Revitalization Strategy. Mr. Soto voiced his support for the plan.

PERSONNEL COMMITTEE – Ms. Wilson said the mayor has recommended the appointment of Stephen C. Lee to the Sewer Appeals Board, for a term from September 12, 2016 to September 12, 2021.

Ms. Wilson made a motion to approve the Mr. Lee’s nomination. Mr. Soto seconded the motion.

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

LEGISLATIVE AGENDA

ORDINANCES FOR FINAL PASSAGE

Administration Bill No. 10-2016, (the title) was read by the City Clerk as follows:

An ordinance of the Council of the City of Lancaster, Lancaster County, Pennsylvania, approving a redevelopment proposal submitted for approval by the Redevelopment Authority of the City of Lancaster in connection with the proposed redevelopment of properties located at or near the southwest corner of East King Street and South Christian Street and known and numbered as 14, 16 and 18 East King Street; setting forth related matters; and repealing all ordinances or parts of ordinances insofar as the same are inconsistent with this ordinance.

Mr. Roschel made a motion to approve the ordinance. Ms. Sorace seconded the motion.

Ms. Sorace said there have been calls to delay passage of this bill for 30 days. She said it was not her intent to do so. City Council has been considering this action since February, when the demolition of the three existing buildings on the site was brought before them as a Historical Commission recommendation for approval. It has also been reviewed and recommended for approval by the Planning Commission. There have been questions about the payments in lieu of taxes, but Ms. Sorace said she felt those have been appropriately answered.

Ms. Sorace thanked Mr. Morris for drawing attention to issues regarding financing of the project. Those have now received significant attention. A resolution formalizing the PILOT arrangement will also be weighed this evening. Ms. Sorace said she was clear about the guaranteed payments in contrast to the unguaranteed payments. She stated that she is eagerly anticipating a forthcoming economic impact study of the effect of the hotel and convention center. She noted that this is not the case of a business coming to the City and asking for a tax break that could then leave. This is a physical structure and a long-term commitment to the City. For those reasons, she said she would be voting in favor of the bill.

Ms. Wilson thanked Mr. Harris for bringing up the historical aspects of the buildings which are being lost as part of this project. She hopes that in the future, historical aspects will be given more consideration when redevelopment projects are brought forward.

Mayor Gray noted that this project was discussed in an extensive committee meeting. Further, he cited the calculations which have been done by Mr. Patterson supporting the PILOT

payments for the project. Yet, he said, the figures don't mean anything compared to the development which has occurred in downtown in recent years. Several business would not have opened without the convention center and hotel, he contended. The effect of that project has been incredible. Several people at the recent Municipal League meeting told him that they have been to Lancaster County, but had never been to the City. Several told him they would return with their spouse. That would not be happening without the convention center. While he doesn't like giving up tax money, he does not believe the City is giving up much in return for all it is getting.

President Graupera said that no one would have thought in the late 1990s and in the following 10 years of controversy about the construction of the hotel and convention center that Council would be sitting here now talking about an expansion of the project. That's how far we have come and shows what the hotel and convention center has done. He agreed that he does not believe the downtown would look as it does now if the hotel and center had not opened. He said the City took a chance – despite dire predictions – but it was a good investment and now the project is expanding. He said he sees good things coming from this also.

Steve Murray, former owner of Zap & Company, thanked Art Morris for his efforts as a concerned citizen of the community. Mr. Morris was a McCaskey High School track star, later City Public Works director, and then mayor. Mr. Morris, then working in Washington, D.C., aided Mr. Murray in the 1990s in his efforts to block a plan that would have redeveloped the Watt & Shand department store as a City campus for Harrisburg Area Community College. Mr. Morris turned the tide against that proposal.

Mr. Murray said he was surprised to hear that the hotel is not paying taxes to the Downtown Investment District. He sat through many meetings in the early 2000s to learn details of the hotel/center project. At that time, he was assured it would contribute to the DID. Mr. Murray said he helped found the DID and believes it has contributed greatly to the downtown's resurgence. He asked why he was promised that the hotel and center would contribute?

Mayor Gray responded that he believes the contribution for the DID is coming to the City in the \$200,000 annual PILOT payment being made by the hotel. Half of that money is being directed to downtown improvement, such as police for special events.

Mr. Morris said he wanted to clarify some points. He acknowledged that the hotel and convention center has been a benefit. He well knows; having been the chairman of the Lancaster County Convention Center Authority and its unpaid director for nearly a year. Despite the controversy, the hotel and center have been successful. He is not opposed to the current project, but he stated it is an add-on to a successful project and should therefore be less risky.

He said project developers had waited six months to get CRIZ approval. Now, Council members are unwilling to wait 30 days for additional public input.

He said Council members were yielding to powerful people – Lancaster Newspapers and High Industries. No one else gets this kind of special treatment.

Mayor Gray countered that because Mr. Morris had not been at all the meetings, he had no right to complain about a lack of transparency or openness. Further, to claim this was being done to benefit High and Lancaster Newspapers is to impugn the motives of everyone here, and the mayor said he hopes Mr. Morris understands that.

Mr. Morris replied that he understands that High and Lancaster Newspapers are powerful people and people make mistakes. He was at the meeting four weeks ago when he discussed this with Council.

Mayor Gray responded that he was impugning the motives of everyone on Council. Mr. Morris said the mayor was attacking him as Donald Trump would do in that situation.

Tony Dastra, 113 North Plum Street, said it has been very difficult to find information on this project. He again asked for a 30-day tabling of action on the bill. He compared this project to Lancaster Square and the wholesale demolition that was done there in the late 1960s, and called for further consideration.

Ms. Sorace said that in the future, Mr. Dastra can contact City Council members to seek additional information on issues which come before them.

Joey Dastra, of New Holland Avenue, noted the lack of representation of younger people in the room. He also called for a 30-day delay for additional public input.

City Council approved Administration Bill No. 10-2016 by a unanimous roll-call vote. It will hereafter be known as Administrative Ordinance No. 11-2016.

ORDINANCES FOR FIRST READING

Administration Bill No. 11-2016, (the title) was read by the City Clerk as follows:

An ordinance of the Council of the City of Lancaster, Lancaster County, Pennsylvania, amending the Code of the City of Lancaster, Lancaster County, Pennsylvania, Chapter 285 to designate the Parking Authority of the City of Lancaster and its employees and designees as parking enforcement officers and to increase the fines for Overtime Parking – No Meter, No Parking – Loading Zone, Meter Violation, and Street Cleaning; 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.

Ms. Sorace said this is the first reading of this bill. It will not be voted on this evening.

She said that for several months, Council has discussed plans for the Parking Authority to take over parking enforcement in the City. The authority is slated to do so on January 1, 2017. This ordinance puts in effect an agreement for the authority to assume parking enforcement responsibility and gives the authority the legal power to do so.

Council members feel this is a step forward for citywide uniform parking enforcement, particularly in areas of the City with parking permits. Now, parking enforcement staff are pulled from their parking duties to other needed assignments. Also, it will provide a central agency for all parking issues. Those are now divided between the City police and the Parking Authority. This move is intended to improve customer service and operational efficiency.

The second part of the ordinance would increase fines for four common violations, which have not been increased for several years. The increases are modest and are intended to encourage compliance with the law.

Administration Bill No. 12-2016, (the title) was read by the City Clerk as follows:

An ordinance approving a project being undertaken by the Parking Authority of the City of Lancaster (the “Authority”) consisting of the advance refunding of the Authority’s outstanding federally-taxable guaranteed Parking Revenue Bonds, Series B of 2007; describing the projects for which such prior bonds were issued, ratifying and confirming the estimated useful life thereof and setting forth the estimated completion date for the project; authorizing the incurrence of lease rental debt by the City evidenced by the guaranty agreement, as such phrase is defined herein, in connection with the guaranteed parking revenue bonds being issued by the Authority; authorizing officers of the City to prepare and certify a debt statement and borrowing base certificate and directing filing of such statement and borrowing base certificate, together with a certified copy of this ordinance and proofs of publication, with the Pennsylvania Department of Community and Economic Development and to pay any necessary filing fees; approving the form of guaranty agreement among the City, the Authority and the trustee and authorizing and directing the execution and delivery thereof; stating the annual amounts of principal and interest to be paid under the guaranty agreement, covenanting the payment thereof and pledging the full faith, credit and taxing power of the City therefor; authorizing and directing the preparation of a self-liquidating debt report and the filing thereof and the preparation and filing of any other statements and reports required to qualify the lease rental debt incurred hereby or any portion thereof for exclusion from the appropriate debt limit of the City as self-liquidating; approving the form of reimbursement agreement between the City and the Authority and authorizing and directing the execution and delivery thereof; authorizing the officials of the City to take other appropriate action; and repealing all ordinances inconsistent herewith; and stating the effective date.

Ms. Sorace said the refinancing of 2007 bonds by the Lancaster Parking Authority will allow for savings of \$943,000 over the life of the new bonds. While the City will continue to guarantee the Parking Authority debt, the City’s risk exposure is reduced by \$10 million by this transaction. This is self-liquidating debt, which will be repaid through garage fees and meter fines. This refinancing is taking advantage of current low interest rates to realize debt service savings.

Administration Bill No. 13-2016, (the title) was read by the City Clerk as follows:

An ordinance authorizing the incurrence of non-electoral debt of the City of Lancaster, Lancaster County, Pennsylvania, by the issuance of \$_____ principal amount of General Obligation Bonds, Series A of 2016; issued for the purpose of providing funds for the acquisition, construction, equipping and furnishing of various City facilities and infrastructure, paying capitalized interest on the bonds and paying the costs of issuing and insuring the bonds; determining to sell the series a of 2016A bonds (the “2016A bonds”) at a private sale by invitation; approving the form of the 2016A bonds; fixing the number, date, interest rates and maturities of the 2016A bonds; making a covenant for the payment of the debt service on the 2016A bonds; pledging the full faith, credit and taxing power of this City in support of such bonds; providing for the filing of required documents; providing for the appointment of a sinking fund depository for the 2016A bonds; and authorizing execution, sale and delivery thereof, and other necessary action.

Ms. Sorace said the bond issue will fund five projects. The primary purpose is to fund construction of a new Operations Center for the Public Works department. Three facilities will be consolidated into the Operations Center, thereby increasing efficiency and replacing dilapidated facilities. This bond issue will provide \$5 million of the \$7.5 million cost of the Operations Center.

The second project being funded is the purchase of 3,462 PPL streetlamps. Purchase of the streetlamps by the City is expected to reduce the City's electrical costs by \$450,000 annually. The purchase is also expected to improve the response time to streetlight outages by using City staff to provide maintenance. Purchase of the lights is expected to cost \$3.5 million. That will be repaid by the savings of electrical costs.

The third project will fund parks improvements at Farnum, Long's and Reservoir parks and elsewhere.

The fourth project is the on-going replacement of sidewalk curb ramps to comply with the federal Americans with Disabilities Act. The last project is \$250,000 for matching grant to replace the 40-year-old asphalt shingle roof on the Central Market building with a slate shingle roof. A fundraising campaign will soon start for that \$1.25 million project.

A bond auction is scheduled the morning of October 25. An amendment to the bill will be made that evening to include details from the auction prior to a vote on ratification of the bill.

RESOLUTIONS

Administration Resolution No. 42-2016, (the title) was read by the City Clerk as follows:

A resolution of the Council of the City of Lancaster, Lancaster County, Pennsylvania, approving a project to be undertaken by the Lancaster Municipal Authority for the benefit of the Mennonite Home, a nonprofit corporation, and declaring that it is desirable for the health, safety and welfare of the people in the area served by the facilities being financed as part of such project to have such facilities provided by or financed through such authority.

Mr. Roschel made a motion to approve the resolution. Mr. Soto seconded the motion.

Ms. Sorace explained this action by the Lancaster Municipal Authority will allow tax-exempt financing for the Mennonite Home. The Mennonite Home is refinancing \$20 million in debt, divided into bank-qualified loans of \$10 million in each of two years. Approval of the resolution does not in any way obligate City taxpayers for the repayment of the debt.

City Council approved Administration Resolution No. 42-2016 by a unanimous roll-call vote.

Administration Resolution No. 44-2016, (the title) was read by the City Clerk as follows:

A resolution of the Council of the City of Lancaster approving an amended Capital Project List to be funded by the proceeds of the City of Lancaster General Obligation Bonds, Series of 2014.

Mr. Roschel made a motion to approve the resolution. Ms. Wilson seconded the motion.

Ms. Sorace said this is an amendment to the list of projects to be funded from an existing bond issue. The City has been working toward the adoption of an automated water meter reading

system. Funds that were allocated for that project were expended to create the fiber optic network that will serve as the backbone of the water meter reading system. This proposed \$9 million allocation will purchase and install about 45,000 automatic water meters in the City's water service area over an 18 month period.

City Council approved Administration Resolution No. 44-2016 by a unanimous roll-call vote.

Administration Resolution No. 45-2016, (the title) was read by the City Clerk as follows:

A resolution of the Council of the City of Lancaster requesting a PA Small Water and Sewer Grant of \$337,500 from the Commonwealth Financing Authority to be used for replacement of gravity sewer line on Nassau and Jamaica roads.

Mr. Roschel made a motion to approve the resolution. Ms. Sorace seconded the motion.

Mr. Roschel said there is currently a clay sewer pipe at Nassau and Jamaica roads which is failing and resulting in costly maintenance, environmental and human health issues. Replacement of the 1,354-foot pipe will enhance environmental health and safety. This resolution is to apply for a grant to be matched with City funds.

City Council approved Administration Resolution No. 45-2016 by a unanimous roll-call vote.

Administration Resolution No. 46-2016, (the title) was read by the City Clerk as follows:

Approving and authorizing execution of an agreement for payment in lieu of taxes by and between the City of Lancaster and the Redevelopment Authority of the City of Lancaster.

Mr. Roschel made a motion to approve the resolution. Mr. Soto seconded the motion.

Ms. Sorace said this resolution formalizes a 2007 agreement with the Redevelopment Authority regarding the PILOT payment coming from the Marriott hotel. The differences between the original agreement and this revised agreement are related to the additional \$150,000 annual payment coming from the expanded hotel and the 3 percent increase in the PILOT payment. The revised agreement also lays out projections for participation rent beginning in 2023.

City Council approved Administration Resolution No. 46-2016 by a unanimous roll-call vote.

PUBLIC COMMENT

Andrea Miller, 464 Freemont Street, and Rachel Eck, 437 West Vine Street, said they were members of a newly formed group, "Friends of Farnum Park." They said they plan to stay in the southwest neighborhood long-term and raise their children there. However, there is not a safe place for their children to play. They have seen the amenities in Musser and Buchanan parks and desire to have those types of amenities in Farnum Park.

They are building a coalition with the Water Street Mission and the Boys Club and Girls Club to bring about short-term and long-term improvements to the park. A few months ago, they contacted the City Public Works department because there was no place for anyone to sit in the park. The City has since installed benches, but they are seeking additional improvements.

Juleann Benkoski, 427 Freemont Street, said she and her husband bought their home in 2012 which overlooks the park. Yet, she has taken her children there only three times. Instead, she drives them to Long's or Buchanan parks and walks with them to Musser Park. She said she does not feel safe taking her children to Farnum Park.

Mayor Gray asked what improvements they would like to have in the park. Ms. Eck responded that they had done a community survey and received 31 responses. Residents asked for lighting, seating, playground equipment, an opening to the park from Freemont Street, an increased police presence at night, and handicapped accessibility.

REPORT OF THE MAYOR

Mayor Gray said playground equipment was erected at Holly Pointe Park last week by volunteers in conjunction with the Pennsylvania Municipal League conference held in Lancaster.

He also recently attended a presentation on lead paint hazards which was hosted by the Hourglass Foundation. He suggested that Dr. Alan Peterson, Lancaster General Hospital environmental health physician emeritus, be invited to a City Council committee meeting to present that information to Council members.

COUNCIL COMMENTS

Ms. Wilson thanked those who attended the meeting to express their views on the Marriott expansion. It is the passion of the people of Lancaster to see the City succeed that makes Lancaster unique and vibrant, she said.

President Graupera adjourned the meeting at 10:38 p.m.

John E. Graupera, President

Attest:

Bernard W. Harris Jr., City Clerk