

STATED MEETING - CITY COUNCIL –MARCH 10, 2009

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A meeting of the Lancaster City Council was held on Tuesday, March 10, 2009, in Council Chambers, Southern Market Center, 100 South Queen Street, Lancaster, PA, at 7:30 p.m., with President Williams presiding.

City Council led the assembly in the Pledge of Allegiance.

Present – Ms. Coller, Mr. Morales, Mr. Polite, Mr. Roschel,
Ms. Saunders, Mr. Urdaneta & President Williams - 7

City Council approved the minutes of February 24, 2009 by a unanimous roll call vote.

READING OF PETITIONS, COMMENDATIONS & MEMORIALS - Mayor Gray and Chief Sadler presented commendations for bravery to Officer J. Freeland Hatfield and Officer Andrew Mease for disarming a citizen of an semi-automatic handgun at a routine traffic stop.

Mayor Gray commended the officers for their bravery in a brief statement that pointed out the necessity of getting illegal handguns out of the hands of criminals.

Council President Williams, on behalf of City Council, commended the officers for their acts of bravery on that day, and also for their work everyday in making our City a safer place.

ECONOMIC DEVELOPMENT & REVITALIZATION COMMITTEE - Councilman Urdaneta stated that the Committee met last Monday, and Mr. Patterson presented and update on the Lancaster Press Building project and the proposed parking garage adjacent to the Press Building. He reported that the Lancaster Press Partners are prepared to move forward with the commercial and residential project, but need assurances that the City is prepared to finance the construction of the parking garage. The Partners have requested the City change the terms of the developer's agreements to consider the \$250,000 predevelopment financing provided by the City be established as a predevelopment grant rather than a loan. The original terms indicated the \$250,000 would become a grant to the project as long as the project proceeded. However, if the Partners would choose not to proceed, the \$250,000 would need to be repaid. The deadline for completing the sale of the Press Building to the Lancaster Press Partners will also be extended until December 31, 2009.

Mr. Drogaris, representing the Lancaster Press Partners was also in attendance at the meeting and provided a summary of the work the Partners have done to date to keep the project moving forward. He expressed the opinion that the project remains viable and the Partners are ready to proceed once the City confirms financing for the garage is in place.

We had lots of discussion of this project, and members of Council and members of the Administration expressed that the Administration supports the continuance of this project. It is great news for the citizens of Lancaster to see that something is going to happen at that corner.

FINANCE COMMITTEE - Chairwoman Saunders stated that the Committee met on February 24, to discuss to discuss Bills 3 & 3A that are on the agenda tonight. We will be discussing these bills again on Wednesday, March 18 at 6:30 p.m.

COMMUNITY DEVELOPMENT & PLANNING COMMITTEE - Chairwoman Collier stated that the Committee met on March 2, and discussed the two resolutions on the agenda tonight.

PERSONNEL COMMITTEE - Chairman Polite stated that the Personnel Committee met on March 2, and we introduced Bill No. 4-2009, which is on the agenda tonight. It will expand the Board of Appeals & Revisions from 3 members to 5 members. With the new property ordinance which was passed early this year, it is anticipated that there will be more appeals coming to the Board and it is essential that the board be expanded to hear these appeals. He further made a motion to re-appointed Lois Grushong to the Historic Commission, Councilman Urdaneta seconded. City Council approved the re-appointment by a unanimous roll call vote.

Council considered the following application(s) and (HARB recommendation(s) for improvements to properties within the Historic District:

1. Jean Becker, requests installation of a satellite dish on the building's rear elevation at 312 East Orange Street.

2. Bright Ventures, LLC, requests alterations to roof dormers, roof shingles, siding, doors windows, a door hood and fencing at 216 Howard Avenue.

Councilman Polite made the motion to approve and Councilman Urdaneta seconded. City Council approved the decisions of the HARB by a unanimous roll call vote.

Administration Bill No. 3-2009, (the title) was read by the City Clerk as follows:

AN ORDINANCE AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA, BY ISSUANCE OF UP TO \$46,000,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION NOTES, SERIES OF 2009 (THE "2009 NOTES"); ISSUED FOR THE PURPOSE OF PROVIDING FINANCING FOR COSTS OF THE CURRENT REFUNDING OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES A OF 1998 (THE "1998A BONDS") (INCLUDING, IF NECESSARY, THE PAYMENT OF ALL OR A PORTION OF A TERMINATION PAYMENT OF AN INTEREST RATE MANAGEMENT AGREEMENT RELATED TO THE 1998A BONDS); APPROVING THE REFUNDING AND AUTHORIZING THE REDEMPTION OF THE

OUTSTANDING 1998A BONDS; DETERMINING TO SELL THE SERIES OF 2009 NOTES; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE 2009 NOTES; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS CITY IN SUPPORT OF SUCH 2009 NOTES; PROVIDING FOR THE FILING OF REQUIRED DOCUMENTS; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITARY FOR THE 2009 NOTES; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF, AND OTHER NECESSARY ACTIONS.

Councilwoman Saunders stated that Bill No. 3-2009 provides financing for costs of an outstanding General Obligation Bond. Back in 1998, the City received \$62,000,000 in Bonds for Water and Sewer Renovations. The debt couldn't be refinanced for 10 years, so to take advantage of favorable rates at the time, the previous administration in 2004 entered into an interest rate swap or swaption. This allowed the previous administration to synthetically refinance this Bond at a lower rate for a variable rate down the road. Now we are down the road. The interest rates while didn't really produce the desired results due to the current market conditions. So now we have three (3) options which we have contemplated and we will continue to contemplate. One is going forward with the insurance of variable rate bonds and interest rate swap. The second is to terminate the Wachovia swap and issue traditional rate bonds, but there is a big fee to terminate the swap. The third would be to proceed with the swap, but with interim financing by issuing a one or two-year note, hoping that the economy changes down the road. The reason while we have 3 and 3A is to keep our options open, in case things dramatically change in the next few weeks, but this is how we are proceeding right now. We will meet again on March 18 at 6:30 p.m. to further discuss this.

Administration Bill No. 3A-2009, (the title) was read by the City Clerk as follows:

AN ORDINANCE AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA, BY THE ISSUANCE OF UP TO \$50,000,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES OF 2010 (THE "S010 BONDS"); ISSUED FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE COSTS OF THE CURRENT REFUNDING OF THE OF THE CITY'S OUTSTANDING GENERAL OBLIGATION NOTES, SERIES OF 2009 (THE "2009 NOTES") (INCLUDING, IF NECESSARY, THE PAYMENT OF ALL OR A PORTION OF A TERMINATION PAYMENT OF AN INTEREST RATE MANAGEMENT AGREEMENT RELATED TO THE 2009 NOTES); APPROVING THE REFUNDING AND AUTHORIZING THE REDEMPTION OF THE OUTSTANDING 2009 NOTES; DETERMINING TO SELL THE SERIES OF 2010 BONDS AT A PRIVATE SALE BY NEGOTIATION OR INVITATION; APPROVING THE FORM OF THE SERIES OF 2010 BONDS; FIXING THE NUMBER, DATE, INTEREST AND MATURITIES OF THE 2010 BONDS; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE 2010 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 DEPOSITARY FOR THE 2010

BONDS; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF, AND OTHER NECESSARY ACTIONS.

Administration Bill No. 4-2009, (the title) was read by the City Clerk as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA AMENDING SECTION 223-3 OF THE CODE OF THE CITY OF LANCASTER—AMENDMENTS TO THE INTERNATIONAL PROPERTY MAINTENANCE CODE - TO ALLOW THE CITY TO TAKE ALL ACTIONS AVAILABLE AT LAW OR EQUITY TO ENFORCE THE ORDINANCE AND TO INCREASE THE MEMBERSHIP OF THE BOARD OF APPEALS FROM THREE TO FIVE; PROVIDING FOR THE REPEAL OF INCONSISTENT ORDINANCES; PROVIDING FOR THE SEVERABILITY OF THE ORDINANCE; AND PROVIDING THAT THE ORDINANCE SHALL TAKE EFFECT AS PROVIDED BY PENNSYLVANIA LAW.

Councilman Polite stated that the Personnel Committee reviewed this bill and it will increase the membership on this board from 3 to 5 and we anticipate that there will be some additional need for appeals, because of the new ordinance that we passed that will take care of rental property maintenance.

Administration Resolution No. 18-2009, (the title) was read by the City Clerk as follows:

A RESOLUTION OF THE COUNCIL OF THE CITY OF LANCASTER APPROVING AND AUTHORIZING THE SUBMISSION OF AN ELM STREET PROGRAM BOUNDARY REVISION TO THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, COMMONWEALTH OF PENNSYLVANIA.

Councilman Polite made the motion to approve and Councilman Urdaneta seconded. Councilwoman Collier stated that the Committee met on March 2, and Mr. Patterson introduced Dan Long, Inner City Group who explained why they are applying to DCED to amend the boundary. They want to include South Duke Street from Locust to Dauphin, Dauphin Street from South Duke to East Strawberry; East Strawberry to Abraham Polite Street; Abraham Polite in its entirety; South Queen Street from East Andrew to Hazel Street; remaining parcels on East Vine Street to South Duke Street; remaining parcels on John Street to Locust Street. It is also going to exclude the area bounded by South Water Street, West Vine Street, South Prince Street and Conestoga Street. This is actually to include the area on Strawberry Street where Churchtowne is, because of all the economic development that is happening in that area.

City Council approved Administration Resolution No. 18-2009 by a unanimous roll call vote.

Administration Resolution No. 19-2009, (the title) was read by the City Clerk as follows:

A RESOLUTION OF THE COUNCIL OF THE CITY OF LANCASTER AUTHORIZING THE ADMINISTRATION TO SUBMIT A GRANT APPLICATION TO THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT IN THE AMOUNT OF \$200,000 FOR THE SACA DEVELOPMENT COMPANY'S CONESTOGA RIVER PLAZA PROJECT.

Councilman Polite made the motion to approve and Councilman Urdaneta seconded.

Councilwoman Collier introduced Carlos Graupera, SACA Development Company who stated that the best thing he can say tonight is that this is the necessary first step in developing this 5.7 acre tract of land. The \$200,000 that the City is requesting from the Department will go towards a land development plan that will be able to give us design, engineering and a project budget that we can share with you and the community in general. It will put in all the elements that will fit in terms of commercial retail, housing, green space, townhouses, and it will factor out all those things that do not work or are not feasible in the vision that we have outlined. If we are able to get these funds approved by the State, there would be a 6 month process by which a land development firm would undertake this work and we would be done with this initial phase and then move into the implementation. One of the most important things about this work is that when the land development people are done with this, it gets submitted to the State and if the State approves the plan, we get an actual environmental clearance which is necessary for us to finance the project. He thanked the Administration and Council for working with them on these very important projects.

Councilman Polite asked if the environmental problems that may be there, have they been solved. Mr. Graupera stated that prior to buying the property we conducted Phase I and Phase II, and they indicated that there is nothing that is found there that couldn't be cleaned up. We are confident on the advise of the engineers, that we really don't have too many environmental factors to overcome. In response to Mr. Morales's question about entrepreneurs who might be interested in a business there, Mr. Graupera stated that there will be 2 public hearings held for citizen input. City Council approved Administration Resolution No. 19-2009 by a unanimous roll call vote.

REPORT OF THE MAYOR - Mayor Gray made his report and it can be viewed in its entirety on the City's website. www.cityoflancasterpa.com

COUNCIL COMMENTS - Councilwoman Saunders announced that the Lancaster Public Library is hosting again their Adopt-a-book Event, it is April 3, First Friday from 5 to 8 p.m. You can go in and select a book to adopt, you pay for the book, a book plate is place

inside the book. You can put your own name or a memorial to someone else. It also makes a good gift.

Councilman Polite asked the Mayor about the Streetscape work that is going on downtown and if it is disrupting business very much. The Mayor stated that it is to a degree, but the contractor's are trying to work around the business schedules and when it is finished it will be a brighter and more conducive to business.

President Williams adjourned the meeting at 8:10 p.m.

Louise B. Williams, President

Attest:

City Clerk