

**BOROUGH OF LANSDALE  
ADMINISTRATION AND FINANCE COMMITTEE MINUTES  
MEETING OF FEBRUARY 5, 2020**

Members Present:

Denton Burnell	Borough Council President
Carrie Hawkins-Charlton	Borough Council Member
Leon Angelichio	Committee Chairman
Garry Herbert	Mayor
John Ernst	Borough Manager
John Ramey	Finance Director
Brian McGowan	Assistant Finance Director

Mr. Angelichio calls the meeting of the Administration and Finance Committee to order at 6:30pm.

### **1. Action of Minutes Previous Meetings**

Motion Ms. Hawkins-Charlton, second Mr. Burnell to approve the minutes of December 4, 2019 Administration and Finance Committee Meeting. Motion carries 3-0.

### **2. Old Business**

#### **A. Westrum/ LERTA**

Joe Clement- I represent the Westrum family of entities. I think everyone is familiar with the site, but it is the old Lansdale Finisher's site across the street here. It is a challenging parcel since it is contaminated and what was once considered a drainage ditch is a stream according to the Army Corp of Engineers. We have to deal with that and it is underutilized and it is a high residential development. We have gone thru the permit process and have about \$1 million in additional costs. It is 205 units and we are looking at a \$34-35 million and we need a LERTA for the project. We went to the school board and the board said no to a 10 year LERTA which is typical and they said 5 years and goto Borough 1<sup>st</sup> and come back. This is a 1 to 2 bedroom and very few school aged children. Median income is \$55k per family unit. That translates into about \$3 million in disposable income and using the 50/30/20 rule. It varies on how much come into community into downtown shops. This property is taxed at about \$4,500 a year and this is not a tax-free property. Over a 10 year period, it is roughly \$500k. People think LERTA is a tax free property and it is not with that base. In year 1, there would be \$4,500 and in year 2 that jumps 20k after year 2 and then \$40k, \$80k and that eventually reaches \$100k. This is not tax-free and an abatement program to help developer finance the project. There is about a \$700k tax benefit to the Borough over the next 10 years.

There is also the one-time SRU fee that the Borough would get and that is over value of \$650k and we are looking to trade off with that and some public improvements not on site and trade some #'s, but the value is there. There is also reoccurring fees and about \$425k around water an electric. This is a yes or no for the developer.

We are not looking for additional grant monies and there was grant money already used for cleanup. The next step is to ask you for your support so to go back to North Penn that we have it. Also, for us to ask you to have your Council authorize an ordinance to be prepared and to advertise for that 20% step

up over 5 years. We would present at the next council Business meeting and ask to prepare and advertise.

Ms. Hawkins- Charlton- So, these units are all rental and no owner occupied? What was deal with Parking Authority?

Mr. Clement- These are all rentals and also a built- in pool. There was no deal with the Parking Authority as far as the box and there was zoning relief to have the same parking per unit as Madison. There is a relationship with Parking Authority to allow to access thru Parking Authority site and they are looking at engineers to go out to bid.

Mr. Angelichio -Have you done a traffic study at say max parking?

Mr. Clement- We did as part of land development and call it a traffic analysis not to overestimate what we did. We look at peak trips, impacts and proper alignment for ingress and egress and met with Chief Trail in how traffic enters and leaves the site and least impact as possible.

Mr. Angelichio-There is a very small neighborhood and important to get people in and out and also proper signage for wayfinding.

Mr. Clement- This is a build and hold and not something that we will hand off to another owner.

Mr. Burnell- What other type of environmental issues are you facing?

Mr. Clement- The same as the other surrounding properties are facing like hydronated hydrocarbons, a plume was identified and this whole area is a superfund site and some remediation that will have to come.

Mr. Angelichio- Do you have a project demonstratively similar to this one from shovel to movement? What is time frame to significantly rented out?

Mr. Clement- We are an 18 month build cycle from the time that we close on a property. We figure August to break ground and 18 months and do a pre-lease 6 months before finished and get to 95% occupancy in 12 months.

Mr. John Herzog, COO(Westrum)- The best proof of concept is at the top of Sandy Hill Rd in Norristown. Rents will be a little bit higher and the environmental are more significant here and our site permits are double here. We have other locations building on now.

Mr. Angleichio- Are you including amenities for biking and walking paths?

Mr. John Herzog, COO(Westrum)-We are going to connect nicely to the trail and bike locks and chains and places upstairs and hook in the rooms. We are also going to have an Amazon and Uber load space. We looking at pedestrian connectivity to downtown when they head out the door.

Ms. Hawkins- Charlton- Are there and green features or environmentally friendly aspects.

Mr. John Herzog, COO(Westrum)- The green features as LED's and charging stations for smart cars and relocation of the stream itself.

Mr. Angelichio- Any stormwater management problems?

Mr. Clement- We infiltrate very well and we do have underground basin.

Mr. Clement- Everything is designed to accommodate the 100 year storm. For the ground water and basin is all under the property area. The costs are about \$1 million more than originally planned. We knew the site was polluted but how much.

Mr. John Herzog, COO(Westrum)- So there are few school aged children. The most costs are going to the school. The building is targeted millennials. We have cameras thru the buildings and use fobs.

Ms. Hawkins- Charlton- Do you feel like you will be in direct competition with Madison?

Mr. Clement- Once opened, they will probably be all filled by then. We don't have many opportunities in the County like this for transit-oriented opportunities less than a ¼ mile away.

Mr. Angelichio- What is your process moving forward? So, you are looking for the LERTA and you get the LERTA and what happens?

Mr. Clement- We are waiting on 2 things. The Joint 105 and the DEP.

Mr. Angelichio- I would request that you are here with your presentation and additional questions which will be at the next Business meeting which will be very busy.

### **3. Financial Reports Year to Date**

Mr. Ramey- This is the preliminary December 31st year end, we are cutting checks with December bills. We got 101 % of revenues compared to budget and we are 100% of expenses within \$70k and are under that right now. There are other revenues and expenses but it looks like we hit budget pretty well and good as we are because of salaries for people who weren't around.

### **4. Committee Business Items**

#### **A. Montgomery County Planning Commission Contract**

Mr. Ramey- This is a continuation of the contract the we currently have. It is a 3 year contract and it is \$37,800 and it is divided over all 3 years and it will be bi-annual payments and 2 payments per year broken down and the contract is in the Dropbox.

Mr. Burnell- Any increases in the contract costs?

Mr. Ramey- Yes, I believe there was but not sure what that was.

Mr. Angelichio- Any material changes to the substance of the contract?

Mr. Ramey- This is the same.

Motion Mr. Burnell, second Ms. Hawkins-Charlton to reengage the contract. Motion carries 3-0.

### **B. 2020 Debt Refinancing**

Mr. Ramey- So we had the presentation from Ed Murray previously and he did talk about doing the bond refinancing with a bank loan. There is a lot less costs and easier process. They still weren't as good and looking to do a bond issue to refinance the prior ones. We are looking for at Business meetings just to pass the parameters resolution which details out what the savings has to be for us to go thru with issuing new bonds.

Mr. Angelichio- Will that approval allow them to act for us on that point without future approvals?

Mr. Ramey- Yes.

Mr. Burnell- Have the #'s changed?

Mr. Ramey- No, we are still looking at about a \$210k savings and over 7 years is not too bad.

Motion Ms. Hawkins-Charlton to move forward the 2020 debt refinancing, second Mr. Burnell. Motion carries 3 to 0.

### **C. Award Landscaping Bid**

Mr. Ramey- We got 2 bids in for landscaping and it is a 3 year contract and looking to award to M&M landscaping and came into the 3 year total and \$188,750.

Mr. Angelichio- Is this a company that we used before?

Mr. Ramey- Not sure, we had Biase the past 3 years and now M&M for all cutting and landscaping throughout the Borough.

Motion Mr. Burnell, second Ms. Hawking-Charlton to bring forward to Council to award landscaping contract to M&M. Motion carries 3-0.

## **5. New Business**

### **A. Economic development/ business improvement proposal**

Ms. Hawkins- Charlton- We had Mr. Eric Goldstein come visit us and he actually is the bid guy for for King of Prussia. He is very knowledgeable and comes with great experience. We like to move forward with his proposal which is in Dropbox. Essentially, Eric will be providing us with a road map for the EODC. He will be looking at demographics, 2012 Delta review and for 8 to 10 interviews as specific businesses of our choosing. It will come in for a little less than \$7,000 for not to exceed costs. We have a \$25,000 budget which is what we used for the facade improvement and can award up to 5 per year.

Mr. Burnell- I believe we used all 5 last year.

Ms. Hawkins- Charlton- We like to move forward and come back for 3 and if there is 4 or 5 then we can come back for more money.

Mr. Burnell- He has been before us a couple of times and far and away the best.

Mr. Angelichio- Do you think he will come before Council?

Ms. Burnell- We can get Eric to come in.

Mr. Angelichio- Anything that spurs or brings motion is worth pursuing or investigating

## **B. Informational Items**

Mr. Ramey- Public Works will be talking about replacing curbs to paving projects. The EAC is beginning the application process. Patrick Hitchins is going to start attending from Sean Kilkenny's office will begin attending the Planning Commission meetings and are dealing with the Stoltz Project. Also, in the Code committee tonight the school district is looking for relief from escrow requirements for the Knapp Rd Project and its about \$120k and \$2million relief from surety bond.

The last thing I like to discuss is the Treasurer position and I will let Denton take that one.

Mr. Burnell- We have a Treasurer position opening who comes in and received a stipend who checks the ledger and signs the checks and they come in a couple times a month. The current person comes in a couple times a month. She has been doing it for 8 years. Anyone who knows anyone and will put together an advertisement.

Mr. Hansen- As you all know, I have served on Borough Council and think it is a great honor to serve on Borough Council. It is very difficult to get people who want this job and the stipend I believe for this job hasn't changed since I think the 1970's. Anybody serving on Council doesn't do it for the money, but it is very stressful and time consuming, and I believe it is time for an increase in the stipend and would propose to this committee and take it to full council to increase the stipend to the maximum level amount by law and the state legislature determines what we are paid. I think by the size of this Borough is about \$5,600 per year which is nothing for the job you people do here, but, it is time for an increase. I didn't want to bring it up before I left Council to put a burden on the budget and this now gives up time to set it up going forward.

## **6. Public Comment**

Comment from resident- We paid \$23k per year to the Wissahickon Clean Water Partnership for an organization called Friends of Wissahickon. I don't understand the relationship or partnership between the groups, but the point is we are part of it and in here there is one heck of a lot of things that happen below us like Ambler and the like and classes and a whole bunch of stuff and are we being cheated out of this why aren't people reaching up. I thought maybe for \$23k we could be getting their paper up to here.

Meeting adjourned at 7:30