

**BOROUGH OF GETTYSBURG**  
**59 EAST HIGH STREET, GETTYSBURG, PA 17325**  
**COUNCIL WORK SESSION MINUTES**  
**JANUARY 23, 2017**

President Robert Krummerich called the meeting to order at 7:00 PM with the following Councilors present: Vice President Scot Pitzer, Mrs. Susan Naugle, Mr. Graham Weaver, Mr. Jacob Schindel, Mr. Wesley Heyser and Mrs. AmyBeth Hodges. Staff present included: Mayor Theodore Streeter, Solicitor Harold Eastman; Manager Charles Gable and Borough Secretary Sara Stull.

Others present include: Darlene Brown, Executive Director, PA Interfaith Community Programs, Inc. (PICPI), 40 East High Street; Carly Marshall, Adams County Office of Planning and Development; Mike Shestok, 264 Baltimore Street; Sarah Kipp, 126 Baltimore Street; Steve Hemler, 535 York Street; Stan Clark, 915 Fairview Avenue; Charles Strauss, 38 West Middle Street; and Mike Tallent, 811 Johns Avenue. Representing the press were Jim Hale of the *Gettysburg Times* and Lillian Reed of the *Evening Sun*.

President Krummerich announced an executive session of the Borough Council was conducted immediately prior to the adjournment of the January 9, 2017 Borough Council meeting consistent with sections 708(a)(1), 708(a)(4) and 708(a)(5) of the Sunshine Act.

President Krummerich announced an executive session of the Borough Council shall be conducted immediately following the adjournment of this work session consistent with sections 708(a)(3), 708(a)(4) and 708(a)(5) of the Sunshine Act for the following reasons and purposes: (1) to discuss the purchase or lease of real property by the Borough; (2) to consult with the solicitor relative to the Petition for Review pending in the Court of Common Pleas of Adams County, Pennsylvania, Docket No. 2016-SU-1205 and in connection with information or strategy on which identifiable claims or complaints are expected to be filed against the Borough of Gettysburg and its employees in connection with the May 12, 2015 arrest of Derek Twyman; and (3) to review and discuss Borough business which, if conducted in public, would violate a lawful privilege or could lead to the disclosure of information or matters of confidentiality protected by law.

**Public Comment:**

**Mike Shestok, 264 Baltimore Street**, addressed his concern about the number of businesses that should be paying pillow tax and wondered if they are. He also noted that Scot Pitzer reported that he would be attending an Economic Development meeting at Ski Liberty and said that he would like to hear a report on the outcome when available. Mr. Shestok also pointed out the article in the newspaper recently in regards to the school property tax relief, and said that he has concerns that this may affect other taxes.

**New Business:**

**Project #2017-1 THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT (LERTA) ENACTED IN 1977**

Manager Gable presented and read a Policy Briefing Statement (PBS) explaining a LERTA. (See attached)

Solicitor Eastman read a prepared statement explaining the procedures of a LERTA district. (See attached)

Councilman Heyser prepared an outline of approximately thirty-five properties to be included for the LERTA. The properties are in a specific area that includes the former REDDI property along Stratton Street.

Manager Gable said that guidance will need to be provided to the Planning Commission. He asked that Council limit the property designations to four parcels which is the REDDI property, due to the extensive work involved in a LERTA designation.

Manager Gable said that staff is limited so a working group was recently formed to meet biweekly, and begin discussions on zoning regulations. They will present their findings to the Planning Commission and later to Borough Council for approval. The group consists of: Manager Gable; Becky LaBarre, Planning Director; Deb Adamik, President, Main Street Gettysburg; Andrew Merkel, Assistant Director, Adams County Office of Planning and Development; Robin Fitzpatrick, President, Adams County Industrial Development Authority; Peter Smith, Member Planning Commission; Charles Strauss, Member Planning Commission; and Sarah Kipp, former member of the Planning Commission.

Council members Wesley Heyser, Graham Weaver, Scot Pitzer and AmyBeth Hodges said that they would like this to be a broad view and not just the REDDI property.

Council members Susan Naugle and Jacob Schindel said that the focus should be on the REDDI property since this has been an issue for more than ten years.

Councilman Heyser offered another option using the REDDI site (three properties, parcels #16007-0125---000, #16007-0125A---000 and #16007-0126---000) plus two other properties commonly known as the Charlie Probst or Spectra-kote properties, parcels #16007-0142---000 and #16007-0142A---000.

After Council discussion, President Krummerich said that the consensus of Council is to focus on the REDDI property first and then continue with other properties.

Councilwoman Naugle said that there are other opportunities that Council could consider such as the Neighborhood Assistance Program, Keystone Communities and

Enterprise Zones. She also suggested inviting the Department of Community and Economic Development (DCED) to come and speak to Council about LERTA. They could offer assistance on how broad to consider for a LERTA and also where it works and doesn't work.

**Public Comment:**

**Steve Hemler, 535 York Street**, asked why Council doesn't hire a consultant since they do for other things. Council said that staff members would be working on this project.

**Stan Clark, 915 Fairview Avenue**, asked if Council had a response after the news release today that Derek Twyman is filing a lawsuit against the Borough and police personnel. He asked if the Borough taxpayers will pay for this expense.

Solicitor Eastman responded that the Borough's insurance carrier will provide a legal defense, and current and former Borough employees and officials will be included. Also, the Borough's cost will be limited to a deductible.

Further, Solicitor Eastman noted that the Borough declines to make any comment on the press release or lawsuit as the Borough had not been provided with a copy of the complaint. Solicitor Eastman stated that any responses to allegations to be made on behalf of the Borough, its current and former officials, and its current and former employees, would be made through formal answers or other responsive pleadings filed in court, and that the Borough will defend the action through its legal counsel and will not litigate the matter in the media.

President Krummerich adjourned the meeting for an executive session at 8:35 PM. The meeting reconvened and adjourned at 9:05 PM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sara L. Stull".

Sara L. Stull  
Borough Secretary

## **Policy Briefing Summary (PBS)**

### **LERTA**

**PBS#: 2017-1**

**Date Prepared:** January 19, 2017  
**Prepared By:** Charles R. Gable; Robin Fitzpatrick  
**Proposed Meeting Date:** January 23, 2017  
**Deadline for Action:** September 2017

#### **I. Request/Issue Needing Borough Council Action**

Economic Development in the Borough is needed to sustain the financial viability of the Borough if it is going to continue to provide services residents and visitors need and desire in the 21<sup>st</sup> century. Economic growth has stagnated in the Borough, and in some respects actually retracted. The tax base must grow in order to keep pace with the expenses incurred in providing services to the residents and visitors of Gettysburg.

The Borough needs to consider the implementation of economic incentives to encourage investment and redevelopment in the Borough. One of several tools the Borough should consider is the creation of a Local Economic Revitalization Tax Assistance Zone (LERTA). The creation of a LERTA Zone would coincide with a rezoning of certain portions of the Borough that is consistent with the Joint Comprehensive Plan between the Borough of Gettysburg and the Townships of Cumberland and Straban.

#### **II. Financial Impact on Budget**

##### January 17, 2017 - CRG

The implementation of a LERTA zone in the Borough is a budgeted priority in 2017. Funds are currently allocated for various reviews by the solicitor and planning commission. As such, impacts on the budget in 2017 are envisioned and should have minimal effect beyond current budgetary expectations. Future budgetary impacts related to a LERTA zone are not possible to know as of this writing as tax revenue generated in the LERTA zone will be determined by how the LERTA is structured, and is not currently known.

It is important to keep in mind that LERTA is designated for specific parcels and not necessarily a broad swath of real estate like that in consideration for a rezoning effort. Additionally, and perhaps even more importantly, it is vital that before a LERTA is designated, and for a LERTA to ultimately succeed, other taxing authorities must be consulted and should be supportive of a LERTA designation effort. In this case, the Borough, Adams County, and the Gettysburg Area School District should all agree to a LERTA designation if the economic incentive for redevelopment is to be ultimately a success.

#### **III. Background Information**

##### January 19, 2017 – RF

This project most frequently identified as a subject parcel that would benefit from a LERTA declaration is known as Gettysburg Station, and has been through several iterations since initial

redevelopment efforts began in 2001 when the project was known as REDDI. The 3 acre site, identified collectively as 108 N. Stratton Street is located in a prominent location within downtown Gettysburg. The site is situated one block north of the main square, west of the Gettysburg College campus and adjacent to the historic Lincoln Train Station and CSX Rail Line. The parcels include two dilapidated buildings that are functionally obsolete and a vacant gas station, all of which detract from the downtown streetscape.

The Gettysburg Economic Development Corporation was formed in 2007 by the Borough of Gettysburg specifically for the management of the redevelopment of this blighted site. GEDC acquired the properties in September 2007 from Parksville Properties and Leemilt's Petroleum Property with the intention of clearing the site and selling the improved parcels to a developer.

In July 2009, GEDC sold Leemilt's Petroleum Property, a .6 acre parcel to the Adams County Transit Authority on which was built a transit hub for intermodal activities such as the Freedom Transit (public transportation), tourist buses, taxi service and automobile parking.

The Borough of Gettysburg sites a \$24 million dollar investment in downtown development alone which includes projects such as the rehabilitation of the historic Lincoln Train Station (adjacent to the project site), the restoration of the Majestic Theater and Wills House, as well as improvements made to Railroad Street. Revitalization of this remaining site is a critical piece of Gettysburg's community redevelopment.

The current project entails the acquisition and demolition of all buildings on the property. Specifically, the project will fund: (i) the purchase of the property by the Adams County Industrial Development Authority (ACIDA) and (ii) demolition of both structures that currently occupy the site. This phase of the project has been completed, which enables further development of the site to occur; the final mixed-use redevelopment plan of the site has been discussed in concept only.

The Adams County Industrial Development Authority purchased the property from the ACNB Bank on April 30, 2013 for \$1,300,000.

#### **IV. Board, Commission, or Agency Review**

The Planning Commission is embarking on a thorough review of zoning in the Borough. Council should regularly communicate with the Planning Commission and consider making the geographic boundaries of a proposed LERTA Zone consistent with the same geographic boundaries of a newly amended and/or created zoning district as identified by the Planning Commission, consistent with the Joint Comprehensive Plan.

Staff will meet regularly with representatives of the Planning Commission, Borough Council, the County Planning Office, the Adams County Industrial Authority, and other community experts in the planning profession to develop policy proposals for Borough Council to consider for adoption and implementation. The people who have accepted the invitation to participate in this staff working group are:

- Charles Gable, Borough Manager
- Becky LaBarre, Director of Planning and Historic Preservation
- Peter Smith, Member Gettysburg Planning Commission
- Charles Strauss, Member Gettysburg Planning Commission
- Sarah Kipp, Planner (former Member Borough Planning Commission)
- Deb Adamik, President Main Street Gettysburg
- Robin Fitzpatrick, President Adams County Economic Development Corporation
- Andrew Merkel, *AICP*; Asst. Director – Adams County Office of Planning & Development

## **V. Staff Recommendation(s) and Reasoning**

### January 23, 2017 Meeting

- Receive LERTA information
- Discuss conceptual LERTA Zone
- Provide guidance to Planning Commission on potential rezoning effort

Given the complexities and requirements for a LERTA designation, staff recommends that Council limit the initial LERTA designation to the parcels of land commonly known as the REDDI site. This limited and targeted designation would coincide with a slightly more expansive rezoning effort that encompasses not only the REDDI site but a swath of real estate that mirrors the recommendations in the Joint Comprehensive Plan.

## **VI. List of Exhibits Attached:**

1. Urban Redevelopment Law (Act of May 24, 1945 – P.L. 991, No. 385)
2. Local Economic Revitalization Tax Assistance Act (Act of December 1, 1977 – (P.L. 237, No. 76 C1. 53)
3. LERTA History – Sterner Correspondence (2002)
4. LERTA History – Information Request (2001)
5. LERTA History – Ordinance 1076-88 (Enacting LERTA)
6. LERTA History – Resolution (1988)
7. Possible LERTA Zone Map – Railroad Corridor (1-23-2017)
8. Parcels Identified for Possible LERTA - Spreadsheet

**LERTA Presentation**  
**72 P.S. § 4722 et seq.**  
**The Local Economic Revitalization Tax Assistance Act (enacted in 1977)**  
**("LERTA")**

**I. OVERVIEW OF ACT**

"LERTA provides a mechanism for local government in economically depressed communities to encourage new construction and improvements to deteriorated industrial, commercial and business properties by allowing a reduction in real property taxes over a period of up to 10 years on all or a portion of the assessment attributable to such new construction and improvements."

**II. OUTLINE OF ACT**

**A. Authorization (§4723)** - to authorize local taxing authorities to exempt new construction in deteriorated areas of economically depressed communities and improvements to certain deteriorated industrial, commercial and other business properties, thereby implementing Article VIII, Section 2(b)(iii) of the Constitution of Pennsylvania, which provides:

"Establish standards and qualifications by which local taxing authorities may make uniform special tax provisions applicable to a taxpayer for a limited period of time to encourage improvement of deteriorating property or areas by an individual, association or corporation, or to encourage industrial development by a non-profit corporation."

**B. Definitions (§4724)** -

1. **Deteriorated property** - Any industrial, commercial or other business property . . . , and located in a deteriorating area, . . . , or any such property which has been the subject of an order by a government agency requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinance or regulations.

2. **Improvement** - Repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement.



**C. Deteriorated Property or Areas (§4725)**

**1. Two-Part Process for Establishment of LERTA:**

- a. **Determine boundaries of deteriorated property, area or areas.**
- b. **Enact a tax exemption for improvements made on the deteriorated property, area or areas.**

**2. Prior to adoption of an ordinance (or resolution) authorizing the granting of tax exemptions, the municipal governing body (the Borough Council) shall affix boundaries of a deteriorated area or areas, wholly or partially located within its jurisdiction.**

a. **Public Hearing** - At least one public hearing shall be held by the municipal governing body (the Borough Council) for the purposes of determining the boundaries of a deteriorated property, area or areas.

(1) Public hearing (or hearings): At the public hearing, **local taxing authorities, planning commission or redevelopment authority and other public and private agencies or individuals, knowledgeable and interested in the improvement of deteriorated areas shall present recommendations concerning the location of boundaries of a deteriorated area or areas for the guidance of the municipal governing body.**

(2) Not merely a public hearing just to get comments from the members of the public (although that opportunity will be afforded at every public hearing conducted), but rather the **making of informational presentations and recommendations** to the municipal governing body (Borough Council) in order for it to **make a well-informed and proper determination** of the boundaries of a deteriorated property, area or areas.

b. **Deteriorated Property Criteria** - Must take into account the **criteria** set forth in:

(1) the **Pennsylvania Urban Development Law** for the determination of "**blighted areas**." There are several criteria for properties:



(a) **public nuisance** or an **attractive nuisance** for children (abandoned wells, basements, excavations, unsafe fences or structures);

(b) **dilapidated, unsanitary, unsafe**, vermin-infested housing or property code violations - **unfit for habitation**;

(c) **fire hazard** or **safety danger** to persons or property;

(d) **vacant or unimproved property** - **neglect or lack of maintenance** - place for **accumulation for trash and debris**; haven for rodents or vermin;

(e) **unoccupied** - a **tax delinquent** for a **period** of at least 2 years; and

(f) **abandoned property**.

(2) **Pennsylvania Neighborhood Assistance Act** - Take into account criteria for determining an "**impoverished area**"

(a) Must be **certified** as such by the **Department of Community and Economic Development** and the certification must be **approved by the Governor of PA**.

(3) Criteria set forth in the LERTA Act at §4725:

(a) **unsafe, unsanitary** or **overcrowded** buildings;

(b) **vacant, overgrown** and **unsightly** lots of ground;

(c) a **disproportionate number of tax delinquent properties**;

(d) **excessive land coverage, defective design** or **arrangement of buildings, streets or lot layouts**;

(e) **economically and socially undesirable** lands.

(4) **Property immediately adjacent** to areas meeting the criteria if it is **determined that new construction on the property** would **encourage, enhance or accelerate improvement** of the

**deteriorated area within the economically depressed community.**

**(5) LERTA District/Deteriorated Property boundaries** fixed by ordinance or resolution of municipal governing body.

**D. Tax Exemption Ordinance** - Enactment of ordinance (or adoption of resolution) authorizing the granting of tax exemptions.

**1. Deteriorated Property** -The ordinance or resolution shall specify a **specific description** of such **deteriorated area** (boundary lines) as determined by municipal governing body.

**2. Tax Exemption** - The **cost of improvements** per unit to be **exempted** and the **schedule of taxes** to be exempted.

**3. Exemption Schedule (§4726)** - **Exemption** is on **assessment attributable** to the **actual cost of new construction** or **improvements** up to a **maximum cost** **uniformly established** by the municipal governing body (Borough Council)

a. Exemption Schedule:

(1) shall not **exceed 10 years**;

(2) shall stipulate the **portion of new construction** or **improvements** to be exempted each year; and

(3) shall be limited to the **additional assessment valuation** **attributable to actual costs of new construction** or **improvements to deteriorated property** or **not in excess of the maximum cost per unit** established by a municipal government.

### **III. BOROUGH 1988 LERTA ADOPTED IN 1988:**

#### **A. Deteriorated Area Comprised of 5 Properties:**

**1. "The Scharf-Bigham Property, the Hotel Gettysburg property and the Majestic Theater property** - all owned by **Conewago Contractors, Inc.**

**2. The Olinger Property** occupied by the **Travel Council - The Railroad Station.**

3. **Municipal Parking Lot** owned by **Gettysburg National Bank** (2 lots).

**B. Joint Public Hearing** - held by the **Borough of Gettysburg, Gettysburg Area School District** and the **County of Adams**.

1. **Planning Commission** of **Borough of Gettysburg**

2. **Redevelopment Authority** of **County of Adams**

3. Other public and private agencies given opportunity to present recommendations concerning boundaries of deteriorated areas

**C. Adopted Resolution** on **September 12, 1988** designating boundaries of deteriorated area.

**D. Tax Exemption Ordinance** enacted on **October 11, 1988** -

1. **10-year exemption schedule** providing for:

a. Additional Assessment attributable to the actual costs of improvements:

(1) Years 1 - 5	100% assessment exempted
(2) Year 6	90% assessment exempted
(3) Year 7	80% assessment exempted
(4) Year 8	60% assessment exempted
(5) Year 9	20% assessment exempted
(6) Year 10	no exemption/taxes paid on full assessments of improvements

**E. Tax Examination Ordinance** terminated on **December 31, 1990** unless repealed or extended. However, exemption schedule to continue for completed and assessed improvement in **LERTA District**.

#### **IV. LOCAL TAXING DISTRICT DISCRETION**

Jennison Family Limited Partnership v. Montour School District - 802 A.2d 1257 (2002). Commonwealth Court of Pennsylvania, held that each local taxing district (Municipality, School District and County) has the discretion to exempt improvements from taxation within municipal designated deteriorated area.