

Council of the City of York, Pennsylvania

Sandie Walker, President of Council
Edquina Washington, Vice President of Council
Lou Rivera, Member of Council
Betsy Buckingham, Member of Council
Dr. Felicia O. A. Dennis, Member of Council

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MINUTES September 28, 2022 6:00 p.m.

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FACEBOOK: <https://www.facebook.com/CityofYorkPA/>

YOUTUBE: <https://www.youtube.com/c/WhiteRoseCommunityTV>.

CALL TO ORDER: President Walker called the September 28, 2022, special meeting to order at 6:00 p.m. in Council Chambers, 101 S. George St., York, PA, with the following members present: Felicia Dennis, Betsy Buckingham, Lou Rivera, Edquina Washington, Vice President, and Sandie Walker, President, with President Walker presiding.

Members of the Administration in attendance included: AliceAnne Frost, Controller, Kim Robertson, Acting Business Administrator; Nona Watson, Director of Economic & Community Development; Blanda Nace, Chief Opportunity Officer; Michael Muldrow, Police Commissioner; Scott Miller, Chief of Staff; Ricardo Quintero, Executive Administrator; and Jason Sabol, Assistant Solicitor.

Members of York City Council staff in attendance included: Dianna L. Thompson, City Clerk.

- I. Called Special Legislative Meeting to Order at 6:00 PM.
- II. Roll Call

New Business

1. Resolution No. 108 - A Resolution Authorizing the submission of a Letter of Intent. ([View](#)) (To purchase the Dentsply College Ave Campus - \$4 million)
Introduced by: Edquina Washington
Originator: Economic & Community Development

Resolution No. 108, Session 2022, A Resolution authorizing a Letter of Intent (LOI) to purchase the Dentsply College Avenue Campus for \$4,000,000, was introduced by Washington, read at length, and on motion of Washington, seconded by Rivera, Resolution No. 108 came up for discussion.

COO Blanda Nace explained that we have had two information sessions over the past two days with Council to discuss what the execution of a letter of intent entails. This will allow us to see information about the site such as carrying costs, environmental issues, etc. This is an interim step. He said we worked with special counsel, Rebecca Shanaman of CGA Law, who requested

the amendments. He explained that the amendments suggested by Attorney Shanaman is that an escrow agreement be drafted and entered into simultaneously with the execution of the Letter of Intent, and that the escrow agreement specify the mechanism for the return of the City's deposit should the city pull out of the deal. He said the LOI is a non-binding agreement. Although we are transferring money, we'll have an escrow account to allow us to bring this money back if we don't move forward, he stated.

Councilwoman Buckingham said at one point there were couple of parties interested in certain sectors of this property. She asked if those interested parties are for profit. Mr. Nace said all parties he's talked to that are interested in the site are for profit business.

President Walker thanked Mr. Nace and the administration for holding the informational sessions with Council. She shared with the public the questions that were asked on August 18th and September 25th by her via email, which were answered by Mr. Nace. She said with something of this magnitude we must make sure we exercise due diligence. President Walker then said she is still concerned about the LOI and asked Attorney Shanaman what were some of her concerns.

Attorney Shanaman said the primary concerns were the transfer of money upon them enacting phase 2. Typically, she said you don't put up earnest money until a purchase and sale agreement is drafted. Since you're giving money before, we need some agreement because there is an exchange of money. The only binding authority is that CGA is holding the money in trust and all parties hereto recognize that prior to the execution of the sale agreement, the city can terminate, and the full deposit can be returned to the city.

President Walker said she needs a bit more time to review the LOI and to converse with Attorney Shanaman and members of the administration.

Matt Enright, York, PA, asked if the escrow amount is 1% of the sale price, that would be \$40,000. Attorney Shanaman said that sounds about right.

Michael Walker, resident, asked if there are trigger clauses in the LOI such as who and how does this LOI become a purchase agreement.

Attorney Shanaman said immediately upon execution of the LOI, some due diligence material is given to Council. We'll have 45 days to move forward so that serves pretty much as the trigger clause. If at any time Council feels this is no longer an option to pursue, this can be terminated, and the escrowed money will be returned.

Michael Walker then asked who ultimately makes the decision on pulling the trigger on this purchase.

Assistant Solicitor Jason Sabol said the purchase and sale agreement is what would effectuate the sale which will need to be approved by Council.

Michael Walker asked what the plans for redevelopment are because there hasn't been any type of plan made public, and this purchase will take this property off the tax rolls.

Mr. Nace said part of the strategy is to engage the community in the redevelopment planning. He stated that he would like to see a facilitator hired to go door-to-door to hear residents' feedback to help create a vision plan that implements what residents want to see happen with this property. The tax liability for all parcels totals \$190,000 - the County is \$18,700; City is \$60,200; and the School District is \$111,100. The visioning will take some time and there are parties interested in jumping on this property right away. He said, these properties, once

redeveloped, with make them a higher assessed value but they will be LERTA qualified. LERTA holds the tax value for 10 years to encourage redevelopment.

Matt Enright, York, PA, asked if someone could define phase 2.

Attorney Shanaman said phases 1 and 2 are to assess environmental concerns. Phase 1 is the environmental engineer assessing the property and phase 2 is soil testing if there are any concerns found in phase 1. If there are concerns, she said the engineer will determine the risks and the city has an opportunity to get out of the purchase or do additional testing to move forward.

President Walker asked about the waiver in the LOI.

Attorney Shanaman said the due diligence is worded funny but if you don't terminate in writing within the timeframe, it's considered waived, and you're satisfied with the condition of the property. She said "waived" wouldn't be stated in the purchase agreement.

President Walker said if I see something in writing, when thinking of due diligence being waived, it looks to me like we'll still go through with the purchase.

Attorney Shanaman said a waiver would have to be an action of Council. If after the 30-day period Council is not satisfied, we would terminate the agreement.

President Walker asked who would determine the due diligence because it's not stated in the LOI.

Assistant Solicitor Sabol responded that with Council being the legislative branch, and the executive branch is the administrative end, he believes this would be the authority of the Mayor.

President Walker said if Council has no authority to waive due diligence, that's problem.

Manuel Gomez, resident, asked how we ended up having special meeting to discuss this when it's not the norm. He said we don't have the language before us, and this makes him uncomfortable. We should have some central depository. The fact that certain elements of the government thought this was ready to be voted on but in the end it's not, he said he doesn't feel grounded enough to see this move forward.

President Walker asked if the LOI is public document or confidential?

Assistant Solicitor Sabol said the LOI involves real estate negotiations, so usually you don't want to make that information public. He said he would have to review the right-to-know law in order to give a definitive answer. President Walker asked for an opinion on this.

Mr. Gomez then said in terms of carrying costs, not necessarily the LOI, is what is of interest and there is some information that can be released to the public but there is so much more that we don't know that should be transparent.

Michael Walker, resident, said Mr. Nace remarked there are investors interested in the property, yet the public has no idea about the redevelopment of this property.

Mr. Nace said there are no investors, but we walked the property prior to the city's interest in buying the property, so I know interest was there. He said the LOI approved by Council in May was submitted to the seller and they edited it and because of those edits, we needed Council to approve it as amended. He said he still has not idea the carrying costs or environmental

information. He said we're waiting to get that information which won't be released until the LOI is approved. He said this is most definitely of public interest and he intends to see that the public is involved in the visioning process of this property.

Seth Predix, York, PA, asked if an RFP will be issued for this site and who would decide on the RFP.

Mr. Nace said long term, yes, RFP's will be done.

Councilman Rivera said there is a certain level of risk involved with the decisions we make, so he appreciates the discussion. However, he said the information session with Council today was very informative and he feels this is a great opportunity for us to purchase with proper due diligence to make sure we redevelop the property based on our residents' vision. Allowing the city to purchase will give us more control over what goes into this property. We all need to work together and make sure this gets done right. He went on to say he's not against the city purchasing this as long as all questions are answered and that we don't purchase this parcel and then sits for years and years and then starts to deteriorate. He then asked if it would be feasible to have a committee of city staff and residents regarding this property.

Mr. Nace said when dealing with real estate transactions, they are typically covered under the sunshine act, and we don't want that information out into the public. He said once we own the property, we can share more information.

Ashley Hines, York, PA, asked why the planning is so reactive and why is the planning coming after the property is purchased. She asked how to make sure residents aren't displaced.

Mr. Nace said he doesn't have answers to the housing aspect until a vision is in place.

Lindsey Simmons, York, PA, said she gathers that the public is interested in what is going to happen with this property. She asked what the point is of buying this property if there isn't already an idea of what is going to happen with this property.

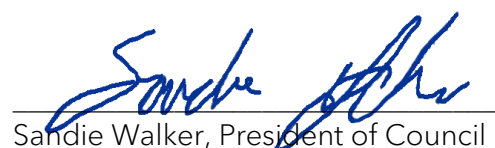
President Walker said during the information session with Council, general concepts were shared, such as affordable housing.

Mr. Nace said there has been a lot of discussion on housing shortages and there is a demographic of residents called ALICE who represents the 27% of Pennsylvanians who work but struggle to survive. ALICE stands for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. He said affordable housing is needed and there is also opportunity for deluxe apartments, light industrial, job training centers, commercial services, etc.

There being no further discussion, a motion was made by Washington, seconded by Rivera, to **move this resolution to the October 4 legislative agenda** for consideration of passage. The motion passed by the following vote: Yeas - Dennis, Buckingham, Rivera, Washington, Walker - 5; Nays - 0.

- III. Adjournment: There being no further discussion, the September 28, 2022 special meeting of Council adjourned at 7:09 PM.


Dianna L. Thompson, City Clerk


Sandie Walker, President of Council