AGENDA REGULAR MEETING OF COUNCIL April 1, 2019 6:00 PM

- 1. ROLL CALL
- 2. READING OF MINUTES
- 3. REPORTS & COMMUNICATIONS FROM MAYOR & HEADS OF DEPARTMENTS AND INTERESTED PARTIES AND CITY CLERK'S NOTES
- 3.A MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE SCRANTON SEWER AUTHORITY HELD FEBRUARY 21, 2019.
 - Scranton Sewer Authority Board Meeting Minutes 02-21-19.pdf
- 3.B MEMORANDUM RECEIVED MARCH 25, 2019 FROM CITY OF SCRANTON BUSINESS ADMINISTRATOR REGARDING MUNICIPAL BUILDING IMPROVEMENTS.
 - Memorandum from BA re Building Improvements 3-25-19.pdf
- 3.C SINGLE TAX OFFICE CITY FUNDS DISTRIBUTED COMPARISON REPORT 2018-2019 YEAR TO DATE MARCH 31, 2019.
 - Single Tax Office City Funds Distributed March 2018-2019.pdf
- 4. <u>CITIZENS PARTICIPATION</u>
- 5. INTRODUCTION OF ORDINANCES, RESOLUTIONS,

 APPOINTMENT AND/OR RE-APPOINTMENTS TO BOARDS &

 COMMISSIONS MOTIONS & REPORTS OF COMMITTEES
- 5.A MOTIONS.

5.B FOR INTRODUCTION - AN ORDINANCE - AMENDING FILE OF THE COUNCIL NO. 95, 2015, AN ORDINANCE, ENTITLED "AMENDING FILE OF THE COUNCIL NO. 79 OF 2015, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 145 OF 2007 ENTITLED "AN ORDINANCE RENAMING THE EMERGENCY AND MUNICIPAL SERVICES TAX ("EMST") TO LOCAL SERVICE TAX ("LST") AND BY IMPOSING A WITHHOLDING OF \$52.00 FOR THE CALENDAR YEAR 2015 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER BY INCREASING THE LOCAL SERVICES TAX WITHHOLDING FROM \$52.00 TO \$156.00 FOR THE CALENDAR YEAR 2015, AND PROVIDING FOR AN EXEMPTION FROM TAXATION FOR ANY PERSON WHOSE TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN THE MUNICIPALITY IS LESS THAN \$15,600.00 FOR THE CALENDAR YEAR 2015 UNDER AND PURSUANT TO THE LOCAL TAX ENABLING ACT, ACT 511 OF 1965, P.L. 1257, 53 P.S.§6924,101 ET. SEQ. AND THE MUNICIPALITIES RECOVERY ACT, ACT 47 OF 1987, P.L. 246, 53 P.S. §11701.101 ET. SEQ. AND THEIR RESPECTIVE AMENDMENTS" EFFECTIVE RETROACTIVE TO JANUARY 1, 2019. THIS TAX IS EXPECTED TO GENERATE APPROXIMATELY FOUR-MILLION SIX-HUNDRED FIFTY-THREE-THOUSAND THREE-HUNDRED THIRTY-FIVE (\$4,653,335.00) DOLLARS IN REVENUE IN CALENDAR YEAR 2019 BY ENABLING THE CITY OF SCRANTON TO CONTINUE TO LEVY THE LOCAL SERVICES TAX AT THE FISCAL YEAR 2018 RATE FOR FISCAL YEAR 2019 FOR A TOTAL MAXIMUM LOCAL SERVICES RATE OF ONE HUNDRED FIFTY SIX (\$156.00) DOLLARS FOR THE FISCAL YEAR 2019 EFFECTIVE RETROACTIVE TO JANUARY 1,2019 AND PROVIDING FOR AN EXEMPTION FROM TAXATION FOR ANY PERSON WHOSE TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN THE MUNICIPALITY IS LESS THAN \$15,600.00 FOR THE CALENDAR YEAR 2019.

Ordinance-2019 Local Service Tax for 2019.pdf

5.C FOR INTRODUCTION - AN ORDINANCE - AMENDING FILE OF THE COUNCIL NO. 58, 2016 AS AMENDED, AN ORDINANCE "ESTABLISHING A REGISTRATION PROGRAM FOR RESIDENTIAL RENTAL PROPERTIES; REQUIRING ALL OWNERS OF RESIDENTIAL RENTAL PROPERTIES TO DESIGNATE A PROPERTY MANAGER FOR SERVICE OF PROCESS AND PRESCRIBING DUTIES OF OWNERS, PROPERTY MANAGERS AND OCCUPANTS"

BY AMENDING SECTION 4 (A)(1) AND (B)(1) AND (2), AND SECTION 10(A)TO ABOLISH THE TIERED RATE STRUCTURE FOR 2019 AND REDUCE THE RENTAL REGISTRATION FEE FOR 2020 AND 2021.

Ordinance-2019 Amend FOC 58, 2016 Rental Registration.pdf

5.D FOR INTRODUCTION - A RESOLUTION - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE CITY OF SCRANTON TO CREATE A 2020 COMPLETE COUNT COMMITTEE TO PARTNER WITH THE U.S. CENSUS BUREAU TO ENSURE THAT EVERY RESIDENT IN THE CITY OF SCRANTON IS COUNTED IN THE 2020 CENSUS.

Resolution-2019 Create 2020 Complete Count Committee.pdf

6. CONSIDERATION OF ORDINANCES - READING BY TITLE

6.A READING BY TITLE - FILE OF THE COUNCIL NO. 60, 2019 - AN ORDINANCE - AMENDING FILE OF THE COUNCIL NO. 28, 2013, AN ORDINANCE AS AMENDED TRANSFERRING A TEMPORARY CONSTRUCTION AGREEMENT OF CITY OWNED PROPERTY LOCATED IN THE 100 BLOCK OF HARRISON AVENUE TO THE COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION ("PENNDOT") FOR THE CONSTRUCTION OF THE REMOVAL OF THE HARRISON AVENUE BRIDGE AND INSTALLATION OF A NEWLY CONSTRUCTED HARRISON AVENUE BRIDGE FOR THE SUM OF SEVEN THOUSAND DOLLARS (\$7,000.00) TO EXTEND THE TEMPORARY EASEMENT FROM TWO (2) YEARS TO FIVE (5) YEARS WITH AN UPDATED OFFER OF JUST COMPENSATION OF TEN THOUSAND SIX-HUNDRED (\$10,600.00) DOLLARS.

Ordinance-2019 Amend FOC 28, 2013 Harrison Avenue Bridge.pdf

7. FINAL READING OF RESOLUTIONS AND ORDINANCES

7.A NO BUSINESS AT THIS TIME.

8. ADJOURNMENT

The Sewer Authority of the City of Scranton, Pennsylvania

Board of Directors Meeting

February 21, 2019 Meeting Minutes

Mr. Michael Parker, Chairman, called the February 21, 2019 monthly Meeting of the Board of Directors of The Sewer Authority of the City of Scranton, Pennsylvania to order at approximately 5:30 P.M. The meeting was held in the SSA Office of the Municipal Building of the City of Scranton.

Pledge of Allegiance

Roll Call:

Roll Call was taken; Mr. Michael Parker, Mr. Kevin Whelan and Ms. Keleena McNichols were in attendance.

Atty. Shrive declared a quorum present.

Acceptance of Previous Minutes:

The Minutes of the SSA Board Meeting of December 27, 2018 were presented and approved;

Approved 2-0-1

Abstention – Ms. McNichols

Report of the SSA Solicitor:

Atty. Jason Shrive gave the Solicitor's Report:

- The SSA is working on the wind down/transition, parameters of Purchase Agreement, rate payer & customer concerns, transition between Pennsylvania American Water & Scranton Sewer Authority, paying outstanding expenses, easement resolutions and dealing with litigation and day to day matters.
- Announced that Executive Sessions were held on 2/7/19 and 2/21/19, previous to public meeting where Litigation & Personnel issues were discussed.

Public Comment:

Public Comment was conducted and the following people addressed the Board:

Jim Lockwood

Board Action on Resolutions & Motions:

- a. Resolution to Approve Payment of Operating Expenses; Approved 3-0
- b. Resolution to Approve Payment of Class Action/Easement Bills from the Class Action Easement Escrow Account; Approved 3-0
- c. Resolution to Approve and Ratify Actions of the Office Administrator and Solicitor;

 Approved 3-0
- d. Resolution to Approve Settlement of Stone Facility Limited Partnership, Cases 2016 CV 6913, 2017 CV 3617 and 2017 CV 4661; Approved 3-0
- e. Resolution Authorizing the Appointment of Michael J. O'Brien, Esq. as Counsel for the SSA Re Anthony R. Moses vs. SSA, et. al., 2017 CV 5338;

 Approved 3-0
- f. Resolution to Amend the By-Laws, Article III, Paragraph 3 Regular Monthly Meetings & to Waive Notice of the Same; Approved 3-0
- g. Resolution to Approve the 2019 Board Meeting Schedule of the SSA;

 Approved 3-0

h. Motion to Approve Insurance Deductible Payment for Nanci Wright, 2320 Pratt Hollow Road, Nicholson, PA 18446 in the amount of \$1,750.00 for payment of deductible per a Resolution and Agreement approved by SSA Board on August 16, 2018. Ms. Wright is the single, remaining retiree still covered by the SSA Health and Vision Deductible Reimbursement Plan with an ending date of September 30, 2019;

Motion made by: Mr. Whelan Motion seconded by: Ms. McNichols **Approved 3-0**

i. Motion to Approve the Creation of a SSA Webpage on the City of Scranton website and to post information on the same.

Motion made by: Ms. McNichols Motion seconded by: Mr. Whelan **Approved 3-0**

Other Business:

Motion to Appoint Ms. Keleena McNichols as SSA Board Treasurer;
Motion made by: Mr. Whelan
Motion seconded by: Ms. McNichols
Approved 3-0

Adjournment: Meeting was adjourned at approximately 5:50 PM.

City Hall 340 North Washington Avenue Scranton, Pennsylvania 18503 Tel: (570) 348-4118

Fax: (570) 348-4225



SCRANTON

MEMORANDUM

TO:

City Council, Lori Reed, City Clerk, Jessica Eskra, Solicitor, Mayor William Courtright;

Gerry Cross, Pennsylvania Economy League

FROM:

David Bulzoni, Business Administrator

RE:

Municipal Building Improvements

DATE:

March 23, 2019

OFFICE OF CITY
COUNCILICITY CLERK

Given that I have spoken to several of you regarding the condition of the municipal building and the prospective solutions, I thought it best, for uniformity, to provide this summary of my thoughts and actions. We truly have a situation to contemplate which likely will not occur again. Therefore, while an alternate solution to renovating City Hall may be "a bridge too far", we may not know unless we investigate it further. I believe the upcoming Highland Associates presentation will provide a stark reminder of what we will need to confront. In summary:

- 1. I would not have contemplated an alternative use for the building if not for two important considerations:
 - a. The Highland Associates Building Assessment is stark. The municipal building is in a serious state of disrepair resulting from many years of neglect. The cost associated with improving the building to a condition worthy of its stature is daunting;
 - b. I was apprised of the sale of the former PenFed Credit Union headquarters building on Franklin Avenue. The building presently houses a credit union branch. The corporate functions have been relocated to Washington D.C. The branch office will eventually close. The building, therefore, is mostly vacant. I would fairly confidently state that the building is in turnkey condition for municipal use.

Several members of the administration and the council finance chair had an opportunity to view the assessment upon completion but prior to the release of the document. Council will have an opportunity to view first-hand and in much detail the state of the building through this presentation.

2. Option 1 - Municipal Building Improvements

- If the building is improved in entirety, the City will likely realize costs between \$10.00 and \$12.00 million. Given our requirement to bid projects, the cost estimates are subject to a number of bid considerations which generally influence the process to varying degrees. The City applied for a \$5,376,583.00 RACP grant. The request was submitted based on an \$8,000,000 authorization for municipal building improvements approved in 2017. Since the grant is matching, the maximum the City could apply for would be 50% of the estimated project cost. I was advised that this round of RACP funding might be limited. While I am hopeful that the City receives full funding, I would also like everyone to consider the prospects of full funding with a sense of realism. The remaining funds required to complete the project might be obtained through a debt issue. Market factors for debt issuance are presently favorable for the City. The City might be able to use a "wrap" concept to keep debt service at a minimum until some existing debt matures. The City may also consider a three year construction note during the renovation period; construction notes typically require interest only during the period the note is outstanding. Principal would be due at maturity and would be repaid from a bond issue.
- b. Logistical issues abound during construction. The building was last overhauled in 1979. The entire operation was moved to the Connell Building during the improvement period. While that same situation might be an option, albeit using a different location, it might be costly and logistically challenging. Another option might be to improve the building floor by floor. To vacate space and move departments more fluidly, we might consider relocating OECD to the vacated Single Tax Office space at the Marketplace. The lease could potentially be paid by the federal government; we might also want to consider relocating the Civil War Museum. The City may have options following the Serrenti Building project. This Public Safety Building project (Serrenti) might not be completed substantially until the end of the year.
- c. I'm not going to recap the building's issues. The Highland presentation is highly informative. Two items you might consider: Based on the number of issues, I would not recommend a fragmented approach to improvements. In order to elevate the building to a reasonably functional state, the improvements should be completed in entirety. Remember, the building has suffered from water infiltration and resulting mold incidences, so an approach of exterior improvements only is likely not feasible. In addition, a partial completion would require an annual capital budget allocation to address the issues in entirety which would be in addition to the debt service requirements for the amount borrowed; the building, even with full renovations, has issues

which will not be eliminated. Parking will remain an issue. Operating costs should be reduced but will remain significant given the construction of the building (high ceilings, etc...)

3. Option 2 - Alternate Use

- a. With the number of difficulties associates with improving City Hall to its rightful state and the subsequent assumed cost to the City, I investigated, generally, potential options for repurposing the building. While this process has not been as pragmatic as I would have liked, I was influenced by the prospective sale of the PenFed Building. I also could not broaden the discussion since the Highland assessment was, technically, not made public until this past week. I do understand your frustrations in facing a daunting initiative with so little time to absorb not only the scope of the project but the alternatives.
- b. A tour of the PenFed Building impresses one with how much turn-key potential the building has for municipal use. Parking is substantial, refuse payments could be made at drive up teller windows, the Licenses and Permits Department could have personnel located behind teller windows on the first floor along with many other conveniences we presently do not have in our operation. The building is totally secure. Upper floor access can only be made through secure access cards. I would estimate that operating costs would be substantially lower than those presently realized and forecast even upon improvement to the municipal building.
- c. It is my understanding that the Pen-Fed Building presently lists for approximately \$5.00 million. Additional costs to the City to make the building fully operational should be relatively contained. Those total costs should, therefore, be approximately half of what the City might expect with full improvements to the municipal building. The City would use the same debt structure without the need for construction financing.
- I. I believe we recognize that all City officials have a fiduciary responsibility to assure that the building is restored. We also all agree that this building is a City treasure. I considered several alternatives that I thought merited review. An advantage of private ownership is principally in the potential funding opportunities; In addition to the prospect of a reassignment of RACP funding, Historic Tax Credits, Opportunity Zone funding and other sources not available to a public entity might make the project cost effective. Finding a potential use that assures longevity is challenging. The challenge is not just finding the use, but assuring that the building is funded properly not just for immediate improvements but also to assure maintenance in future years to avoid the same scenario that we presently face. My inquiry regarding residential conversion was generally not feasible due to the layout of the building; the return on investment necessary for such conversion is likely not achievable. Conversion to a boutique hotel and gathering place would require the same type of analysis. I had identified a prospective public/private use which has merit in a

contemplated use and the availability of capital for the project. The use would be a quasi-museum with both public and private gathering uses. This concept has many complex moving parts but might be achievable IF an assurance for future funding is guaranteed. Other uses might be identified through a Request for Proposal process. Depending on the possible use, a reversion clause might be considered to require the building to return to City ownership at a future time. Keep in mind, I had only conducted general inquiries; fully investigating alternate uses would require a public process. That process may eventually prove fruitful but will be challenging.

In closing this summary, you should note that I am committed to undertaking whatever process is deemed advantageous. Having resided in this building for the most of the past five years, I can assure you that I am not only intimately familiar with its failings but am incredibly appreciative of its stature and am committed to seeing it restored, whichever use might be most advantageous.

Please call with any questions.

Dave

SINGLE TAX OFFICE CITY FUNDS DISTRIBUTED COMPARISON 2019 - 2018

	YTD <u>3/31/2019</u>	YTD <u>3/31/2018</u>	Increase (Decrease)	Pct.
Real Estate	\$18,900,279.15	\$18,388,562.33	\$511,716.82	2.78%
Delinquent Real Estate	\$634,389.78	\$540,418.43	\$93,971.35	17.39%
LST/EMS	\$1,263,634.33	\$1,223,257.70	\$40,376.63	3.30%
Bus Priv/Merc	\$300,596.92	\$285,230.22	\$15,366.70	5.39%
	\$21,098,900.18	\$20,437,468.68	\$661,431.50	



OFFICE OF CITY
COUNCIL/CITY CLERK

12

FILE OF	THE	COUNCIL	NO.
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2019

AN ORDINANCE

AMENDING FILE OF THE COUNCIL NO. 95, 2015, AN ORDINANCE, ENTITLED "AMENDING FILE OF THE COUNCIL NO. 79, OF 2015, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 145 OF 2007 ENTITLED "AN ORDINANCE RENAMING THE EMERGENCY AND MUNICIPAL SERVICES TAX ("EMST") TO LOCAL SERVICE TAX ("LST")" AND BY IMPOSING A WITHHOLDING OF \$52.00 FOR THE CALENDAR YEAR 2015 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER BY INCREASING THE LOCAL SERVICES TAX WITHHOLDING FROM \$52.00 TO \$156.00 FOR THE CALENDAR YEAR 2015, AND PROVIDING FOR AN EXEMPTION FROM TAXATION FOR ANY PERSON WHOSE TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN THE MUNICIPALITY IS LESS THAN \$15,600.00 FOR THE CALENDAR YEAR 2015 UNDER AND PURSUANT TO THE LOCAL TAX ENABLING ACT, ACT 511 OF 1965, P.L. 1257, 53 P.S. §6924,101 ET. SEQ., AND THE MUNICIPALITIES RECOVERY ACT, ACT 47 OF 1987, P.L. 246, 53 P.S. § 11701.101 ET. SEQ. AND THEIR RESPECTIVE AMENDMENTS" EFFECTIVE RETROACTIVE TO JANUARY 1, 2019. THIS TAX IS EXPECTED TO GENERATE APPROXIMATELY FOUR-MILLION SIX-HUNDRED FIFTY-THREE-THOUSAND THREE-HUNDRED THIRTY-FIVE (\$4,653,335.00) DOLLARS IN REVENUE IN CALENDAR YEAR 2019 BY ENABLING THE CITY OF SCRANTON TO CONTINUE TO LEVY THE LOCAL SERVICES TAX AT THE FISCAL YEAR 2018 RATE FOR FISCAL YEAR 2019 FOR A TOTAL MAXIMUM LOCAL SERVICES RATE OF ONE HUNDRED FIFTY-SIX (\$156.00) DOLLARS FOR THE FISCAL YEAR 2019 EFFECTIVE RETROACTIVE TO JANUARY 1, 2019 AND PROVIDING FOR AN EXEMPTION FROM TAXATION FOR ANY PERSON WHOSE TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN THE MUNICIPALITY IS LESS THAN \$15,600.00 FOR THE CALENDAR YEAR 2019.

WHEREAS, the Local Tax Enabling Act (hereinafter "LTEA"), specifically 53 P.S. § 6924.311 (8), limits a municipality to levying a \$52.00 Local Services Tax on individuals who are employed within its limits; and

WHEREAS, the Municipalities Financial Recovery Act (hereinafter "MFRA"), 53 P.S. § 11701.123 (c)(1) and (d)(1), allows a Municipality that has adopted a Plan under 53 P.S. § 11701.241, et.seq. to petition the Court of Common Pleas of proper jurisdiction to increase its Local Services Tax beyond the maximum amount allowed by the LTEA up to a new maximum rate of \$156.00 on individuals who are employed within its limits; and

WHEREAS, the City of Scranton approved and adopted the Act 47 Exit Plan under 53 P.S. § 11701.245 on July 28, 2017, via File of the Council No. 111, 2017, which specifically recommended an increase in the Local Services Tax to the new maximum rate allowed by law of \$156.00 for fiscal year 2015 and going forward; and

WHEREAS, based on the foregoing, the City of Scranton Petitioned and received Court approval to increase the Local Services Tax from \$52.00 per year to \$156.00 per year in and for fiscal year 2015; and

WHEREAS, File of the Council No. 95, 2015, which amended File of the Council No. 79, 2015, which amended File of the Council No. 145 of 2007, passed final reading by City Council on May 7, 2015 and was signed into law on May 8, 2015 imposing a withholding of \$156.00 for the fiscal year 2015 and exempting any person from the local services tax whose total earned income and net profits from all sources within the municipality is less than \$15,600.00 for the calendar year in which the local services tax is levied.

WHEREAS, MFRA requires Municipalities seeking to continue utilizing an increased Local Services Tax to Petition the Court annually for authorization of the same; and

WHEREAS, the City of Scranton Petitioned the Court of Common Pleas of Lackawanna County for approval to continue levying the Local Services Tax at the Fiscal Year 2018 rate for Fiscal Year 2019 for a total maximum Local Services Tax rate of One Hundred Fifty-Six (\$156.00) dollars for Fiscal Year 2019; and

WHEREAS, the Court of Common Pleas of Lackawanna County granted the City's Petition to continue levying the Local Services Tax at the Fiscal Year 2018 rate for Fiscal Year 2019 for a total maximum Local Services Tax rate of One Hundred Fifty-Six (\$156.00) dollars for Fiscal Year 2019 and exempting any person from the local services tax whose total earned income and net profits from all sources within the municipality is less than \$15,600.00 for Calendar Year 2019 pursuant to the Court's Order, a copy of which is attached hereto as Exhibit "A".

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON, that Section 1 of File of the Council No. 95 of 2015 shall be amended to read as follows:

SECTION 1.

§ 231-9. Levy of tax

For specific revenue purposes, an annual tax is hereby levied and assessed, commencing January 1, 2019; upon the privilege of engaging in an occupation with a primary place of employment within the City of Scranton during the tax year. Each natural person who exercises such privilege for any length of time during any tax year shall pay the tax for that year in the amount of \$156.00, assessed on a pro rata basis, in accordance with the provisions of this article,

This tax may be used solely for the following purposes as the same may be allocated by the City of Scranton from time to time: (1) emergency services, which shall include emergency medical services, police services and/or fire services; (2) road construction and/or maintenance; (3) reduction of property taxes; or (4) property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S. Ch. 85, Subch. F (relating to homestead property exclusion). The political subdivision shall use no less that twenty-five percent of the funds derived from the tax for emergency services. This tax is in addition to all other taxes of any kind or nature heretofore levied by the political subdivision. The tax shall be no more than \$156.00 on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed.

SECTION 2. Section 6 of File of the Council No.95 of 2015, is hereby amended as follows:

The tax imposed herein is effective for fiscal year 2019.

SECTION 3. In all other respects, File of the Council No. 95 of 2015 shall remain in full force and effect.

SECTION 4. This Ordinance is enacted under and pursuant to the Municipalities Financial Recovery Act, 53 P.S. § 11701.123 (c)(1) and (d)(1).

SECTION 5. If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this ordinance, and the effective administration thereof.

SECTION 6. This Ordinance shall be effective retroactive to January 1, 2019.

SECTION 7. This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

IN THE COURT OF COMMON PLEAS IN RE: CITY OF SCRANTON 15-1 OF LACKAWANNA COUNTY REQUEST TO INCREASE LOCAL SERVICES TAX FOR FISCAL YEAR NO. 2019 MAR 13 E

2019 CV 899

May of March 2019, upon consideration of :1) Petitioner City of AND NOW, this Scranton's Petition for Approval to Continue Levying the Local Serveies Tax at the Fiscal Year 2018 Rate for Fiscal Year 2019; 2) the lack of any objections raised by any respondents either in writing or made orally at the March 6, 2019 hearing; 3) the record established at the March 6, 2019 hearing, and 4) the arguments by counsel for Petitioners; it is HEREBY ORDERED as follows:

- 1) The City of Scranton's Petition for Approval to Continue Levying the Local Services Tax at the Fiscal Year 2018 Rate for Fiscal Year 2019 is GRANTED.
- 2) Petitioner City of Scranton is HEREBY AUTHORIZED to enact an Ordinance increasing the Local Services Tax to One Hundred and Fifty-Six (\$156.00) dollars for fiscal year 2019. The tax will be effective retroactively to January 1, 2019.
- 3) The Ordinance shall "exempt any person from the local services tax whose total earned income and net profits from all sources within the municipality is less than \$15,600.00 for the calendar year in which the local services tax is levied." 53 P.S. §11701.123(d)(1).

BY THE COURT:

Hon. Thomas J. Munley



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 25, 2019

To the Honorable Council Of the City of Scranton Municipal Building Scranton, PA 18503



OFFICE OF CITY COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 95, 2015, AN ORDINANCE, ENTITLED "AMENDING FILE OF THE COUNCIL NO. 79, OF 2015, AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 145 OF 2007 ENTITLED "AN ORDINANCE RENAMING THE EMERGENCY AND MUNICIPAL SERVICES TAX ("EMST") TO LOCAL SERVICE TAX ("LST")" AND BY IMPOSING A WITHHOLDING OF \$52.00 FOR THE CALENDAR YEAR 2015 AND THE SAME SHALL REMAIN IN FULL FORCE AND EFFECT ANNUALLY THEREAFTER BY INCREASING THE LOCAL SERVICES TAX WITHHOLDING FROM \$52.00 TO \$156.00 FOR THE CALENDAR YEAR 2015, AND PROVIDING FOR AN EXEMPTION FROM TAXATION FOR ANY PERSON WHOSE TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN THE MUNICIPALITY IS LESS THAN \$15,600.00 FOR THE CALENDAR YEAR 2015 UNDER AND PURSUANT TO THE LOCAL TAX ENABLING ACT, ACT 511 OF 1965, P.L. 1257, 53 P.S. §6924,101 ET. SEQ., AND THE MUNICIPALITIES RECOVERY ACT, ACT 47 OF 1987, P.L. 246, 53 P.S. § 11701.101 ET. SEQ. AND THEIR RESPECTIVE AMENDMENTS" EFFECTIVE RETROACTIVE TO JANUARY 1, 2019. THIS TAX IS EXPECTED TO GENERATE APPROXIMATELY FOUR-MILLION SIX-HUNDRED FIFTY-THREE-THOUSAND THREE-HUNDRED THIRTY-FIVE (\$4,653,335.00) DOLLARS IN REVENUE IN CALENDAR YEAR 2019 BY ENABLING THE CITY OF SCRANTON TO CONTINUE TO LEVY THE LOCAL SERVICES TAX AT THE FISCAL YEAR 2018 RATE FOR FISCAL YEAR 2019 FOR A TOTAL MAXIMUM LOCAL SERVICES RATE OF ONE HUNDRED FIFTY-SIX (\$156.00) DOLLARS FOR THE FISCAL YEAR 2019 EFFECTIVE RETROACTIVE TO JANUARY 1, 2019 AND PROVIDING FOR AN EXEMPTION FROM TAXATION FOR ANY PERSON WHOSE TOTAL EARNED INCOME AND NET PROFITS FROM ALL SOURCES WITHIN THE MUNICIPALITY IS LESS THAN \$15,600.00 FOR THE CALENDAR YEAR 2019.

Respectfully,

Jessica L. Eskra, Esquire City Solicitor

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2019

AN ORDINANCE

AMENDING FILE OF THE COUNCIL NO. 58, 2016 AS AMENDED, AN ORDINANCE "ESTABLISHING A REGISTRATION PROGRAM FOR RESIDENTIAL RENTAL PROPERTIES; REQUIRING ALL OWNERS OF RESIDENTIAL RENTAL PROPERTIES TO DESIGNATE A PROPERTY MANAGER FOR SERVICE OF PROCESS AND PRESCRIBING DUTIES OF OWNERS, PROPERTY MANAGERS AND OCCUPANTS" BY AMENDING SECTION 4 (A)(1) AND (B)(1) AND (2), AND SECTION 10(A) TO ABOLISH THE TIERED RATE STRUCTURE FOR 2019 AND REDUCE THE RENTAL REGISTRATION FEE FOR 2020 AND 2021.

WHEREAS, an Agreement was approved by the Court in the matter of Adam Guiffrida, et al. v. City of Scranton No. 3499 of 2015, Court of Common Pleas of Lackawanna County, a copy of said Memorandum and Order is attached hereto marked as Exhibit "A".

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF

SCRANTON that Sections 4(A)(1), (B)(1) and (2), and 10(A) of File of the Council No. 58,

2016 as Amended, be further Amended to read as follows:

Section 4 - Owner/landlord's duties.

A. Registration

Every owner/landlord of a residential rental unit must register the unit with the Code Enforcement Officer in accordance with the following schedule:

(1)

All owners/landlords of residential units must register the units with the Municipality of Scranton by November 1 of each license year.

B. License requirement.

(1)

As a prerequisite to a Tenant occupying a Residential Rental Unit (except as provided in Subsection B(3) below, the owner/landlord of every such Residential Rental Unit shall be required to apply for and obtain a Residential Rental Unit License from the City of Scranton Licensing, Inspections and Permits Department. No residential rental contract for property within the Municipality of Scranton shall be legal without the prior registration of the unit and the issuance of a license for said unit. The cost of a license shall be as follows:

- In calendar year 2019 \$50 payable on or before November 1, 2019
- In calendar year 2020 \$45.00 payable on or before November 1, 2020
- In calendar year 2021 \$45 payable on or before November 2021

Section 10 - Rental Escrow Program.

In addition to all other penalty and enforcement remedies established by this chapter or by any other Scranton ordinance, including, but not limited to, the Property Maintenance Code,[1] owners/landlords of residential rental units within the Municipality of Scranton shall be subject to the Municipality of Scranton Rental Escrow Program, which is hereby established by this chapter.

A.
Owners/landlords of residential rental units that have not been registered by November 1 of the license year pursuant to this chapter shall be sent written notice of noncompliance by registered or certified mail, addressed to the record address of such property on the tax records of the County of Lackawanna. Failure to receive said notice shall not affect the effectiveness of the transmittal of said notice.

SECTION 1. In all other respects, File of the Council No. 58, 2016, as Amended, shall remain in full force and effect.

SECTION 2. If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

SECTION 3. This Ordinance shall become effective immediately upon approval.

SECTION 4. This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.

ADAM GUIFFRIDA, DINAMICO
CORPORATION, 1218 VINE LLC,
448 TAYLOR LLC, 619 PRESCOTT LLC,
718 PRESCOTT LLC, 805 QUINCY LLC,
926 MADISON LLC, 945 QUINCY LLC
PALAZZETTO LLC, 932 CAPOUSE LLC,
612 CAPOUSE LLC, and 609 GIBSON LLC.:

: IN THE COURT OF COMMON PLEAS : OF LACKAWANNA COUNTY

Plaintiffs

CLASSIS CY JUDICIAL NO. 18 FILL DIVISION

VS.

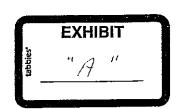
CITY OF SCRANTON,

Defendant

MEMORANDUM AND ORDER

NEALON, J.

Residential rental property owners commenced this class action against the City of Scranton, and asserted that its increased rental registration fees constituted unlawful revenue-raising measures since those fees were not commensurate with the costs associated with administering the rental registration program. Although plaintiffs initially sought declaratory judgment and injunctive relief, as well as the recovery of compensatory damages for "the excess revenue" collected from those fees, only their claims for declaratory judgment and injunctive relief were certified for a class proceeding, since any claims for refunds may only be pursued individually rather than through a class action. Following the completion of discovery, the parties submitted a joint motion for



approval of their class action settlement which authorizes refunds of \$75.00 per property for the applicable years, establishes a legislative remedy that reduces the rental registration fees, and pays the counsel fees and costs incurred by the class plaintiffs in this matter.

Based upon the parties' submissions and the evidence and argument that they presented during the settlement hearing, and in light of the lack of any objection to the proposed settlement by any of the 544 class members, the settlement will be approved as fair, reasonable, and adequate under Pa.R.C.P. 1714(a). Additionally, the requested counsel fees and expenses incurred by the class plaintiffs' counsel, which will be paid in full by the City, will likewise be approved in accordance with Pa.R.C.P. 1717. Accordingly, the parties' joint motion for approval of the class action settlement will be granted.

I. FACTUAL BACKGROUND

The owners of multiple residential rental properties in the City of Scranton filed this class action lawsuit challenging the municipal registration program for residential rental properties and corresponding registration and permit fees as "illegal revenue-raising measures," and argued that the fees formerly collected by the City were not "reasonably commensurate" with the City's cost of administering the rental registration and inspection program. (Docket Entry No. 1). On March 1, 2016, the City's motion to dismiss the plaintiffs' motion for certification of a class was denied with respect to the claims for declaratory judgment and injunctive relief, and by Order dated March 2, 2016, the plaintiffs' motion for certification of a class action was granted on an "opt-in" basis.

(Docket Entry Nos. 33-34). Further court intervention was required in order to resolve and finalize the written notice to be forwarded to putative class members pursuant to Pa.R.C.P. 1712. (Docket Entry No. 36).

From March 9, 2017, to May 23, 2017, 279 property owners opted in as plaintiffs in this class action suit by filing written elections with the Clerk of Judicial Records, and an additional 265 property owners opted-in by delivering their elections to class counsel. (Docket Entry Nos. 37-320). On August 18, 2017, plaintiffs' motion for leave to amend the class action complaint was granted so as to include claims for declaratory judgment and injunctive relief with respect to subsequent City legislation that was enacted in 2016. (Docket Entry No. 326). Plaintiffs filed such an amended complaint and the City thereafter filed an answer to that amended pleading. (Docket Entry Nos. 327-328).

At the request of counsel, an Order was issued scheduling a status conference for June 13, 2018, "in order to establish deadlines for the completion of discovery, the production of expert witness reports, the filing of case-dispositive motions, and other pretrial matters." (Docket Entry No. 334). On June 14, 2018, a scheduling Order was issued directing the parties to complete discovery by October 12, 2018, to produce their expert witness reports by December 12, 2018, and February 12, 2019, to file case-dispositive motions by April 12, 2019, to attend a final pre-trial conference on June 10, 2019, and to proceed to trial on July 8, 2019. (Docket Entry No. 335). By Order dated January 4, 2019, a settlement conference was scheduled for January 23, 2019. (Docket Entry No. 339).

At the conclusion of that settlement conference, counsel for the parties reached a settlement of this class action pursuant to which the City of Scranton has agreed to: (1)

pay those property owners, who have opted-in to the designated class and paid rental registration fees in 2014 and 2015 in compliance with File of the Council No. 7 of 2014, a refund of \$75.00 per property for each of those years; (2) submit legislation to the City Council of Scranton to establish a rental registration fee of \$45.00 per unit commencing in 2020 and continuing in 2021; and (3) pay a stipulated sum to Batyko Law LLC for counsel fees and costs incurred in representing the class members in this litigation. (Docket Entry No. 340). In accordance with Pa.R.C.P. 1714(a), a hearing was scheduled for March 11, 2019, at 9:00 AM, at which time the parties would submit their proposed settlement for court approval. (Id. at ¶ 1). Counsel for the parties were directed to furnish notice of the proposed settlement and scheduled hearing to all members of the certified class by hand-delivery, ordinary mail, facsimile transmission, or electronic mail in compliance with Pa.R.C.P. 236(a)(2) and (d) and Pa.R.C.P. 440(a)(1). (Id. at ¶ 2). Specifically, Batyko Law LLC was ordered to serve the foregoing notice upon "those 265 property owners who opted-in to the class by delivering a timely written election to Batyko Law LLC," whereas the City of Scranton was instructed to provide the required notice "to the 279 property owners who opted-in to the class by filing written elections with the Clerk of Judicial Records." (Id.). On January 24, 2019, Paul G. Batyko III of Batyko Law LLC filed a Certificate of Service memorializing that the requisite notice was delivered to the 265 property owners. (Docket Entry No. 341 at pp. 1-14). The City of Scranton filed a Certificate of Service on February 11, 2019, attesting that the mandated notice had been mailed to the remaining 279 property owners who are part of the certified class. (Docket Entry No. 343 at pp. 1-6).

In anticipation of the settlement hearing, the parties filed a "Joint Motion for Approval of Settlement of Class Action Case" on March 8, 2019. (Docket Entry No. 344). The joint motion sets forth the foregoing litigation history and the terms of the parties' proposed settlement. In addition to the monetary and legislative relief set forth above, the joint motion confirms that the City will also submit legislation to the City Council to abolish the tiered rate structure established by the 2016 ordinance and calculated based upon the date of payment, "and to institute a flat fee of \$50.00 per rental unit per year regardless of when paid, commencing in 2019 and continuing in 2020 and 2021." (Id. at ¶ 13(c)). The City has further agreed "not to collect retroactively or seek to collect retroactively any rental registration fees prior to the enactment" of the 2016 ordinance, "and the City shall not enforce retroactively or seek to enforce retroactively any of the provisions of File of the Council No. 17 of 2012 and/or File of the Council No. 17 of 2014." (Id. at ¶ 13(d)). Finally, the City has agreed to "pay a stipulated sum of \$71,100.00 to Batyko Law LLC in payment of the counsel fees and costs incurred by Plaintiffs' counsel in representing the class matters in this litigation." (Id. at ¶ 13(e)).

During the settlement hearing, plaintiffs' counsel confirmed that all 265 class members that Batyko Law LLC ventured to serve had in fact been appropriately notified by email or ordinary mail. Of the 279 class members that the City attempted to serve, five property owners had their ordinary mail notices returned as undeliverable without any forwarding address. The City had mailed the notices to the addresses that those property owners had listed on their rental registration forms and their written elections opting into the class, and which those five owners had furnished to the Lackawanna County Tax Assessment Office. None of those five property owners had filed a notice of a change of

address with the Clerk of Judicial Records subsequent to the dates that they opted into the class.¹

Several property owners attended the class settlement hearing, and all stated on the record that they did not object to the proposed settlement. Counsel for plaintiffs and the City recommended that the settlement be approved as fair and reasonable under the circumstances. By virtue of Judge Braxton's Order of May 29, 2015, requiring the City to deposit 50% of the registration fees that it collected into an escrow account, the refund and counsel fee payments exceeding \$142,000.00 in the aggregate may be paid from those escrowed funds without the necessity of any additional fees or taxes to subsidize the settlement. The City has also agreed to retain a third party vendor, at no cost to the class members, to issue the refunds authorized by the parties' settlement. In the event that the proposed settlement is approved, plaintiffs will discontinue this class action with prejudice following the payment of the refunds and counsel fees.

II. DISCUSSION

(A) NOTICE TO CLASS MEMBERS

Rule 1714(c) states that "[i]f an action has been certified as a class action, notice of the proposed compromise, settlement or discontinuance shall be given to all members of the class in such manner as the court may direct." Pa.R.C.P. 1714(c). Notice in a class

¹Since a party may be served with all legal papers other than original process via ordinary mail at his or her last known address, it is incumbent upon a party "to keep the court and opposing counsel apprised of [his/] her address." Sklar v. Harleysville Ins. Co., 526 Pa. 617, 622, 587 A.2d 1386, 1389 (1991). Valid service is effectuated upon a party by mailing such a legal paper to the party's last known address that has been furnished by that party. Parastino v. Lathrop, 697 A.2d 1004, 1005 (Pa. Super. 1997). To the extent that those five members of the class did not receive actual notice of the terms of the settlement and the scheduled hearing, it was attributable to their own neglect in failing to furnish an updated address. See Sklar, 526 Pa. at 622, 623, 587 A.2d at 1389.

suit must provide a fair recital of the proposed settlement terms and inform the class members of their opportunity to be heard, and "may consist of a very general description of the proposed settlement, including a summary of the monetary or other benefits that the class would receive and an estimation of attorneys' fees and other expenses." Fischer v. Madway, 336 Pa. Super. 289, 293, 485 A.2d 809, 811 (1984) (quoting Grunin v. International House of Pancakes, 513 F.2d 114, 122 (8th Cir. 1975), cert. denied, 423 U.S. 864 (1975)). "The notice need not provide a complete source of settlement information, and class members are not expected to rely upon the notices as such." Id. at 293-294, 485 A.2d at 811; 5A. Goodrich Amram 2d § 1714(c): 1 (Feb. 2019).

The Order of January 23, 2019, set forth the terms of the proposed settlement, including the monetary payments and legislative changes that will benefit the class members, as well as the payment of their counsel fees and expenses by the City of Scranton. (Docket Entry No. 340). Plaintiffs' counsel and the City of Scranton furnished notice to 539 class members by delivering a copy of that detailed Order to them, with the remaining five class members ostensibly not receiving notice due to their failure to provide change of address information as required by law. (Docket Entry Nos. 341-343). Consequently, the class members were furnished with sufficient notice of the proposed settlement in compliance with Rule 1714(c) and Fischer.

(B) CRITERIA FOR COURT APPROVAL

Rule 1714 governs the settlement of class actions, and states that "[n]o class action shall be compromised, settled or discontinued without the approval of the court after hearing." Pa.R.C.P. 1714(a). In order for a class settlement to be approved, the proffered

Andrews & Ingersoll LLP, 866 A.2d 479, 484 (Pa. Cmwlth. 2005). "In effect the court should conclude that the settlement secures an adequate advantage for the class in return for the surrender of litigation rights." In re Bridgeport Fire Litigation, 8 A.3d 1270, 1285 (Pa. Super. 2010) (quoting Buchanan v. Century Federal Savings and Loan Ass'n, 259 Pa. Super. 37, 46-47, 393 A.2d 704, 709 (1978)), app. denied, 611 Pa. 119, 23 A.3d 1003 (2011). "[S]ettlements are favored in class action lawsuits, and...the standard of review of the trial court's acceptance or rejection of a settlement proposal is abuse of discretion." Dauphin Deposit Bank & Trust Co. v. Hess, 556 Pa. 190, 197, 727 A.2d 1076, 1080 (1991).

After the court has made a preliminary fairness evaluation of the proposed settlement terms, it must conduct a "formal fairness hearing" at which time "arguments and evidence may be presented in support of and in opposition to the settlement." Brophy v. Philadelphia Gas Works and Philadelphia Facilities Management Corp., 921 A.2d 80, 88 (Pa. Cmwlth. 2007). The appropriate factors to consider in approving or disapproving a class action settlement are: "(1) the risks of establishing liability and damages; (2) the range of reasonableness of the settlement in light of the best possible recovery; (3) the range of reasonableness of the settlement in light of all the attendant risks of litigation; (4) the complexity, expense and likely duration of the litigation; (5) the state of the proceedings and the amount of discovery completed; (6) the recommendations of competent counsel; and (7) the reaction of the class to the settlement." Id. at 197, 727 A.2d at 1079-1080; Buchanan, supra. Since "there will usually be a difference of opinion as to the appropriate value of a settlement..., judges should analyze a settlement in terms

of a 'range of reasonableness' and should generally refuse to substitute their business judgment for that of the proponents." In re Bridgeport Fire Litigation, 8 A.3d at 1285 (quoting Buchanan, 259 Pa. Super. at 47, 393 A.2d at 709). The absence of any objections to the settlement "by the class members is entitled to nearly dispositive weight in the court's evaluation of the proposed settlement." Ballard Spahr Andrews & Ingersoll, 866 A.2d at 484 (quoting In re Linerboard Antitrust Litigation, 296 F.Supp.2d 568, 578 (E.D. Pa. 2003)).

To properly consider the factors relevant to the approval or disapproval of the parties' settlement proposal, a comprehensive review of the issues initially raised, the matters previously decided, and the claims remaining in this class litigation is warranted. As noted above, plaintiffs originally challenged the rental registration fees created by the 2014 ordinance, and sought (1) a declaratory judgment that those fees were illegal revenue-raising measures, (2) recovery of compensatory damages for "the excess revenue and income derived" from those fees, and (3) an injunction enjoining the City from collecting those increased fees. (Docket Entry No. 1 at ¶ 64-72, 86-96). Prior to the assignment of this class action to the undersigned on October 15, 2015, (Docket Entry No. 20), plaintiffs filed a petition on May 26, 2015, seeking a preliminary injunction barring the City from collecting any rental registration fees under the 2014 ordinance pending the conclusion of this class action, and also requesting that the City "account for all fees collected" under the 2014 ordinance. (Docket Entry No. 2).

On May 29, 2015, Senior Judge John Braxton issued an Order directing the City to: (1) "deposit into a separate escrow account fifty percent (50%) of any and all registration fees it receives by May 31, 2015;" (2) "extend indefinitely the May 31, 2015

deadline for the payment of the 2015 rental registration fees for all of the named Plaintiffs;" and (3) refrain from "any actions or measures to enforce or collect the 2015 rental registration fees that the named Plaintiffs do not pay by the May 31, 2015 deadline." (Docket Entry No. 4 at ¶¶ 1-3). Following a subsequent hearing on June 8, 2015, Judge Braxton entered another Order continuing the directives that the City (a) deposit fifty percent (50%) of the "rental registration fees it receives in, for, and/or after 2015" into a separate escrow account and (b) indefinitely extend "the May 31, 2015 deadline for the payment of the 2015 rental registration fees." (Docket Entry No. 9 at ¶¶ 1-2). He also ordered that the City "forego and hold in abeyance the collection of any and all rental registration fees beginning in 2016 and thereafter, under the current ordinances (File of the Council 17, 2012 and File of Council 7 of 2014), pending the outcome of the underlying lawsuit filed to No. 3499 of 2015." (Id. at ¶ 3).

On February 17, 2016, the City filed a motion seeking to dismiss plaintiffs' claims for compensatory damages and requests for declaratory judgment and injunctive relief. (Docket Entry No. 26). The City sought to strike any claims for compensatory damages in this class action litigation based upon appellate case law recognizing that claims for refunds from municipalities under Section 1 of the Refund Act, Act of May 21, 1943, P.L. 349, as amended, 72 P.S. § 5566b, may only be pursued personally by an individual "and may not be transferred by way of a class action." (Id. at ¶ 6) (quoting Aronson v. City of Pittsburgh, 98 Pa. Cmwlth. 1, 6, 510 A.2d 871, 873 (1986)). Plaintiffs conceded "that the foregoing decisional precedent bars plaintiffs from seeking rental registration fee refunds by way of a class action," but nevertheless argued "that their separate requests for declaratory judgment and injunctive relief may be certified for a class proceeding."

Guiffrida v. City of Scranton, 2016 WL 808684, at *3 (Lacka. Co. 2016). Relying upon Israelit v. Montgomery County, 703 A.2d 722 (Pa. Cmwlth. 1997), app. denied, 555 Pa. 735, 725 A.2d 184 (1998), which recognized that "taxpayers cannot pursue their requests for tax refunds through a class action" but may nonetheless pursue their "claims for declaratory and injunctive relief" in a class action, Id. at 724-725, we denied the City's motion to dismiss plaintiffs' class action requests for the issuance of a declaratory judgment and a permanent injunction. Guiffrida, supra, at *4.

Plaintiffs filed a motion pursuant to Pa.R.C.P. 1707 requesting certification of this proceeding as a class action, and at the time of the class certification hearing on March 2, 2016, the parties agreed to the certification of a class action "for those property owners who paid residential rental registration and permit fees in 2014 or 2015 pursuant to the fee schedule set forth in File of the Council No. 7 of 2014." (Docket Entry No. 34 at ¶ 2). The issues certified for class action consideration were expressly "limited to the claims for declaratory judgment and injunctive relief that are set forth in the 'class action complaint' filed in this matter," and in accordance with Pa.R.C.P. 1711(b), the class was "certified on an 'opt-in' basis pursuant to which a prospective member of the class must file a timely written election to be included in the class after receiving proper notice of the class action." (Id. at ¶¶ 3, 5). After the City produced an accounting of property owners who paid rental registration and permit fees in 2014 or 2015 under the fee schedule established by the 2014 ordinance, and those individuals and entities were duly notified of the class action in compliance with Pa.R.C.P. 1712, 544 property owners opted to become members of the class by filing opt-in elections between March 9, 2017, and May 23, 2017. (Docket Entry Nos. 37-320).

Following the City's enactment of a new rental registration ordinance in 2016, plaintiffs presented a "Petition to Enjoin the City From Collecting Rental Registration and Permit Fees Under File of Council No. 58 of 2016 Pending Final Resolution of the Class Action Case Pending at No. 3499 of 2015," and "[s]ince the relief requested in that petition involve[d] the interpretation and enforcement of paragraphs 1 and 3 of the Order of Judge John Braxton dated June 8, 2015," a hearing on that petition was conducted before Judge Braxton on July 12, 2017.2 (Docket Entry No. 321). By Order dated July 19, 2017, Judge Braxton denied plaintiffs' petition to enjoin, stating that "it is premature to apply this Court's June 8, 2015, Order to the subsequently enacted Ordinance at File of Council No. 58 of 2016 until and if such time that Plaintiffs amend the Complaint to Include File of Council No. 58 of 2016." (Docket Entry No. 323). On July 27, 2017, plaintiffs filed a motion requesting leave to amend their class action complaint to include claims for declaratory judgment and injunctive relief relative to the rental registration fees that the City collects pursuant to the 2016 rental registration ordinance. (Docket Entry No. 324). On August 18, 2017, plaintiffs' motion was granted and they filed an amended complaint including claims for declaratory judgment and injunctive relief relative to the 2016 ordinance. Guiffrida v. City of Scranton, 2017 WL 3594117 (Lacka. Co. 2017).

Plaintiffs' declaratory judgment and injunctive relief claims involve the legality of the rental registration fees charged by the City and paid by plaintiffs pursuant to the 2014 and 2016 ordinances. A regulatory or license fee that is imposed by a municipality to

²On November 23, 2016, the City enacted File of Council No. 58 of 2016 repealing the prior rental registration ordinance and corresponding amendment, and requiring the annual payment of rental registration fees of \$50.00 per rental unit (if paid by April 1 of the calendar year), \$75.00 per unit (if paid after April 1 but by June 30 of the calendar year), and \$100.00 per rental unit (if paid after June 30 of the calendar year.) (Docket Entry No. 324 at ¶ 5).

register rental units "is a charge which is imposed pursuant to a sovereign's police power for the privilege of performing certain acts, and which is intended to defray the expense of regulation." Greenacres Apartments, Inc. v. Bristol Township, 85 Pa. Cmwlth. 572, 575, 482 A.2d 1356, 1359 (1984). Such a fee is distinguishable "from a tax, or revenue producing measure, which is characterized by the production of large income and a high proportion of income relative to the costs of collection and supervision." Simpson v. City of New Castle, 740 A.2d 287, 292 (Pa. Cmwlth. 1999) (quoting Greenacres Apartments, supra). Thus, if a license or regulatory "fee collects more than an amount commensurate with the expense of administering the license, it would become a tax revenue and cease to be a valid license fee." Thompson v. City of Altoona Code Appeals Board, 934 A.2d 130, 133 (Pa. Cmwlth. 2007) (residential rental unit fee was valid exercise of city's police power since the rental registration and inspection program collected \$516,137.00 in fees, and the costs of the program totaled \$677,799.00); Simpson, supra ("In this case, just as in Greenacres Apartments, the uncontradicted evidence that the cost of regulation for the residential rental program was roughly equivalent to the amount raised from the biennial \$30 fee imposed a regulatory fee and not a tax."). Although the courts originally analyzed regulatory fees by determining whether they were "reasonably commensurate" with the direct costs of the regulatory program, the Commonwealth Court recently held that the trial court may reject such a "direct cost analysis" and instead adopt a "full cost approach" that also considers indirect costs in deciding whether the rental registration fees are "grossly disproportionate to the sum required to pay the cost" of the rental registration program. Costa v. City of Allentown, 153 A.3d 1159, 1165-1166 (Pa. Cmwlth. 2017), app. denied, 643 Pa. 108, 172 A.3d 588 (2017).

As the parties challenging the rental registration fees, plaintiffs bear the burden of proving that the fees established and collected are "grossly disproportionate" to the direct and indirect costs attributable to the rental registration program. Id. at 1165; Thompson, 934 A.2d at 133. In making that determination, "[a]ll doubt must be resolved in favor of the reasonableness of the fee, since the municipality must be given reasonable latitude in anticipating the expense of enforcing the ordinance." Id. Consequently, the trial of this class action would involve a proverbial battle of the experts retained by plaintiffs and the City, the methodologies that those experts employed in formulating their opinions, and their respective calculations of the appropriate costs incurred by the City in implementing and enforcing its rental registration program. See, e.g., Costa, 153 A.3d at 1162-1168. Even assuming arguendo that plaintiffs succeeded with their declaratory judgment claim that the rental registration fees constitute impermissible revenue producing measures, they could not obtain monetary relief in this class action since the Refund Act has been interpreted as providing only a personal right to sue for an individual refund, which refund may not be pursued by way of a class action. Zarwin v. Montgomery County, 842 A.2d 1018, 1024 (Pa. Cmwlth. 2004); Israelite, 703 A.2d at 725; Aronson, 98 Pa. Cmwlth. at 6, 510 A.2d at 873.

The parties' proposed settlement essentially yields the same result to plaintiffs that a favorable declaratory judgment ruling would produce for them inasmuch as it reduces the annual registration and permit fees from \$50.00/rental unit and \$150.00/site to \$45.00 per unit. Furthermore, although plaintiffs would have been required to thereafter pursue individual refunds under the Refund Act even if they succeeded with their declaratory judgment claim, the parties' settlement authorizes immediate refunds of \$75.00 per

property for 2014 and 2015. The legislative and monetary relief secured by plaintiffs under the settlement comes at no additional cost to them since the City has agreed to pay plaintiffs' lawyers the sum of \$71,100.00 for their counsel fees and costs incurred. By virtue of the fact that the City had been required to pay 50% of the increased fees collected into an escrow account, the City is capable of funding the entire settlement from proceeds that are currently available in that escrow fund.

Plaintiffs would bear considerable risk in establishing their right to a declaratory judgment since the fact-finder would be at liberty to find one expert's opinions more credible and worthy of belief and to base the verdict upon that evidentiary finding. See Costa, 153 A.3d at 1168. In light of the attendant risks associated with this litigation, the proffered settlement falls within the "range of reasonableness." The parties' settlement is the product of almost four years of litigation involving considerable time and effort, as reflected by the 343 docket entries. It also bears noting that class counsel has recommended the proposed settlement, and that no member of the class has objected to the settlement.

Based upon the parties' submissions, the proposed settlement is "fair, reasonable and adequate," particularly in light of the "grossly disproportionate" test most recently employed in <u>Costa</u> and the fact-finder's discretion to utilize a "full cost approach," rather than a "direct cost analysis," in making that determination. The class plaintiffs have effectively secured their declaratory judgment relief while simultaneously obtaining refunds that they would otherwise be compelled to obtain on an individual basis. The settlement is equally fair to the City's taxpayers inasmuch as it will be funded by

escrowed funds without the need for any additional assessments or taxes. Accordingly, the settlement will be approved pursuant to Pa.R.C.P. 1714(a).

(C) COUNSEL FEES

The determination of class counsel's fees and expenses must also be addressed when approving the parties' settlement. In fixing the amount of counsel fees to be paid to class counsel, the court should consider: "(1) the time and effort reasonably expended by the attorney in the litigation; (2) the quality of the services rendered; (3) the results achieved and benefits conferred upon the class or upon the public; (4) the magnitude, complexity and uniqueness of the litigation; and (5) whether the receipt of a fee was contingent on success." Pa.R.C.P. 1717. "The order in which these factors are listed in the Rule is not in any way intended to suggest an order of priority on comparative importance in the determination of the fee." In re Bridgeport Fire Litigation, 8 A.3d at 1289.

Plaintiffs' counsel commenced this action on May 26, 2015, and during the ensuing 46 months have filed more than a dozen motions, petitions, and briefs, (Docket Entry Nos. 2, 16, 18, 23, 25, 28, 31-32, 282, 324, 327, 329), and have attended at least 16 hearings and conferences. (Docket Entry Nos. 3, 21-22, 27, 30, 34, 36, 283, 321, 323, 330, 333, 335, 339-340). Counsel undertook and completed the arduous task of examining voluminous records that were produced by the City in order to ascertain the identity and location of all potential class members. Plaintiffs' counsel also devised the class notice under Pa.R.C.P. 1712, and assumed the responsibility for serving that notice upon all prospective class members. The class members have not only secured their

requested declaratory judgment and injunctive relief, but have also received the prompt benefit of monetary recovery that they would be obligated to seek on an individual basis. The stipulated counsel fees represent payment of \$17,775.00 per year for legal services provided from May 26, 2015 to the present. Based upon the factors set forth in Rule 1717, the stipulated counsel fees of \$71,100.00 are fair and reasonable, and were necessarily incurred, and will therefore be approved.

ADAM GUIFFRIDA, DINAMICO

CORPORATION, 1218 VINE LLC,

448 TAYLOR LLC, 619 PRESCOTT LLC,

718 PRESCOTT LLC, 805 QUINCY LLC,

926 MADISON LLC, 945 QUINCY LLC

PALAZZETTO LLC, 932 CAPOUSE LLC,

612 CAPOUSE LLC, and 609 GIBSON LLC,

: IN THE COURT OF COMMON PLEAS : OF LACKAWANNA COUNTY

Plaintiffs

CLASS ACTION

NO. 15 CV 3499

VS.

CITY OF SCRANTON,

Defendant

<u>ORDER</u>

AND NOW, this 11th day of March, 2019, upon consideration of the "Joint Motion for Approval of Settlement of Class Action Case" filed on March 8, 2019, and the evidence and argument presented during the class action settlement hearing on March 11, 2019, and based upon the reasoning set forth in the foregoing Memorandum, it is hereby ORDERED and DECREED that:

- 1. The "Joint Motion for Approval of Settlement of Class Action Case" is GRANTED pursuant to Pa.R.C.P. 1714 and the proposed settlement of this class action is APPROVED;
- 2. Per the terms of the parties' settlement, the City of Scranton shall take the following action:

- (a) The City shall pay those property owners, who have opted-in to the class and paid rental registration fees in 2014 and/or 2015 pursuant to File of the Council No. 7 of 2014, a refund of \$75.00 per property for each of those years;
- (b) The City shall submit legislation to the City Council of Scranton to establish a rental registration fee of \$45.00 per unit under File of the Council No. 58 of 2016, as amended, commencing in 2020 and continuing in 2021;
- (c) The City shall submit legislation to the City Council of Scranton to abolish the tiered rate structure of File of the Council No. 58 of 2016, specifically in Section 4(B) (i.e., the provision mandating \$50.00 per rental unit if paid by April 1 of the calendar year, \$75.00 per unit if paid after April 1, but by June 30 of the calendar year, and \$100.00 per rental unit if paid after June 30 of the calendar year), and to institute a flat fee of \$50.00 per rental unit per year regardless of when paid, commencing in 2019 and continuing in 2020 and 2021;
- (d) The City shall not collect retroactively or seek to collect retroactively any rental registration fees prior to the enactment of File of the Council No. 58 of 2016, and the City shall not enforce retroactively or seek to enforce retroactively any of the provisions of File of the Council No. 17 of 2012 and/or File of the Council No. 7 of 2014; and

- (e) The City shall pay a stipulated sum of \$71,100.00 to Batyko Law LLC in payment of the counsel fees and costs incurred by Plaintiffs' counsel in representing the class members in this litigation.
- 3. The requested counsel fees and costs incurred by plaintiffs' counsel in the amount of \$71,100.00 are found to be fair and reasonable under Pa.R.C.P. 1717; and
- 4. Once the payments and actions required by paragraph 2 above have been completed, counsel for plaintiffs shall file a praccipe to discontinue this matter with prejudice pursuant to Pa.R.C.P. 1717(a).

BY THE COURT:

Terrence R Nealon

cc: Written notice of the entry of the foregoing Memorandum and Order has been provided to each party pursuant to Pa. R. C. P. 236 (a)(2) and (d) by transmitting time-stamped copies via electronic mail to:

Paul G. Batyko III, Esquire Batyko Law LLC 7 Sharon Drive Moosic, PA 18507 batykop2@gmail.com

Patrick Howard, Esquire Charles J. Kocher, Esquire Saltz, Mongeluzzi, Barrett & Bendesky, P.C. Suite 218, 120 Gibraltar Road Horsham, PA 19044 Counsel for Plaintiffs

phoward@smbb.com ckocher@smbb.com Jessica Eskra, Esquire
City Solicitor
Joseph Gardner Price, Esquire
Assistant City Solicitor
Scranton City Hall – Law Department
340 N. Washington Avenue
Scranton, PA 18503
Counsel for Defendant

jeskra@scrantonpa.gov

joeprice@corbettpricelaw.com

Amil M. Minora, Esquire 700 Vine Street Scranton, PA 18510 Solicitor, Scranton City Council amil.minora@gmail.com



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 25, 2019

To the Honorable Council Of the City of Scranton Municipal Building Scranton, PA 18503



OFFICE OF CITY COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 58, 2016 AS AMENDED, AN ORDINANCE "ESTABLISHING A REGISTRATION PROGRAM FOR RESIDENTIAL RENTAL PROPERTIES; REQUIRING ALL OWNERS OF RESIDENTIAL RENTAL PROPERTIES TO DESIGNATE A PROPERTY MANAGER FOR SERVICE OF PROCESS AND PRESCRIBING DUTIES OF OWNERS, PROPERTY MANAGERS AND OCCUPANTS" BY AMENDING SECTION 4 (A)(1) AND (B)(1) AND (2), AND SECTION 10(A) TO ABOLISH THE TIERED RATE STRUCTURE FOR 2019 AND REDUCE THE RENTAL REGISTRATION FEE FOR 2020 AND 2021.

Respectfully,

Jessica L. Eskra, Esquire

City Solicitor

ILE/sl

2019

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE CITY OF SCRANTON TO CREATE A 2020 COMPLETE COUNT COMMITTEE TO PARTNER WITH THE U.S. CENSUS BUREAU TO ENSURE THAT EVERY RESIDENT IN THE CITY OF SCRANTON IS COUNTED IN THE 2020 CENSUS.

WHEREAS, the U.S. Census Bureau is required by the U.S. Constitution to conduct a count of the population and provides a historic opportunity to help shape the foundation of our society and play an active role in American democracy; and

WHEREAS, the City of Scranton is committed to ensuring every resident is counted; and

WHEREAS, census data helps determine, how many seats each state will have in the U.S. House of Representatives and is necessary for an accurate and fair districting of state legislative seats, county and city councils and voting districts; and

WHEREAS, federal and state funding is allocated to communities, and decisions are made on matters of national and local importance based, in part, on census data and housing; and

WHEREAS, information from the 2020 Census are vital tools for economic development and increased employment; and

WHEREAS, the information collected by the census is confidential and protected by law; and

WHEREAS, the Census count requires extensive work, and the Census Bureau requires partners at the state and local level to insure a complete and accurate count; and

WHEREAS, a united voice from business, government, community-based and faithbased organizations, educators, media and others will enable the 2020 Census message to reach more of our citizens; and

WHEREAS, the City of Scranton Complete Count Committee will bring together a cross section of community members who will utilize their local knowledge and expertise to reach out to all persons of our community; and

WHEREAS, data obtained by the survey will be used to help determine how approximately \$675 billion will be distributed from the federal government to state and local; and

WHEREAS, up to \$2,000 of federal funding will be lost for each person not counted; as well as upwards of \$20,000 of federal funding lost every ten years; and

WHEREAS, a complete count requires that we bring together community leaders from across the City of Scranton, so that every Scrantonian regardless of racial, social, or economic background is counted.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the City of Scranton is committed to partnering with the U.S. Census Bureau and will:.

- 1. Support the goals and ideals for the 2020 Census and will disseminate 2020 Census information.
- 2. Encourage all City residents to participate in events and initiatives that will raise the overall awareness of the 2020 Census and increase participation.
- 3. Provide Census advocates to speak to City and County Organizations.
- 4. Support census takers as they help our City complete an accurate count.
- 5. Strive to achieve a complete and accurate count of all persons within our borders.
- 6. Establish the City of Scranton Complete Count Committee for the 2020 Census.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid, or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, Known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.





DEPARTMENT OF LAW

OFFICE OF CITY COUNCILICITY CLERK

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 28, 2019

To the Honorable Council Of the City of Scranton Municipal Building Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE CITY OF SCRANTON TO CREATE A 2020 COMPLETE COUNT COMMITTEE TO PARTNER WITH THE U.S. CENSUS BUREAU TO ENSURE THAT EVERY RESIDENT IN THE CITY OF SCRANTON IS COUNTED IN THE 2020 CENSUS.

Respectfully,

ssica L. Eskra, Esquire ity Solicitor

JLE/sl

FILE	OF	THE	COUNCIL	NO.	

2019

AN ORDINANCE

AMENDING FILE OF THE COUNCIL NO. 28, 2013, AN ORDINANCE AS AMENDED TRANSFERRING A TEMPORARY CONSTRUCTION AGEEMENT OF CITY OWNED PROPERTY LOCATED IN THE 100 BLOCK OF HARRISON AVENUE TO THE COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION ("PENNDOT") FOR THE CONSTRUCTION OF THE REMOVAL OF THE HARRISON AVENUE BRIDGE AND INSTALLATION OF A NEWLY CONSTRUCTED HARRISON AVENUE BRIDGE FOR THE SUM OF SEVEN THOUSAND DOLLARS (\$7,000.00) TO EXTEND THE TEMPORARY EASEMENT FROM TWO (2) YEARS TO FIVE (5) YEARS WITH AN UPDATED OFFER OF JUST COMPENSATION OF TEN THOUSAND SIX-HUNDRED (\$10,600.00) DOLLARS.

WHEREAS, the City of Scranton has received an updated Offer of Just Compensation from PennDOT in the amount of Ten-Thousand Six-Hundred (\$10,600.00) Dollars to extend the temporary easement from two (2) years to Five (5) years for the Harrison Avenue Bridge Replacement Project. A copy of the Offer and Temporary Easement are attached hereto and incorporated herein by reference as Exhibit "A"; and

WHEREAS, PennDOT needs to extend the area as shown on the plot plan approximately 14,346 Square Feet for the Harrison Avenue Bridge Replacement Project. A copy of the plot plan is attached hereto marked as Exhibit "B"; and

WHEREAS, it is in the City's best interest to accept PennDOT's offer to extend the temporary easement from two (2) years to five (5) years so PennDOT can complete the Harrison Avenue Bridge Replacement Project.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that File of the Council No. 28, 2013 as Amended be Amended to extend the Temporary Easement of the Harrison Avenue Bridge Replacement Project from two (2) years to five (5) year and accept the updated offer of Just Compensation in the amount of Ten Thousand Six- Hundred (\$10,600.00) Dollars.

<u>SECTION 1</u>. If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or

any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

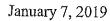
SECTION 2. This Ordinance shall become effective immediately upon approval.

SECTION 3. This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.



040367
Lackawanna
SR 6011 Sec 273
City of Scranton
28
3500484000
City of Scranton

A CERTIFIED DISADVANTAGED BUSINESS ENTERPRISE



City of Scranton Attention: Jessica Eskra, Esquire, City Solicitor 340 N Washington Ave. Scranton, PA 18503-1523



Dear Ms. Eskra:

Per my phone call with you, enclosed please find the updated Offer of Just Compensation (RW-356WVW). This total offer includes the previously paid \$28,400 from the initial settlement with PennDOT in 2013.

Therefore, an additional \$10,600 is being offered to extend the Temporary Easement Contract (RW-341) previously signed in 2013. It needs to be extended from a 2-year contract to a 5-year contract.

This offer letter, the updated settlement documents to be executed, the previously executed settlement documents and the two council files utilized to pass the 2013 conveyance were emailed to you today per your request.

Please do not hesitate to give me a call in the meantime should you have any questions or concerns.

Best regards,

Brittany Greaser

Right-of-Way Consultant

Enclosures: RW-356WVW

CC: File

£.



ROW OFFICE PROJ. NO.	040367	
COUNTY	Lackawanna County	
S.R SECTION	SR: 06011, Section: 273	_
MUNICIPALITY	City of Scranton	
PARCEL NO.	28	
CLAIM NO.	3500484000	
CLAIMANT	City of Scranton	

OFFER TO PURCHASE AND SUMMARY OF JUST COMPENSATION

City of Scranton

Attention: Paul Kelly, City Solicitor

340 N Washington Avenue Scranton, PA 18503-1523

REVISED: This offer supersedes all previous offers. The damage amount below includes an additional \$10,600 in damages to the \$28,400 previously paid to claimant.

Dear Attorney Kelly:

Our appraisal of the effect of the above transportation improvement on your property has been completed. Accordingly, we are pleased to offer you the sum of \$39,000.00 for the right-of-way required from your property for the transportation improvement and for the effects on your remaining property, if any. This offer is intended to provide just compensation for all of your property interests, including tenants, if any.

The areas required are as follows:

7,984 square feet required as Right-of-Way

727 square feet required as Right-of-Way for City Street 14,346 square feet required as a Temporary Construction Easement

The amount offered is summarized as follows:

1. Direct Damages

2. Indirect Damages Severance

\$0.00

Cost of Adjustment

\$0.00

3. Temporary Easement

\$17,600.00

\$21,400.00

\$0.00

TOTAL DAMAGES OFFERED (items 1 to 3 above)

\$39,000.00

We hope that you will indicate your acceptance of our offer to the Right-of-Way Representative who delivers this letter so that we can process your payment as soon as possible. If you are undecided about accepting the offer, the Right-of-Way Representative will be glad to visit you again for further discussion of your claim.

Ralph Del Rosso District Right-of-Way Administrator

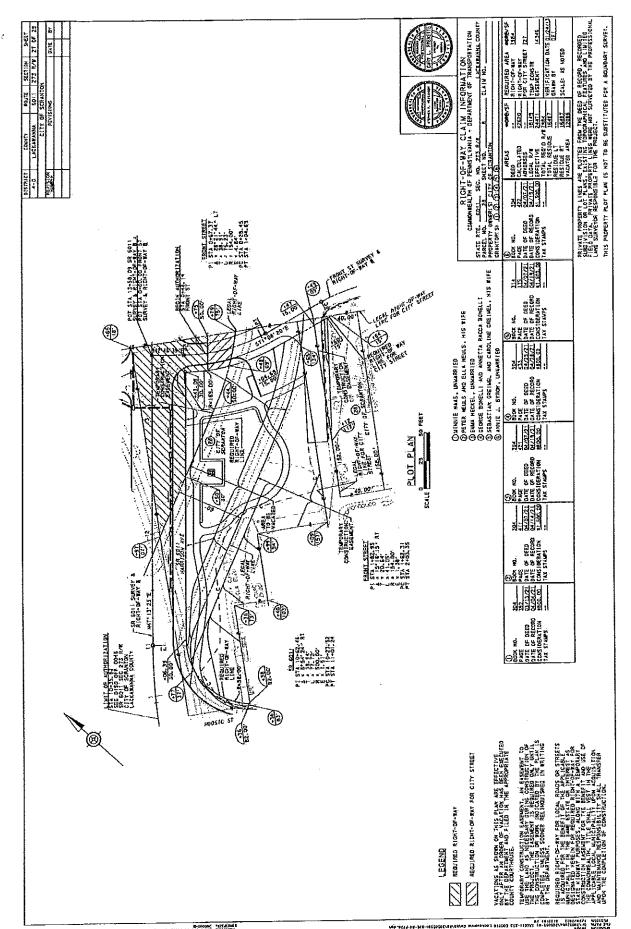
Engineering District 4-0

Plan of Area to be Acquired Attachments:

Your Right-of-Way Representative is: Brittany Rossman, ARROW Land Solutions, LLC

Telephone Number: (866) 944-8006 Toll Free

EXHIBIT





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TEMPORARY EASEMENT FOR CONSTRUCTION PURPOSES

THIS INDENTURE, made this Day of , by City of Scranton of 340 N Washington Ave., Scranton, PA 18503-1523 Owner(s) of property affected by the construction or improvement of the above mentioned transportation improvement, its heirs, executors, administrators, successors and/or assigns, hereinafter, whether singular or plural, called the OWNER, and the Commonwealth of Pennsylvania, Department of Transportation, hereinafter called the COMMONWEALTH,

WITNESSETH:

WHEREAS the COMMONWEALTH has recorded a plan in the Recorder of Deeds Office of the aforesaid County indicating its authorization to condemn real property for the above transportation improvement from the aforesaid property; and

WHEREAS the parties hereto have agreed that, in lieu of condemnation, the OWNER will grant to the COMMONWEALTH a temporary easement for construction purposes from the aforesaid property,

NOW, THEREFORE, in consideration of the sum of Seventeen Thousand Six Hundred and 00/100 (\$17,600.00) Dollars, the Owner hereby grants to the COMMONWEALTH a temporary easement for the purpose of undertaking the above construction or improvement, said easement to extend to the area shown on the plot plan attached hereto and made a part hereof and to authorize the entry and re-entry of employees, agents and contractors of the COMMONWEALTH upon said area to do any and all work necessary for the completion of the project, including the removal of any buildings and/or other structures located on the area covered by the easement; provided, however, that, upon completion of the project, the COMMONWEALTH shall be obligated to restore the area covered by the easement to a condition commensurate with that of the balance of the property of the OWNER, such restoration to include removal of debris, filling of holes left by the removal of buildings or structures, draining, filling and/or capping of wells, cesspools and septic tanks; grading and sowing of grass. The estimated completion date of the construction or improvement is five years from the commencement of construction. The temporary easement for construction area is approximately 14,346 Square Feet.

The OWNER does further remise, release, quitclaim and forever discharge the COMMONWEALTH or any agency or political subdivision thereof or its or their employees or representatives of and from all suits, damages, claims and demands which the OWNER might otherwise have been entitled to assert under the provisions of the Eminent Domain Code, 26 Pa.C.S. § 101 et seq., for or on account of this conveyance and any injury to or destruction of the aforesaid property of the OWNER through or by reason of the aforesaid construction or improvement.

The OWNER hereby indemnifies the Department for any claim made by a successor in interest should OWNER transfer the property to another prior to the completion of construction for which the temporary easement was given.

The consideration referenced above includes N/A (\$0.00) Dollars paid as a cost of adjustment for the purpose of N/A.

The Parties have executed or caused to be executed these presents, intending to be legally bound theret INDIVIDUALS ENTITIES* OWNER: City of Scranton (Name of Entity) BY: William L. Courtright, Mayor	RW-341 (2/18)	3500484000 Claim Number	City of Scranton Claimant	Date Page 2 of
OWNER: City of Scranton (Name of Entity) BY: William L. Courtright, Mayor BY:	The Parties ha	ave executed or caus	ed to be executed thes	e presents, intending to be legally bound thereby.
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COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION				
BY:				BY: District Right-of-Way Administrator

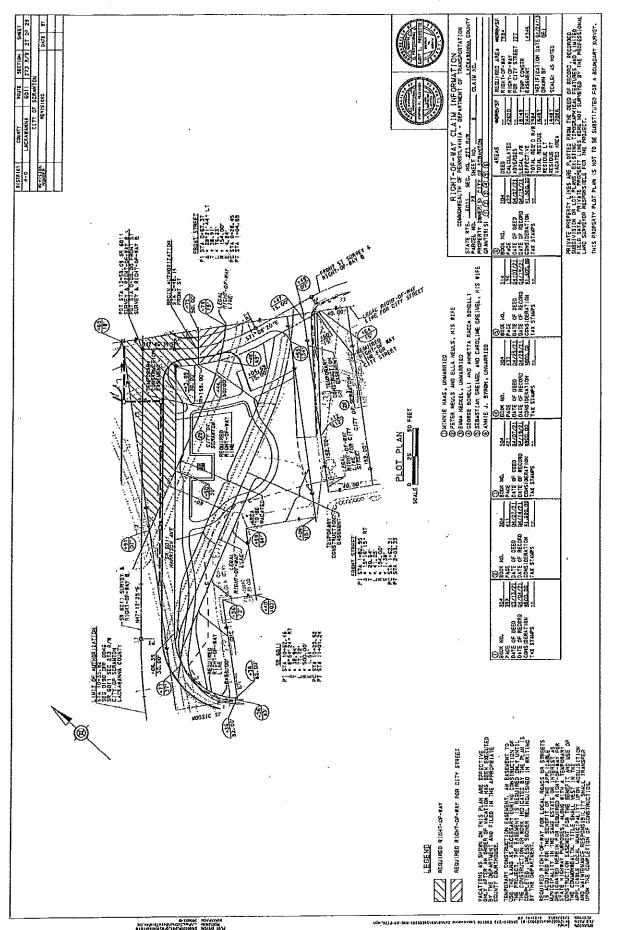
RW-341 (2/18)	3500484000 Claim Number	City of Scranton Claimant	Page 3 of 7
The Parties ha	ave executed or caus	ed to be executed these	presents, intending to be legally bound thereby.
INDIVID	UALS		ENTITIES* OWNER:
			City of Scranton (Name of Entity)
			BY:Lori Reed, City Clerk, Attesting to the signature of Mayor William L. Courtright
÷			ВҮ:
			* Use this block for a corporation, partnership, LLC, government entity, school district, church, trust, club, association, POA, attorney-in-fact, executor, administrator or any other entity. See R/W Manual Section 3.06.
			COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION
			BY: Dietriet Pight of Way Administrator

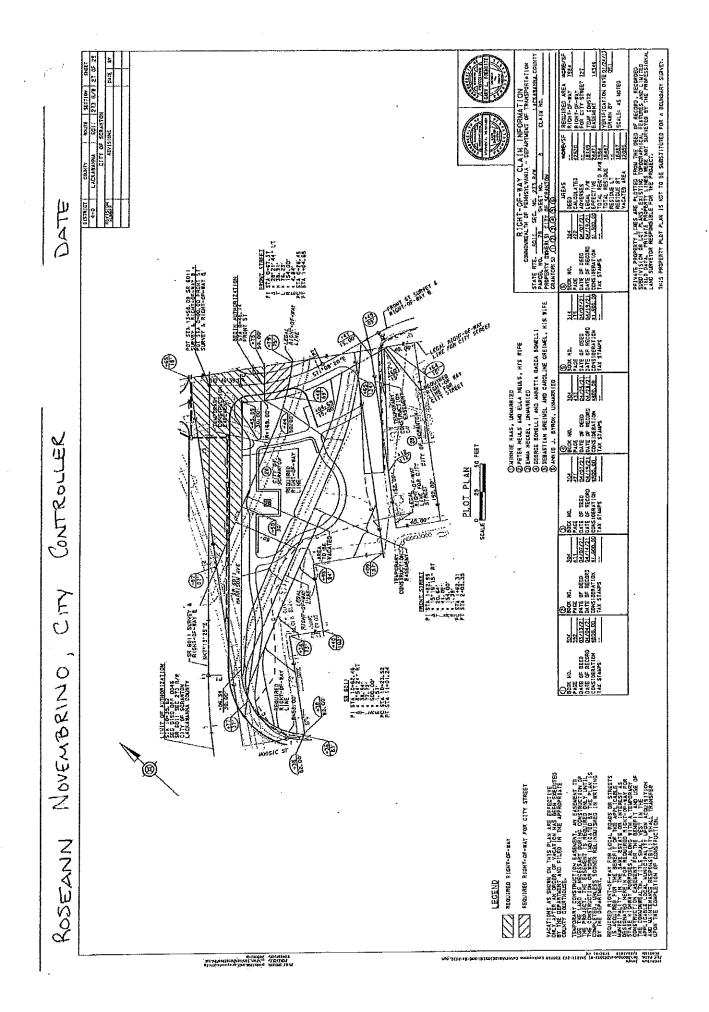
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INDIVID	UALS		ENTITIES* OWNER:
			City of Scranton
		. ,	(Name of Entity)
μ			BY:Roseann Novembrino, City Controller
			Roseann Novembrino, City Controller
			BY:
			* Use this block for a corporation, partnership, LLC,
		<u></u> .	government entity, school district, church, trust, club, association, POA, attorney-in-fact, executor, administrator or any other entity. See R/W Manual Section 3.06.
			COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION
			BY: District Right of Way Administrator

RW-341 (2/18)	3500484000 Claim Number	City of Scranton Claimant	Page 5 of 7 Date
The Parties h	ave executed or caus		se presents, intending to be legally bound thereby.
INDIVID			ENTITIES* OWNER:
			City of Scranton (Name of Entity)
			BY: Dennis Gallagher, Director, Department of Public Works
			ВҮ:
			* Use this block for a corporation, partnership, LLC, government entity, school district, church, trust, club, association, POA, attorney-in-fact, executor, administrator or any other entity. See R/W Manual Section 3.06.
			COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION
			BY: District Right-of-Way Administrator

RW-341 (2/18)	3500484000 Claim Number	City of Scranton Claimant	Date Page 6 of 7
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INDIVID	UALS		ENTITIES* OWNER:
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	,		BY: Jessica Eskra, Esquire, City Solicitor
			ВҮ;
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			COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION
			BY: District Right-of-Way Administrator
			District Right-of-way Administrator

RW-341 (2/18)	3500484000 Claim Number	<u>City of Scranton</u> Claimant	Page 7 of 7
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ROW OFFICE PROJ NO	040367
COUNTY	Lackawanna
S.R. – SECTION	6011-273
MUNICIPALITY	City of Scranton
PARCEL NO.	28
CLAIM NO.	3500484000
CLAIMANT	City of Scranton
	City or beautiful

SETTLEMENT STATEMENT

Final Settlement

CLAIMANT	City o	f Scranton	PROJECTED DISTRIBUTION DATE			
Date:						
ADDRESS OF CLA 340 N Washington A Scranton, PA 18503-	Lve.	PIN No. 157 PIN No. 157	I (ADDRESS) O 762010001 & 762010002 nton, County of		CLAIMANT'S ATTOR	NEY AND ADDRESS
Final Settlement Commonwealt	h's Pro-Rat	a Share of Ci	urrent Realty T	axes		\$39,000.00
Mortgage Pre-	Payment P	enalty _	-			
Mortgage Sati	sfaction Fe	3:	, _ , _ , _ , _ , _ , _ , _ , _ , _ , _			
Less Monies P	reviously P	'aid		 		\$28,400.00
Less Monies C	redited for	Owner Retai	ined Items	<u> </u>		
Withheld Pend	ling Buildir	ig Removal b	y Ówner			
Total Available	e for Distri	butión				\$10,600.00
CHARGES: NON Mortgage(s): Mortgagee: Principal: Interest (to date Pre-Payment Pe Satisfaction Fee Unpaid Current Claimant(s) Pre Commonwealth Liens and/or De	e: enalty*: e*: t Taxes; o-Rata Shar 's Pro-Rata	e Share* axes and Mu		TOTAL		
	, .		TAL CHARGE	S	0:00	
*Paid by Pennsylv	ania Depar	iment of Trai	nsportation	Minus Tots	al Charges	\$0.00
						410,000,00

Balance Due Claimant(s)

\$10,600.00

RW-313 (2/18)	3500484000 Claim Number	City of Scranton Claimant	Page 2 of 7
The distribution to be correct.	n of funds as shown on I hereby acknowledge	the reverse hereof is appreceipt of a copy of this	proved and the "Balance Due Claimant(s)" is acknowledged settlement statement.
INDIVID	UALS		ENTITIES* GRANTOR: City of Scranton
		·	(Name of Entity)
			BY: William L. Courtright, Mayor
			BY:
			* Use this block for a corporation, partnership, LLC, government entity, school district, church, trust, club, association, POA, attorney-in-fact, executor, administrator or any other entity. See R/W Manual Section 3.06.
I Hereby Certi Pennsylvania I	ify That The Informat Department of Transpo	ion On This Form Is T	rue And Correct, According To The Records Of The
Signature			Real Estate Specialist Title
Data			

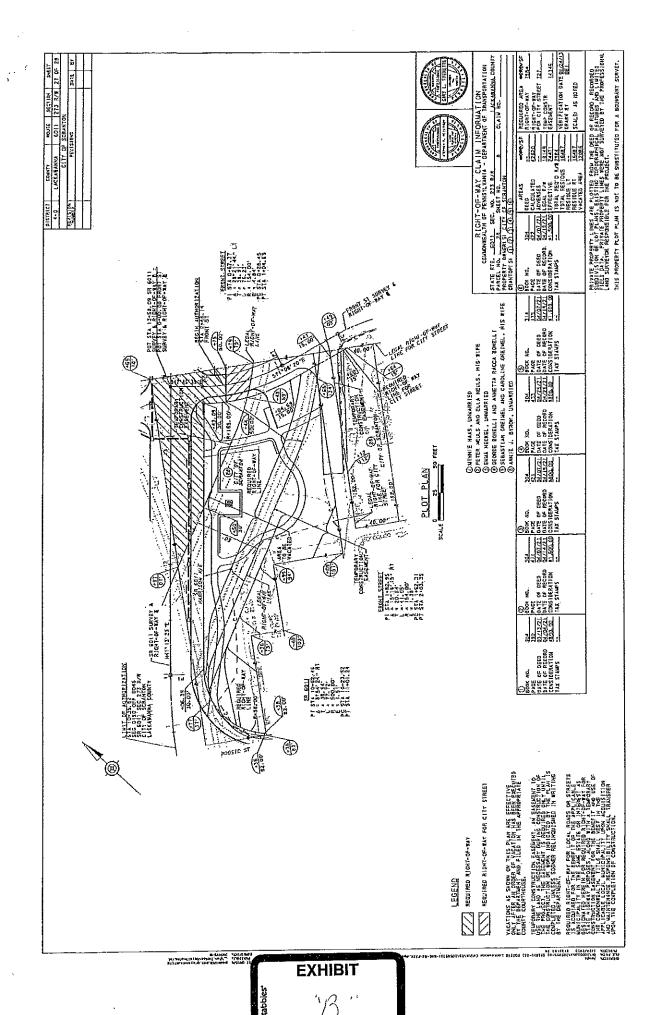
RW-313 (2/18)	3500484000 Claim Number	<u>City of Scranfon</u> Claimant	Date Page 3 of
The distribution to be correct.	n of funds as shown on I hereby acknowledge	the reverse hereof is appreceipt of a copy of this	roved and the "Balance Due Claimant(s)" is acknowledge settlement statement.
INDIVID	UALS		ENTITIES*
			GRANTOR:
		<u> </u>	City of Scranton
			(Name of Entity)
			ВУ:
			Lori Reed, City Clerk, Attesting to the signature of Mayor William L. Courtright
			ĐÝ:
			* Use this block for a corporation, partnership, LLC, government entity, school district, church, trust, club, association, POA, attorney-in-fact, executor, administrator or any other entity. See R/W Manual Section 3.06.
I Hereby Certi Pennsylvania I	fy That The Informati Department of Transpor	on On This Form Is T	rue And Correct, According To The Records Of The
			Real Estate Specialist
Signature			Title
Date -			

RW-313 (2/18)	<u>3500484000</u> Claim Number	City of Scranton Claimant	Date Page 4 of
The distribution to be correct.	n of funds as shown on I hereby acknowledge	the reverse hereof is approve receipt of a copy of this sett	ed and the "Balance Due Claimant(s)" is acknowledge dement statement.
INDIVID	UALS	- G	ENTITIES* RANTOR: Lity of Scranton Vame of Entity)
		B	Y: Roseann Novembrino, City Controller
4		В	Y:
		g ai ag	Use this block for a corporation, partnership, LLC, overnment entity, school district, church, trust, club, ssociation, POA, attorney-in-fact, executor, dministrator or any other entity. See R/W Manual ection 3.06.
	ify That The Informat Department of Transpo		And Correct, According To The Records Of The
Signature			eal Estate Specialist itle
Date -			

RW-313 (2/18)	3500484000 Claim Number	City of Scranton Claimant	Page 5 of 7
The distributio to be correct.	n of funds as shown on I hereby acknowledge	the reverse hereof is app receipt of a copy of this	roved and the "Balance Due Claimant(s)" is acknowledged settlement statement,
INDIVID	UALS		ENTITIES* GRANTOR: City of Scranton (Name of Entity)
			BY:
	-		ВУ:
			* Use this block for a corporation, partnership, LLC, government entity, school district, church, trust, club, association, POA, attorney-in-fact, executor, administrator or any other entity. See R/W Manual Section 3.06.
I Hereby Certi Pennsylvania I	fy That The Informati Department of Transpo	on On This Form Is To	rue And Correct, According To The Records Of The
Signature		 	Real Estate Specialist Title
Date -			

RW-313 (2/18)	3500484000	City of Scranton	Page 6 of
, ,	Claim Number	Claimant	Dute
The distribution to be correct.	n of funds as shown on I hereby acknowledge	the reverse hereof is approved receipt of a copy of this settle	and the "Balance Due Claimant(s)" is acknowledge ment statement.
INDIVIDUALS		GR	NTITIES* ANTOR:
			y of Scranton me of Entity)
		ВҮ:	Jessica Eskra, Esquire, City Solicitor
		ВУ:	
		gov assc adm	se this block for a corporation, partnership, LLC, ernment entity, school district, church, trust, club polation, POA, attorney-in-fact, executor, sinistrator or any other entity. See R/W Manual tion 3.06.
I Hereby Certi Pennsylvania D	fy That The Informat Department of Transpo	ion On This Form Is True A	nd Correct, According To The Records Of The
			I Estate Specialist
Signature		Title	e.
Date -			

RW-313 (2/18)	3500484000 Claim Number	City of Scranton Claimant	Page 7 of 7
The distribution to be correct.	n of funds as shown on I hereby acknowledge	the reverse hereof is approved receipt of a copy of this settle	and the "Balance Due Claimant(s)" is acknowledged ment statement.
INDIVID	UALS	GR. City	VTITIES* ANTOR: of Scranton me of Entity)
		J	John Pocius, CECO Associates., Inc., a Labella Company
		B Y :	
		gove asso adm	se this block for a corporation, partnership, LLC, priment entity, school district, church, trust, club, ciation, POA, attorney-in-fact, executor, inistrator or any other entity. See R/W Manual ion 3.06.
	fy That The Informati Department of Transpor		nd Correct, According To The Records Of The
Signature	·	Real Title	l Estate Specialist
Date -			





DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 18, 2019

To the Honorable Council Of the City of Scranton Municipal Building Scranton, PA 18503



OFFICE OF CITY COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AMENDING FILE OF THE COUNCIL NO. 28, 2013, AN ORDINANCE AS AMENDED TRANSFERRING A TEMPORARY CONSTRUCTION AGEEMENT OF CITY OWNED PROPERTY LOCATED IN THE 100 BLOCK OF HARRISON AVENUE TO THE COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF TRANSPORTATION ("PENNDOT") FOR THE CONSTRUCTION ON OF THE REMOVAL OF THE HARRISON AVENUE BRIDGE AND INSTALLATION OF A NEWLY CONSTRUCTED HARRISON AVENUE BRIDGE FOR THE SUM OF SEVEN THOUSAND DOLLARS (\$7,000.00) TO EXTEND THE TEMPORARY EASEMENT FROM TWO (2) YEARS TO FIVE (5) YEARS WITH AN UPDATED OFFER OF JUST COMPENSATION OF TEN THOUSAND SIX-HUNDRED (\$10,600.00) DOLLARS.

Respectfully,

Jessica Eskra(1) Jessica L. Eskra, Esquire

City Solicitor

JLE/sl