

AGENDA
RESCHEDULED REGULAR MEETING OF COUNCIL
June 4, 2020
6:30 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 RELOCATION OF LACKAWANNA COUNTY VOTING PRECINCTS FOR THE JUNE 2, 2020 PRIMARY ELECTION.

[Relocation of Lackawanna County Voting Precincts for June Primary Election.pdf](#)
 - 3.B SINGLE TAX OFFICE CITY FUNDS DISTRIBUTED COMPARISON REPORT 2019-2020 YEAR TO DATE MAY 31, 2020.

[Single Tax Office City Funds Distributed May 2019-2020.pdf](#)
 - 3.C CORRESPONDENCE RECEIVED FROM JESSICA ESKRA, ESQUIRE, DATED MAY 22, 2020 REGARDING CONTRACT BETWEEN NORTHEAST REVENUE SERVICE, LLC AND THE CITY OF SCRANTON.

[Correspondence received from Jessica Eskra, Esq. dated May 22, 2020.pdf](#)
 - 3.D CORRESPONDENCE RECEIVED FROM DONALD J. FREDERICKSON, JR., ESQUIRE, GENERAL COUNSEL FOR LACKAWANNA COUNTY, DATED MAY 19, 2020 REGARDING SCRANTON POLLING PLACES 2-1 AND 12-3.

[Correspondence received from Donald Frederickson, Esq. dated May 19, 2020.pdf](#)

4. CITIZENS PARTICIPATION

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 – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO GRANT A SPECIAL ENCROACHMENT PERMIT TO CITY RETAIL BUSINESSES AND RESTAURANTS TO OPERATE ON CITY RIGHT-OF-WAYS. (EMERGENCY CERTIFICATE ATTACHED).

[Ordinance-2020 Grant Special Encroachment Permit City
Businesses and Restaurants - Emergency Certificate.pdf](#)

- 5.C FOR INTRODUCTION – A RESOLUTION – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE CITY OF SCRANTON TO ENTER INTO LOAN AGREEMENTS AND MAKE LOANS FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION-REVOLVING LOAN PROGRAM, BETWEEN THREE THOUSAND (\$3,000.00) DOLLARS AND TWENTY THOUSAND DOLLARS (\$20,000.00) TO VARIOUS SMALL BUSINESSES IN THE CITY OF SCRANTON TO ASSIST ELIGIBLE PROJECTS AND TO OFFSET THE FINANCIAL IMPACT COVID-19 HAS HAD ON BUSINESSES, AS PART OF THE CITY OF SCRANTON SMALL BUSINESS RELIEF LOAN PROGRAM. (EMERGENCY CERTIFICATE ATTACHED).

[Resolution-2020 Loan Agreements EDA-Revolving Loan Program-
Emergency Certificate.pdf](#)

- 5.D FOR INTRODUCTION – A RESOLUTION – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS FOR THE CITY OF SCRANTON TO ENTER INTO GRANT AGREEMENTS AND MAKE GRANTS FROM THE CITY OF SCRANTON'S ENTERPRISE ZONE FUND IN THE AMOUNT OF \$2,500.00 TO VARIOUS SMALL BUSINESS THROUGHOUT THE CITY OF SCRANTON AS PART OF THE CITY OF SCRANTON'S SMALL BUSINESS RELIEF GRANT PROGRAM DUE TO THE COVID-19 PANDEMIC. (EMERGENCY CERTIFICATE ATTACHED).

[Resolution-2020 Grants from Enterprise Zone Fund - Emergency Certificate.pdf](#)

- 5.E FOR INTRODUCTION – A RESOLUTION – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO WAIVE THE RESIDENCY REQUIREMENTS FOR EILEEN CIPRIANI IN HER CAPACITY AS EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT FOR THE CITY OF SCRANTON SUBJECT TO CERTAIN CONDITIONS.
[Resolution-2020 Waive Residency Requirements for Eileen Cipriani.pdf](#)

6. CONSIDERATION OF ORDINANCES - READING BY TITLE

- 6.A READING BY TITLE - FILE OF THE COUNCIL NO. 9, 2020 – AN ORDINANCE – AMENDING SECTION 13 (AS AMENDED BY ORDINANCE NO. 29, 1994 AND ORDINANCE NO. 195, 2003) OF THE ADMINISTRATIVE CODE ENTITLED “APPROPRIATION” IN ORDER TO REQUIRE COUNCIL’S APPROVAL PRIOR TO THE TRANSFER OF AN UNEXPENDED BALANCE OF AN APPROPRIATION ITEM TO FUND A NEW JOB CLASSIFICATION OR INCREASE THE BUDGETED SALARY OF A JOB CLASSIFICATION.

[Ordinance-2020 Amend Administrative Code entitled Appropriation.pdf](#)

7. FINAL READING OF RESOLUTIONS AND ORDINANCES

- 7.A NO BUSINESS AT THIS TIME.

8. ADJOURNMENT

ELECTION DAY COVID-19 INFORMATION FOR VOTERS	
JUNE 2, 2020 GENERAL PRIMARY	
<ul style="list-style-type: none"> All Voting precincts in Lackawanna County will be open on June 2 from 7:am-8:00pm. 	
Listed below are the precincts which will be re-located for the June 2 General Primary Election:	
Carbondale 3-3	From: Russell Park Recreational Facility- Russell St.
	To: St. Rose Family Center- 6 N. Church St.
Dunmore 1-1	From: Our Lady of Peace Residence- 1510 University Ave.
	To: Dunmore Community Center- 1414 Monroe Ave.
Dunmore 5	From: St. Rocco's Church Hall- 122 Kurtz St.
	To: Dunmore Community Center- 1414 Monroe Ave.
Fell Twp. 4	From: Garage- 504 Main St., Richmondale
	To: Fell Twp. Municipal Bldg.- 1 Veterans Rd., Simpson
Olyphant 1 & 4-2	From: Saint Nicholas Church Hall- 604 E. Lackawanna Ave.
	To: Eureka Hose Co.- 717 E. Grant St.
West Abington Twp	From: Our Lady of the Abington's Church- 207 Seminary Rd.
	To: Dalton Fire Protection Association- 109 S. Turnpike Rd.
Scranton 2-1	From: Fire House- 209 W. Market St.
	To: Holy Rosary Hall- W. Market St. & Wayne Ave.
Scranton 5-1	From: Jackson Heights Rec. Room- 1001 Jackson St.
	To: West Side Senior Center- 1004 Jackson St.
Scranton 7-1	From: Boys & Girls Club of NEPA- 609 Ash St.
	To: Lackawanna County Government Center- 123 Wyoming Ave.

Scranton 12-3	From: Fire House- 1900 E. Mountain Rd.
	To: Northeastern Detachment Marine Corps League- 1340 Alder St.
Scranton 16-1	From: Washington West Apts.,- 537 N. Washington Ave.
	To: Lackawanna County Government Center- 123 Wyoming Ave.
Scranton 17-2	From: Hebrew Day School- 530 Monroe Ave.
	To: Lackawanna County Government Center- 123 Wyoming Ave.
Scranton 23-2	From: American Legion Post #908- 625 Deacon St.
	To: Green Ridge Assembly of God Church- 825 Green Ridge St.
Lackawanna County is taking every precaution to provide safe polling places not only for voters, but also for our dedicated poll workers.	
Each precinct will have a kit for all poll workers which will contain masks, gloves, hand sanitizer, equipment wipes and floor-marking tape.	
Voters should wear a mask and follow social distancing guidelines while visiting polling places	
Pens will be made available at the polling places, but voters can bring their own pens. Black pens are preferred to ensure readable marks on the ballot.	

SINGLE TAX OFFICE
CITY FUNDS DISTRIBUTED
COMPARISON 2020 - 2019

		YTD <u>5/31/2019</u>		YTD <u>5/31/2020</u>		Increase <u>(Decrease)</u>	<u>Pct.</u>
Real Estate	\$	24,253,212.85	\$	22,938,294.95	\$	(1,314,917.90)	-5.4%
Delinquent Real Estate	\$	1,005,665.94	\$	754,908.04	\$	(250,757.90)	-24.9%
LST/EMS	\$	2,479,019.16	\$	2,436,024.14	\$	(42,995.02)	-1.7%
Bus Priv/Merc	\$	2,067,663.80	\$	1,462,099.17	\$	(605,564.63)	-29.3%
	\$	29,805,561.75	\$	29,921,030.29	\$	(2,214,235.45)	

RECEIVED
MAY 29 2020

OFFICE OF CITY
COUNCIL/CITY CLERK



DEPARTMENT OF LAW

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

May 22, 2020

Via Certified and Regular Mail

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MAY 27 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

Sean Shamany
Northeast Revenue Service, LLC
1170 Highway 315
Suite 5
Plains, PA 18702

John G. Dean, Esquire
Elliott Greenleaf & Dean
15 Public Square – Suite 310
Wilkes Barre, PA 18701

RE: Contract between Northeast Revenue Service, LLC and the City of Scranton

Dear Mr. Shamany and Attorney Dean:

In follow up to our discussions and my correspondence of October 16, 2019 regarding termination of the above contract between Northeast Revenue Service, LLC and the City of Scranton and the contractual provisions relating to annual renewal of said contract, please be advised that the City still intends to proceed with said termination and will not be renewing this contract for an additional year. This shall serve as formal notice of the same. Termination shall be effective December 31, 2020.

I would like to renew our discussions regarding transition and winding down. Please provide your availability to discuss the same at your earliest convenience.

Thank you for your continued willingness to mutually part ways in a manner that is amicable and expeditious.

Respectfully,

Jessica Eskra (S)
Jessica Eskra, Esquire
City Solicitor

JLE/

cc: Mayor Paige Gebhardt Cagnetti
Patrick Sheridan, Business Administrator
Scranton City Council President William Gaughan
City Controller John Murray



DEPARTMENT OF LAW

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

October 16, 2019

Sean Shamany
Northeast Revenue Service, LLC
1170 Highway 315
Suite 5
Plains, PA 18702

RE: Contract between Northeast Revenue Service, LLC and the City of Scranton

Dear Mr. Shamany:

It was a pleasure meeting with you on October 10, 2019. This will confirm the items discussed therein, which are outlined below relative to Northeast Revenue Service's collection of delinquent taxes and refuse fees for the City of Scranton:

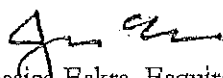
- For reasons which are extremely apparent, the City of Scranton and Northeast Revenue Services will agree to terminate the existing contract by mutual agreement.
- The termination will be effective December 31, 2019. Northeast Revenue Service will ensure the prompt exchange of all databases in a format acceptable to the City for all tax and refuse collections to the City and/or its designees. Northeast Revenue Service's IT department and the City of Scranton's IT department will agree to work together in good faith to achieve the timely transition of data. We truly do appreciate your insight, thoughts and assistance during our meeting concerning how this may best be achieved between the parties. To that end, the City may allow for extensions as necessary for purposes of the transition involved and the exchange of data as long as the City believes that Northeast Revenue Service is continuing to act in good faith, and no improper delay is being incurred regarding the ongoing exchange of data which is to take place before December 31, 2019. If Northeast Revenue Service feels that a delay will be encountered (on their end) at any time between now and December 31, 2019, the City expects to be advised in writing of the reason for the delay and the amount of time anticipated for the delay within three (3) business days of Northeast Revenue Service encountering the delay.
- Throughout this transitional process, Northeast Revenue will upload the 2019 payments to its server, to be combined with the data that will be transferred to the City and/or its designee.
- Northeast Revenue will proceed with the filing of delinquent refuse liens for calendar year 2018 as the same have already been prepared and are ready for filing. However, Northeast Revenue will not proceed with the filing of 2018 delinquent tax liens.

- Northeast Revenue will provide the City with the total dollar amount of costs advanced on liens that have been filed on behalf of the City. We would like to see this amount within 10 business days if possible.
- The City is expecting that this contract will end in a mutually agreeable fashion since the City has been a long-time client of Northeast Revenue Service. The City does not feel it is in anyone's best interest, after the years of history between the parties, to bring this matter to litigation which is why we are seeking an assurance at this time. The City will require assurances in writing from Northeast Revenue Service that the termination of this contract will not result in litigation. Of course, further written and signed documents may be necessary to confirm this agreement but for now the above captures the essence of our meeting that day. In providing such assurances, Northeast Revenue Service is free to consult with legal counsel as it deems appropriate and necessary.

If there is any uncertainty with the contents of this letter, please advise within the next five (5) business days so that unnecessary delay in the proposed transition does not occur.

Thank you for your professionalism and understanding throughout this meeting, and I look forward to working amicably with you to mutually part ways in a manner that is both amicable, fair to both sides, and expeditious.

Respectfully,



Jessica Eskra, Esquire
City Solicitor

JLE/

cc: Mayor Wayne Evans
David Bulzoni, Business Administrator
Scranton City Council



Lackawanna County

Commissioners

Jerry Notarianni • Debi Domenick, Esq. • Chris Chermak

Donald J. Frederickson, Jr., Esquire
General Counsel for Litigation
Lackawanna County Government Center at
The Globe
123 Wyoming Ave, 6th Floor
Scranton PA 18503
t (570) 963-6800
FredericksonD@lackawannacounty.org
www.LackawannaCounty.org

May 19, 2020

The Honorable Paige Cognito
Scranton City Hall
340 N. Washington Avenue
Scranton PA 18503

RECEIVED
MAY 19 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

VIA EMAIL: pcognito@scrantonpa.gov

RE: Scranton Polling Places 2-1 and 12-3

Dear Mayor Cognito:

I have been asked to contact you regarding the use of Ward 2-1 (Engine No. 8) and Ward 12-3 (No. 10) for the upcoming Presidential Primary Election on June 2, 2020. Our Elections Director was informed by your Chief of Staff via email on May 15, 2020, that the city would not open the above referenced firehouses for use as polling places for the upcoming primary election.

The Lackawanna County Board of Elections is strongly requesting that you reconsider your position on this matter, and allow these two locations to serve as polling places for the residents of the City of Scranton.

Both of these locations have been used for decades as polling places for voters in the city. A change of polling places at this late date will lead to confusion and possible disenfranchisement of voters in the city served by these polling locations.

Additionally, I direct your attention to the Memorandum issued by the PA Department of State and PA Department of Health regarding the use of facilities as polling places during COVID-19. Therein, polling place administrators and owners were requested as follows: "the Governor, the Secretary of the Commonwealth, and the Secretary of Health urge you to help your fellow Pennsylvanians by ensuring that the June 2 presidential primary election is administered safely and successfully. We ask that you work with county election officials to open your facility on a limited basis for use as a polling place in accordance with these guidelines." (A copy of said Memorandum is attached hereto for your review).

Lastly, your decision to not allow the use of the two city firehouses to serve as polling places on June 2nd is a violation of the Election Code, specifically **25 P.S. §2727(a)**, which states in pertinent part: "In selecting polling places, the county board of elections shall, wherever possible and practicable, select schoolhouses, municipal buildings or rooms, or other public buildings for that purpose. Any board of public education or school directors, or county or the municipal authorities shall, upon request of the county board, make arrangements for the use of school property, or of county or municipal property for polling places...."


In using the firehouses, the Election officials will be provided with appropriate PPE, and will be following all CDC guidelines and orders from the PA Department of Health in conducting the election in a safe and successful manner.

For these reasons, the Lackawanna County Board of Elections is requesting that you reconsider your decision to close these two city firehouses to the voters on June 2nd, and allow them to serve as polling places as they have for the past three decades.

We ask for a reply to this request within the next twenty-four (24) hours, as the election is two weeks from today, and the Board of Elections is working on a tight schedule.

Thank you for your time and attention hereto. If you should have any questions, please feel free to contact me.

Very truly yours,


Donald J. Frederickson, Jr., Esquire
General Counsel for Lackawanna County.
Election Board Solicitor.

DJF/df.
Encls.

cc: Commissioner Jerry Notarianni, Ch. Brd. Of Elections
Commissioner Debi Domenick, Esq. - Member Brd. Of Elections
Commissioner Chris Chermack - Member Brd. Of Elections
Brian Jeffers - Chief of Staff
Marion Medalis, Director of Elections
Stephanie Pisko - Chief of Staff
Jessica Eskra, Esq. - City Solicitor
William Gaughan - Chair, City Council



For Building Administrators and Proprietors: Use of Facilities as Polling Places during COVID-19

This guidance addresses concerns for property owners or managers of buildings or facilities currently not in use due to closures during the COVID-19 public health emergency. These buildings may be used as polling places during the June 2, 2020 presidential primary election. In all counties the need for polling places is acute, regardless of their current designation under the Governor's Process to Reopen Pennsylvania. As an owner or administrator of a facility that may be suitable for use as a polling place, the Governor, the Secretary of the Commonwealth, and the Secretary of Health urge you to help your fellow Pennsylvanians by ensuring that the June 2 presidential primary election is administered safely and successfully. We ask that you work with county election officials to open your facility on a limited basis for use as a polling place in accordance with these guidelines. Counties may provide remuneration for the short-term lease of the facility to offset costs incurred.

Locations appropriate for use as polling places

For locations that will be used as a polling location on election day, the color-coded phases of the Governor's Process to Reopen Pennsylvania do not apply. Locations that are not currently open to the public are, in fact, appropriate to designate as polling places, because the lack of daily public access will limit potential exposure risks and allow adequate time for cleaning and sanitizing before and after election day. For this reason, buildings may be opened as an exception for the purpose of serving as a polling place during the June 2nd Pennsylvania presidential primary election.

The Department of State is working with other Commonwealth agencies to make state-owned facilities available. In addition to certain state-owned facilities, the following locations are appropriate for consideration:

Churches	Fire Departments	Private banquet halls
Community centers	Schools	Gymnasiums or fitness centers
Municipal buildings	Colleges & Universities	Libraries
Township buildings	Private clubs with large common area	Membership organization facilities (Legion, VFW or social clubs)
Auditoriums	Stadiums or arenas	Hotel meeting or banquet rooms
Music/performance venues	Maintenance facilities	Recreation centers

Statutory Considerations

Act 12 of 2020 granted counties emergency relief to consolidate polling locations for the upcoming 2020 presidential primary election due to COVID-19. This allows counties to operate fewer polling places on election day by assigning more than one precinct to a given location. Consolidated locations must offer adequate parking and accessibility, areas that allow adherence to social distancing guidelines, and allow for adequate room, flow or configuration to maintain a voter's right to privacy. Consequently, locations containing multiple rooms and/or entrances, and facilities with large spaces such as multi-purpose rooms, banquet rooms and gathering halls are in high need. Counties will be unable to consolidate polling places without the use of large, accessible, and strategically located facilities.

In addition, the Pennsylvania Election Code requires municipalities and school districts to make their buildings available to serve as polling locations upon request by the county board of elections. (See 25



P.S. § 2727(a).) The Election Code's preference for these public buildings makes sense because they are often strategically located within local communities and they are also among the most accessible facilities for people with disabilities.

Election Day Precautions

The state and the county boards of elections are taking all reasonable measures to provide for a safe voting experience at polling locations. We are urging, per Governor Wolf's order, that voters wear masks while in the polling place. The Department of State has advised counties to follow social distancing and disinfecting guidelines in place in the region during the pandemic. The state has procured and is distributing to the counties thousands of precinct infection protection kits containing items such as masks, gloves, disinfectant wipes, hand sanitizer, and floor tape to mark social distancing, and counties are procuring additional protective equipment as well, to ensure that voters, poll workers, and polling places are safe on election day.

We are also working diligently to encourage people to vote by mail. As part of this effort, the state sent mailings to every eligible primary voter household encouraging them to vote by mail and has undertaken a comprehensive bi-lingual TV, radio, and digital advertising campaign. Already, nearly one million applications for mail-in or absentee ballots have been submitted statewide, and the number of requests continues to rise every day.

Post-Election Day Cleaning Protocol

For locations used as polling places, we recommend a waiting period of at least 48 hours after election day or 24 hours after the last voting equipment has been removed (whichever is longer) before cleaning the facility.

Polling places should be cleaned following guidelines from the Centers for Disease Control and Prevention. When cleaning within 7 days of the election, follow guidelines from the CDC for communities, schools, and workplaces regarding cleaning and disinfecting your facility. The instructions, available on the CDC website, are considered "enhanced cleaning and disinfection," and include:

- Use disposable gloves when cleaning.
- Clean surfaces with soap and water, followed by disinfectant.
- Use EPA-registered household disinfectants.
- Close off the area used as a polling place from other areas in the facility.
- Open outside doors and windows and use ventilating fans to increase air circulation in the area.
- Wait 24 hours or as long as practical before beginning cleaning and disinfection.

Locations within a campus of multiple facilities only need to close and clean the area of the facility that voters accessed. However, be mindful of bathrooms, hallways, and other areas accessed by the public and poll workers, in addition to the areas used for voting. Also pay special attention to high contact areas, such as doors, tables, countertops, and other surfaces that are touched by people who enter the building.

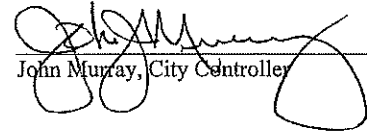
According to the CDC, if more than 7 days have passed since a person who is sick visited the business or facility, enhanced cleaning and disinfection is not necessary. However, the location should be cleaned according to routine procedures. Businesses can use an established or new vendor to comply with the above cleaning requirements.

EMERGENCY CERTIFICATE

This is to certify that an emergency exists requiring the immediate passage of the attached Special Encroachment Permit Process Ordinance in order to aid local businesses in their recovery from the COVID-19 pandemic and emergency orders that came with it. The Special Encroachment Permit Process Ordinance is needed on an emergency basis due to the pending June 5, 2020 lifting of the Governor's mandatory non-essential business closure order in the City of Scranton. The Mayor and other appropriate City officials are authorized to execute any and all documents necessary to expedite the passage of said legislation.


Mayor Paige G. Cognetti

I hereby certify and concur in the above emergency.


John Murray, City Controller

ORDINANCE NO. _____

2020

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO GRANT A SPECIAL ENCROACHMENT PERMIT TO CITY RETAIL BUSINESSES AND RESTAURANTS TO OPERATE ON CITY RIGHT-OF-WAYS.

WHEREAS, the City of Scranton is desirous of assisting City of Scranton Retail Businesses and Restaurants in their recovery from the COVID-19 Pandemic and the mandatory closures that came along with the COVID-19 Pandemic; and

WHEREAS, the City of Scranton presently requires a business or restaurant to obtain a Special Encroachment Permit to operate in a City Right-of-Way, including on a side walk or roadway; and

WHEREAS, the Special Encroachment Permit must presently be approved by the Scranton City Council through an Ordinance before such Special Encroachment Permit may go into effect; and

WHEREAS, the City of Scranton now seeks to expedite the Special Encroachment Permit process in order to enhance business and activity within the City; and

WHEREAS, in order to accomplish this goal, the Ordinance process for a business of restaurant located in the City to obtain a Special Encroachment Permit to operate in a City Right-of-Way is hereby SUSPENDED; and

WHEREAS, the Department of Licensing, Inspections and Permits will have the authority to review all applications and grant or deny Special Encroachment Permit applications based on each individual application; and

WHEREAS, each business and/or restaurant must delineate its specified area of operation through the use of fencing or another approved means; and

WHEREAS, the business or restaurant must submit its plans on how they will delineate their area of operation to the Department of Licensing, Inspections, and Permits who must approve such delineation plans prior to the Special Encroachment Permit being issued;

WHEREAS, the City of Scranton stipulates that as a condition for granting the Special Encroachment Permit, businesses and restaurants agree (1) to keep the premises free of any rubbish and debris at all times; (2) that a full-time employee will supervise the operation of the

outdoor area during its hours of operation; and (3) the restaurant will remain current on all City taxes and fees or the permit may be revoked upon delinquency of any payment; and

WHEREAS, the City reserves the right to direct that all furniture in the outdoor seating area be removed from the City's Right-of-Way in the event of traffic problem, utility work, disorder or emergency; and

WHEREAS, the City shall waive all permit fees for businesses and/or restaurants that apply for a Special Encroachment Permit until Governor Wolf assigns a Green Light label to Lackawanna County.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON; that the Mayor and other appropriate City officials are authorized to grant a Special Encroachment Permit to those businesses and restaurants located in the City that the Department of License, Inspections, and Permits deems appropriate based on each individual business's or restaurant's application without the passage of an Ordinance by this Council.

SECTION 1. The Special Encroachment Permit is subject to any restrictions which may be enacted through Resolutions and Ordinances under consideration by the governing body.

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 supersedes and replaces any other Resolution and/or Ordinance that conflicts with the purposes herein contained.

SECTION 5. 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.



May 27, 2020

Legislative Cover Sheet

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO GRANT A SPECIAL ENCROACHMENT PERMIT TO CITY RETAIL BUSINESSES AND RESTAURANTS TO OPERATE ON CITY RIGHT-OF-WAYS.

and

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO IMPLEMENT STREET CLOSURES

Facts, Overview, and Purpose

As many of our businesses prepare to reopen on June 5th, the City wants to assist them while also protecting the safety and welfare of its citizens and visitors. Beginning June 5, 2020, all restaurants and brick and mortar retail establishment would be able to extend dining and retail to outdoors for the length of the sidewalks in front of their buildings. Additionally, Friday evening and Saturdays and Sundays from 9:00a.m.-12:00a.m. and all day Sundays, certain street parking and streets will be blocked off to allow further expansion of outdoor seating and facilitate pedestrian traffic.

The expansion to allow outdoor dining and retail will allow businesses to increase capacity to comply with social distancing standards. It also ensures the safety of our residents and allows them to dine and shop without fear of overcrowding and in outdoor spaces.

Suspension of Encroachment Ordinance and Authorization of Street Closures

The normal approval period for any applicant to bypass encroachment ordinance will be suspended. Applicants need only to contact Mr. Oleski for formal approval into the program and not submit zoning plans through typical process. But every application must be formally written approval before business may begin expanding to outdoor retail and/or dining.

The City will work with businesses and the Police and Fire Departments and necessary public safety entities to coordinate street closures according to need, feasibility, and safety concerns. Some specific blocks have been identified and further may be depending on interest and need.

Beneficial Impact

This program will help our small businesses get back to business while facing extreme challenges, including decreased capacity and social distancing mandates. Moreover, having



OFFICE OF THE MAYOR

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outdoor retail and dining will allow patrons to comfortably frequent Scranton businesses while adhering to social distancing guidelines. It will provide activities for the community and make Scranton a destination to safely visit and enjoy the summer.

Attachments:

____ Legislation

____ Program Guidance (details still being finalized, submission forthcoming upon completion)



DEPARTMENT OF LAW

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May 28, 2020

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

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AUTHORIZING THE MAYOR AND
OTHER APPROPRIATE CITY OFFICIALS TO GRANT A SPECIAL
ENCROACHMENT PERMIT TO CITY RETAIL BUSINESSES AND RESTAURANTS
TO OPERATE ON CITY RIGHT-OF-WAYS.

Respectfully,

Jessica L. Eskra (S)
Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

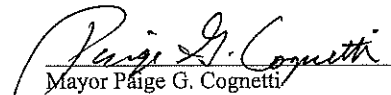
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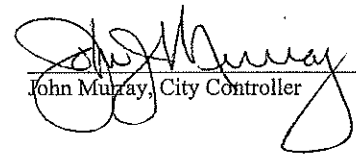
OFFICE OF CITY
COUNCIL/CITY CLERK

EMERGENCY CERTIFICATE

This is to certify that an emergency exists requiring the immediate passage of the attached Small Business Relief Loan Program Resolution in order to aid local businesses in their recovery from the COVID-19 pandemic and emergency orders that came with it. The Small Business Relief Loan Program Resolution is needed on an emergent basis due to the pending June 5, 2020 lifting of the Governor's mandatory non-essential business closure order in the City of Scranton. The Mayor and other appropriate City officials are authorized to execute any and all documents necessary to expedite the passage of said legislation.


Mayor Paige G. Cognetti

I hereby certify and concur in the above emergency.


John Murray, City Controller

RESOLUTION NO. _____

2020

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE CITY OF SCRANTON TO ENTER INTO LOAN AGREEMENTS AND MAKE LOANS FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION-REVOLVING LOAN PROGRAM, BETWEEN THREE THOUSAND (\$3,000.00) DOLLARS AND TWENTY THOUSAND DOLLARS (\$20,000.00) TO VARIOUS SMALL BUSINESSES IN THE CITY OF SCRANTON TO ASSIST ELIGIBLE PROJECTS AND TO OFFSET THE FINANCIAL IMPACT COVID-19 HAS HAD ON BUSINESSES, AS PART OF THE CITY OF SCRANTON SMALL BUSINESS RELIEF LOAN PROGRAM.

WHEREAS, the City of Scranton Office of Economic and Community Development has available Program Funds from the Economic Development Administration Revolving Loan Fund Program (EDA Loan Program), to assist businesses within the City of Scranton for the purpose of job retention and job creation; and

WHEREAS, the City of Scranton seeks to provide loans utilizing funds in the EDA Loan Program between Three Thousand (\$3,000.00) and Twenty Thousand Dollars (\$20,000.00) to help small businesses in the City of Scranton recover from the devastating and unprecedented financial impact the COVID-19 pandemic has caused.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City Officials are hereby authorized to enter into loan agreements substantially in the form of attached as Exhibit 'A', and other required documents as needed, and to disburse loan funds from the EDA LOAN PROGRAM in amounts between Three Thousand (\$3,000.00) Dollars and Twenty Thousand (\$20,000.00) Dollars to various small businesses in the City of Scranton in order to help these businesses recover from the COVID-19 pandemic.

SECTION 1. A disbursement of these funds is conditioned upon full execution of the attached Loan Agreement.

SECTION 2. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decisions 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 Resolution 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 Resolution, and the effective administration thereof.

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

SECTION 4. This Resolution 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.

Legislative Cover Sheet - Scranton City Council

LEGISLATION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS FOR THE CITY OF SCRANTON TO ENTER INTO LOAN AGREEMENTS AND MAKE LOANS FROM THE CITY OF SCRANTON'S ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING LOAN FUND PROGRAM BETWEEN \$3,000.00 DOLLARS TO TWENTY THOUSAND (\$20,000.00) DOLLARS TO VARIOUS SMALL BUSINESS THROUGHOUT THE CITY OF SCRANTON AS PART OF THE CITY OF SCRANTON'S SMALL BUSINESS RELIEF LOAN PROGRAM DUE TO THE COVID-19 PANDEMIC.

What Department is this legislation originating from? Where did the initiative for this legislation originate?

OECD originated the legislation as part of the City of Scranton's Small Business Relief LOAN Program to assist small business in the City of Scranton recover from the devastating economic impact the COVID-19 pandemic has had on small business.

Summary and Facts of the legislation

OECD possesses Money from the Economic Development Administration Revolving Loan Fund Program. This program has ultimately failed over the years as it has been in direct competition with OECD'S Loan to Grant Program, which many businesses prefer. Based on this competition, the fund has remained dormant resulting in OECD having \$285,786.03 which OECD must use or the program will be shut down and the funds would be returned to the federal Economic Development Administration (EDA). OECD has been in consultation with the EDA and they are in support of OECD's efforts to utilize the fund.

Purpose – please include the following in the explanation:

What does the legislation do -what are the specific goals/tasks the legislation seek to accomplish?

The legislation authorizes city officials to execute necessary documents to provide loans and enter into Loan agreements between \$3,000.00 to \$20,000.00 dollars to assist small businesses for eligible projects, help retain or create jobs and to help offset the severe and unprecedented economic impact COVID-19 pandemic has caused.

What are the benefits of doing this/Down-side of doing this?

Benefit – Helps small business in our City recover from the COVID-19 Pandemic while also retaining or creating jobs, which is a requirement for EDA loans.

Downside - The downside of this project is limited. Not every business will receive Loans

How does this legislation relate to the City's Vision/Mission/Priorities?

Helps City recover from COVID-19 Pandemic by providing business with money to offset severe financial impact on City Businesses. Also will retain and create jobs within the City.

Financial Impact - please include the following in the explanation:

Cost (initial and ongoing) - \$3,000.00- \$20,000.00 loans

Benefits – Helping small Business which have been hit hard by this pandemic

Funding Sources –Economic Development Administration Revolving Loan Fund

Priority Status/Deadlines – High – City would like to provide Loans to small business as soon as possible

Why should the Council unanimously support this legislation?

These Loans will help small business in our City recover and offset the unprecedented financial impact COVID-19 pandemic has had on business.

Include any other pertinent details and/or relevant information that the Council should be aware of:

Loans must be paid back within 24 months.

Loans will be 0% interest rate for first 12 months, with No payment due for first 6 months.

1% interest rate will be added in 2nd year if loan is not paid back after 12 months.

NEPA Alliance will assist the City with the underwriting for this loan Program. (I.E. providing credit checks etc). City will pay NEPA Alliance \$50.00 per approved applicant.

Approved Applicants will be required to Sign Loan Agreements, Note, Guaranty, Security Agreement and or Mortgage depending on what the money will be used for.

ATTACHMENTS:

____ Legislation

____ Sample Loan Agreement

____ Program Guidance (details still being finalized, submission forthcoming upon completion)

**LOAN AGREEMENT UNDER
ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING
LOAN FUND PROGRAM OF THE CITY OF SCRANTON
BETWEEN THE CITY OF SCRANTON
AND**

This Economic Development Administration Revolving Loan Fund Loan Agreement (hereinafter referred to as the "Loan Agreement") is entered into as of the ___ day of _____, 20___, by and between THE CITY OF SCRANTON by and through the OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT (hereinafter referred to as the "City"), a municipal corporation organized and existing under the laws of the Commonwealth of Pennsylvania with offices located at 340 N. Washington Avenue, Scranton, Pennsylvania 18503, and _____, a _____ (type of entity) with its principal place of business located at _____, Scranton, PA 18503 (hereinafter referred to as the "Borrower").

WITNESSETH

WHEREAS, the Borrower seeks to use the Loan to _____ (Payroll, Inventory, Working Capital, COVID 19 Mitigation, Utilities, Taxes, Rent, Mortgage, Other) conduct a commercial business at _____, Scranton, PA 18503 (the "Project") (such Project also referred to herein as the "Property"); and

**LOAN AGREEMENT UNDER
ECONOMIC DEVELOPMENT ADMINISTRATION REVOLVING
LOAN FUND PROGRAM OF THE CITY OF SCRANTON
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WITNESSETH

WHEREAS, the Borrower seeks to use the Loan to _____ (Payroll, Inventory, Working Capital, COVID 19 Mitigation, Utilities, Taxes, Rent, Mortgage, Other) conduct a commercial business at _____, Scranton, PA 18503 (the "Project") (such Project also referred to herein as the "Property"); and

WHEREAS, the Borrower requests financing at lower than conventional rates in order to create a viable business within the City; and

WHEREAS, the Project (as hereinafter defined) will result in the Retention and or Creation of new job(s) at the Project Site; and

WHEREAS, the Borrower will use said funds to help offset the dramatic and unprecedented financial impact COVID-19 has had on their business; and

WHEREAS, the Borrower has made application to the City (the "Application") for a loan under the program known as the Economic Development Administration Revolving Loan Fund Loan Program in the amount of _____Dollars (\$____,000.00); and

WHEREAS, City herein agrees to provide financing under the Economic Development Administration Revolving Loan Fund Loan Program by making a loan to the Borrower in the amount of _____ Dollars (\$____,000.00); hereinafter referred to as (the "Loan"); and

WHEREAS, there are funds available from the Economic Development Administration Revolving Loan Fund Loan Program to make such a loan; and

WHEREAS, the parties wish to herein provide for terms and conditions of repayment of the Loan and designate the uses to which the Loan proceeds may be applied.

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby mutually agree as follows:

INCORPORATION OF RECITALS AND EXHIBITS AND
ACKNOWLEDGMENT OF REGULATIONS.

The foregoing recitals and all attachments and exhibits, if any, attached to is Loan Agreement are incorporated by reference into and made a part of this Loan Agreement. The Borrower acknowledges knowledge of and understanding of all applicable regulations and laws concerning its borrowing of funds from the Economic Development Administration Revolving Loan Fund Loan Program and agrees to comply with all such applicable regulations and laws, including, but not limited to, those contained in 13 CFR part 316.1, 316.3 , 316.7, 316.8, 316.15 and 317.

DESCRIPTION OF PROJECT.

The Loan proceeds will be used by the Borrower only for _____ (purpose of Loan: Payroll, Inventory, Working Capital, COVID 19 Mitigation, Utilities, Taxes, Rent, Mortgage, Other), for the operation of the Borrower's business located within the Project Site (hereinafter referred to as the Project"). The Loan proceeds cannot be used for any other purpose without the prior written consent of the City of Scranton, Office of Economic and Community Development.

THE LOAN

Economic Development Administration Revolving Loan Fund

Loan The City shall make a Loan to the Borrower in the amount of _____ Thousand Dollars (\$____,000.00), with no interest in the first twelve months and one percent (1%) interest due in the second twelve months (if needed), which shall be advanced to Borrower as specified in this Loan Agreement.

Availability of Economic Development Administration

Revolving Loan Fund Loan The City of Scranton, by Notice of Award of Grant, and passage of Resolution No.____on ____ day of ____, 20____, approved making the Loan to the Borrower.

Terms for Repayment of the Economic Development

Administration Revolving Loan Fund Loan The Loan shall be evidenced by the Borrower's note (the "Note"), as of the day of Closing, in the principal amount of _____ Thousand Dollars (\$____,000.00), containing the terms and conditions of payment set therein.

Commencing six (6) months after the date of the Closing, the Borrower shall make its initial loan payment of _____ (\$xxx.xx), and continue making such payments thereafter on the same day until twelve months has lapsed from day of closing. (END OF YEAR 1)

Thereafter the Borrower, if necessary, shall make payments in the amount of _____ (\$____.____) and continue making such payments thereafter until the entire principal balance of the loan, as well as any interest accrued thereon, is paid in full on or prior to twenty-four (24) months after the execution of

the Loan Agreement. There shall be no penalty for prepayment the principal balance of the Loan.(END OF YEAR 2)

Disbursement of Proceeds The proceeds of the Loan shall be disbursed at Closing, to or for the benefit of the Borrower, and as directed by the Borrower.

HIRING COMMITMENTS

Retention/ Creation of New Jobs As an absolute condition of the Loan, Borrower agrees to retain/ create, within ~~six (6) months~~ from the date of this Loan Agreement, at least one (1) new, full-time equivalent, permanent job at the Project Site as a direct result of the Project financed by the Loan. The specific positions to be filled are described in the documents attached to this Loan Agreement as **ATTACHMENT "A"**, the terms of which are incorporated herein by reference, as though set forth at length.

Borrower agrees promptly to collect from its employees and prospective employees the reasonable and necessary data required by EDA for the City's Office of Economic and Community Development to monitor and verify compliance with the job retention/ creation requirement. Borrower shall turn such data over to City's Office of Economic and Community Development in timely manner.

Hiring Verification Procedure.

Contemporaneously with the execution of this Agreement, Borrower will provide City with a certified statement which itemizes the

names, positions and non-overtime hours actually worked by each of its direct employees during the pay period immediately preceding the date of execution of this agreement.

Hiring Commitment Fulfillment.

City shall consider Borrower to have fulfilled the hiring commitment if the Borrower reports quarterly, beginning with the date of this Loan Agreement, to the City any new positions retained/ created within the six (6) month time period and the Borrower has presented to City a sworn statement which itemizes each position retained/created.

Penalties for Failure to Meet Hiring Commitments.

If, upon the sixth month anniversary of the date of this Agreement, Borrower has failed to fulfill the job retention/creation requirements described in this section, City at its option may do any or all of the following:

- 1) Declare the Borrower in default and demand a repayment of the principal amount of the Loans equal to the balance outstanding on the Loans within thirty (30) days from the date of demand;
- 2) Require Borrower to pay within thirty (30) days of demand to City any penalty or recapture levied upon City by EDA which is based upon Borrower's failure to fulfill the hiring commitments.

DATE OF CLOSING. The closing of the Loan shall take place at the offices of the City of Scranton, Office of Economic and Community Development, City Hall, 340 North Washington Avenue, First Floor, Scranton, Pennsylvania 18503, on such date as the City and Borrower shall agree (the "Closing").

SECURITY. The Loan shall be secured, and repayment guaranteed, by the following: Loan Agreement, the Note; Personal Guaranty, Security Agreement and or Mortgage granting a lien on all of the Borrower's equipment, furniture, fixtures, and inventory and an absolute, unconditional and irrevocable personal guaranty of repayment by _____(NAME), in a form satisfactory to the City.

CONDITIONS. Funding of the Loan will be subject to the Borrower fulfilling the following conditions to the reasonable satisfaction of the City:

Execution and delivery by the Borrower of the Loan Agreement, Note, Security Agreement, and or Mortgage and Guaranty Agreement as well as such additional documents, financing statements and other instruments, as the CITY may reasonably require collectively, the "Loan Documents";

The Borrower shall deliver to the CITY at Closing an opinion of its counsel, in form reasonably acceptable to the CITY as to good standing, authorization, the perfection of the CITY's lien in any real or personal property with respect to which the CITY is given a security interest or mortgage, incumbency of officers, the validity and enforceability of all documents, compliance with applicable laws and regulations, litigation, and, except as previously

disclosed herein, compliance with all existing material agreements and such other matters as the CITY may reasonably require; and

The Borrower shall provide to the CITY a copy of a valid lease evidencing the Borrower's right to possession of and to occupy the Property.

The Borrower shall provide to the CITY confirmation that the insurance policies required by the Loan Documents are in effect.

The parties hereto acknowledge that funds cannot be disbursed until completion by the City of all requirements necessary for the City to make the Loan have been satisfied.

COVENANTS. The Borrower covenants and agrees with the City that as long as any portion of the Loan remains outstanding and unpaid the Borrower shall:

Pay promptly when due all installments due at the time and in the manner specified in the Note and pay all other sums of every nature and kind comprising part of the Loan in the manner and at the times required by this Loan Agreement and the Note.

Keep, perform, and comply with all covenants, terms, and conditions this Loan Agreement;

As applicable, maintain all material franchises, licenses, permits and authorizations required for the operation of its business located at the Project Site, and operate its business in compliance

with the same and in accordance and in compliance with statutes, ordinances and regulations applicable to such operation;

Maintain the Property at the Project Site in good order and condition, make, or cause to be made, all repairs, replacements and renewals necessary for the proper maintenance and operation of the same, and admit authorized representatives of the City to inspect the same at reasonable times in the presence of authorized representatives of the Borrower, and upon providing reasonable prior notice to the Borrower;

Maintain with respect to the Property and/or Project Site:

- 1) property insurance and public liability insurance and such other types of insurance that the CITY may reasonably require, with insurance companies reasonably satisfactory to the CITY and in such amounts and against such risks as are customarily insured by similar entities;
- 2) Keep all insurance in full force and effect and pay all premiums therefore and deliver copies of certificates of insurance to the CITY with the interest of the CITY in all insured property covered under a standard loss payable clause; as appropriate, the policies in all cases to provide for not less than ten days prior written notice to the CITY of any intended cancellation;
- 3) Act prudently and in accordance with customary industry standards managing and operating the Project;
- 4) Pay or cause to be paid promptly when due all applicable taxes, rental fees, and other municipal assessments, rentals, and charges of every nature and kind at any time levied and imposed on the Business or Property, as well as all debts, obligations, and claims of every nature and kind which, if

unpaid, might or could become a lien or charge upon the Business or Property, unless the validity thereof is being contested in good faith by the Borrower by appropriate proceedings diligently conducted to the reasonable satisfaction the City and the Borrower's liability is covered by escrows or reserves that the City shall reasonably deem adequate;

5) Furnish to the CITY within a reasonable time, upon request, after the end of each of the Borrower's fiscal years, financial statements of the borrower prepared, at minimum, on a compilation basis, by certified public accountants acceptable to the CITY, certified to be correct;

6) Furnish all additional information with respect to the Borrower that CITY may from time to time reasonably request. Borrower hereby authorizes all duly constituted federal, state and municipal authorities to furnish to the CITY copies of audit reports of the Borrower made by any of them;

7.) Promptly give written notice to the CITY of any material damage to the Property as well as written notice of the revocation or termination of any material lease, franchise, license, permit or other authorization required for the operation of the Project or any other event, including litigation or other proceedings commenced or threatened, which might or could have a material adverse effect on the Borrower's financial condition or on the operation of the Borrower's business including any event which, after the passage of time or the giving of notice or both, would constitute an event of default under this Loan Agreement; and

8.) Perform in a timely manner all of its material covenants, obligations and agreements under each material

contract, lease, mortgage, deed of trust or other encumbrance or agreement relating to the Project; and

9.) Comply with all applicable provisions of any and all regulations, ordinances or laws governing this Loan Program;

10.) Not without the prior written consent of the City,

(i) Merge, consolidate or divide, whether or not the BORROWER is the surviving corporation or other entity,

(ii) Sell, transfer, assign, lease, mortgage, lien, hedge or otherwise convey or dispose of all or any material part of its assets, except in the ordinary course of business,

(iii) Try a reorganization, recapitalization or reclassification of its capital stock, or equity securities, the effect of which is materially to reduce tangible net sets or shareholders' equity of the BORROWER,

(iv) issue, redeem, purchase or retire any of its member interests, capital stock or equity securities or grant or issue any warrant, right or option pertaining thereto other security convertible into any of the foregoing, except pro-rata among existing security holders the effect of which is not materially to reduce tangible net assets or shareholders' equity, or (v) permit any change Borrower's ownership interests or equity securities from that previously disclosed to the CITY in connection with the Loan; and

11.) Not, without the prior written consent of the City, (a) declare or pay by dividend (other than an amount equal to the owners' share of the borrower's taxes that flow through to the said owners) or make any distribution upon its capital stock, or purchase or retire any of its capital stock, or (b) give any preferential treatment, make any advance, directly or indirectly, by way of loan, gift, bonus, or otherwise, to any individual or company directly or indirectly controlling or affiliated with or

controlled by the Borrower; or to any officer, director, or employee of the Borrower or in any such company, or (c) make any distributions of assets of the business to the Borrower other than in the ordinary course of business.

REPRESENTATIONS AND WARRANTIES To induce the City to provide the financing described in this Loan Agreement, Borrower hereby presents and warrants to the City that:

Borrower is a duly organized limited liability company, existing, and good standing under the laws of the Commonwealth of Pennsylvania; and that all books and records of the business pertaining to its financial condition and operation will be kept at the Property; and

Borrower has the power and authority to own its assets and to carry on the activities contemplated by the Application;

Borrower holds all material franchises, licenses, permits and other authorizations of any nature and kind required for the ownership of assets and the operation of its business at the Property, all of which are in full force and effect;

The execution and delivery of this Loan Agreement, and other Documents to which it is a party, and compliance with their respective covenants ; terms and conditions, will not violate any provisions or any governing agreements relating to Borrower, or any statute, regulation, order, writ, injunction, decree, decision of any court or governmental agency binding upon it or conflict with or result in a breach any of the covenants, terms and conditions of any material agreement or instrument to which the Borrower is a

party or by which it is bound or to which it is subject, or constitute a default thereunder, or result in the creation or imposition of a lien, charge or encumbrance of any nature or kind upon any of the assets of the Borrower pursuant to the terms of any such agreement, instrument or otherwise;

The execution and delivery of this Loan Agreement, and the other loan documents to which it is a party, and compliance with all the covenants, terms and conditions thereof has been duly authorized by proper action of Borrower and when duly executed and delivered by the Borrower will constitute the valid and binding obligations of the Borrower enforceable in accordance with their respective terms.

Borrower has filed, and shall, as required, file in a timely manner, Federal, State and Local tax returns and has paid, or shall pay, all taxes own to be due thereon;

There is no material litigation or governmental proceeding pending or the knowledge of the Borrower) threatened against or affecting the borrower or any of its assets or the operation of its business, which, if adversely determined, would have a material adverse effect on the financial condition of the Borrower;

Borrower will not dispose of any hazardous waste in violation of any environmental statutes, regulations or other restrictions at the Project and will not knowingly violate any environmental statutes, regulations other restrictions;

There is no material fact that the Borrower has not disclosed to the CITY, which could have a material adverse effect on the Project or the prospects or condition (financial or otherwise) of Project. No

certificate or settlement delivered herewith or heretofore by the Borrower in connection with this Loan Agreement or the Application contains any untrue statement material fact or omits to state any material facts necessary to keep the statements contained herein or therein from being misleading;

Borrower shall at all times keep proper books of account in a manner satisfactory to the CITY and in accordance with generally accepted accounting practices.

Borrower hereby authorizes the CITY to make or use to be made, at the Borrowers' expense and in such manner and at such times as the CITY may reasonably require, inspections and audits of any books, records and papers in the custody or control of the Borrower or others, relating to the Project, including the making of copies thereof and extracts there from, and inspections and appraisals of any of the Property.

Borrower will furnish to the CITY financial and operating statements relating to the Project.

Borrower hereby authorizes all Federal, State and Municipal authorities to furnish reports of examinations, records, and other information relating to the conditions and affairs of the Borrower and any desired information from reports, returns, files, and records of such authorities, relating to the Project, upon request therefore by CITY.

The unpaid balance of the Loan shall be immediately due and payable, if the Borrower, during the term of the Loan, affects a change of ownership or control of the business

located at the Property without the prior written consent of the CITY;

The Security Agreement granted by the Borrower to the City will create a good and valid lien on all of the Borrower's equipment if necessary.

EVENT OF DEFAULT An event of default under this Loan Agreement shall be deemed to have occurred if the Borrower shall: fail to pay any installment of interest or principal on the Note within ten (10) days after notice from the CITY to the Borrower that any such installment is more than five (5) days late;

fail to pay any other sum required to be paid under the Note or this Loan Agreement within ten (10) days of the Borrower's receipt of notice from the CITY of such failure; or

fail to strictly and timely comply with all the jobs retention/creation requirements described in Section 4 above; or

fail to keep, perform and comply with any of the other covenants, terms and conditions of this Loan Agreement within thirty (30) days of notice from the CITY, provided, however, if compliance cannot be performed within thirty (30) days, the Borrower shall be permitted additional time to comply so long as the Borrower commences compliance and pursues it vigorously within the initial thirty (30) day period; or

Borrower becomes insolvent or files or is named in any petition for relief under the Bankruptcy Code or make any assignment for the benefit of creditors or an agent authorized to liquidate any

substantial amount of any of the Borrower's properties and assets or applies for or consents to or suffers the appointment of a receiver or trustee.

REMEDIES If an event of default as defined in this Loan Agreement shall occur, the CITY shall be entitled, upon twenty (20) days prior written notice to the Borrower, to declare the Loan immediately due and payable and to demand payment of the Note without presentment, demand or protest of any kind, and of which are hereby expressly waived, and thereupon the CITY shall be entitled to exercise separately or concurrently all rights and remedies under the Note or this Loan Agreement otherwise available to the CITY at law or in equity to enforce collection of the Loan,

The foregoing rights and remedies of the CITY are cumulative and not exclusive of any rights and remedies, which the CITY might otherwise have at law or in equity or by virtue of any statute or rule of procedure.

ALLOWABLE COSTS The Borrower recognizes that the City is obligated to examine all costs claimed by the Borrower relating to the subject for the purpose of cost recovery to effectuate the long-term goals of the Economic Development Administration Revolving Loan Fund Loan Program. Without limiting general applicability of the foregoing, the Borrower is notified that the following cost items, except as they may relate to allowable costs specifically contained in this Loan Agreement or the Application, generally are not be considered eligible expenses:

- o Costs paid out prior to the execution of this Loan

Agreement.

- o Interim interest paid on funds borrowed by the Borrower in anticipation of disbursement of the CITY's loans or other Project funds
- o The compensation of consultants and professional service providers
- o Cost as incurred prior to the Notice of Award of Grant by the CITY.

Private Investment must be made within twelve (12) months prior to or twelve (12) months after the approval of the RLF Loan as part of the same business development project to be classified as leveraged.

AUDIT The Borrower agrees to participate actively if requested, and without compensation, in the CITY's audits of the Project and further agrees to fully and faithfully cooperate with the CITY in meeting any and all requirements of the Federal Government.

NO LIABILITY FOR FAILURE TO COMPLETE The Borrower agrees to include in all contracts with any party involving the use of Loan Proceeds acknowledgment that the CITY shall not be liable to any party for completion of, or the failure to complete, any activities, which are part of the Project, from the date of this Loan.

EXPENSES

Borrower agrees to pay City's reasonable attorney's fees, court costs and other disbursements ordered by the court the event the CITY takes successful legal action to enforce the CITY's rights under this Loan Agreement.

Borrower will, on demand, reimburse the CITY for any and all costs, fees and expenses incurred as a result of a breach, including, but not limited to, underwriter's discounts, fiscal agency fees, and all other fees, expenses and costs of issuance which are incurred or which may be hereafter incurred by the CITY from time to time in connection with or by reason of the Borrower's application for the making of and the administration of the Borrower's permanent financing stages of the Loan.

RECORDING COSTS The Borrower agrees to pay all recording costs or filing fees related to the Loan, if any.

HOLD HARMLESS AGREEMENT. The Borrower will indemnify and defend the CITY and hold it harmless from any claim against it involving or any way arising out of its involvement with this Project, unless involving in any way arising out of the willful misconduct of the CITY, its agents or employees. In particular, but without limiting the general application of the foregoing, and pursuant to Section 4 above, the Borrower will, within thirty (30) days of the CITY's demand, pay any penalty or recapture levied upon the CITY which originates in the Borrower's failure to fulfill, or document fulfillment of, its hiring commitments stated in this Loan Agreement or the Application.

EXERCISE OF RIGHTS No delay or failure of the CITY in exercising any right or remedy under this Loan Agreement shall be deemed a waiver of such right or remedy or affect or impair the future exercise of such right or remedy and no modification or waiver by the CITY of any covenant or condition of this Loan Agreement or waiver by the CITY of any default hereunder shall be effective for any purpose unless contained in writing signed by the

CITY and then only to the extent specifically set forth in such writing.

NOTICES AND DEMANDS All notices or demands required by the provisions of this Loan Agreement shall be in writing, and shall be effective upon delivery, if personally delivered, one (1) business day after sending by Federal Express, UPS, or other recognized overnight delivery service, or three (3) business days after the date of mailing by United States Certified Mail, with stage prepaid, addressed:

If to the City:

Office of Economic and Community Development
City of Scranton - City Hall
340 North Washington Avenue First Floor
Scranton, PA 18503
Attn.: Executive Director

If to the Borrower:

Or at such other address as such party shall from time to time direct by written notice given to the other party in like manner.

CONSENT TO JURISDICTION The Borrower irrevocably consents to the exclusive jurisdiction of the Court of Common Pleas of Lackawanna County, Pennsylvania in any and all actions and proceedings arising hereunder. The Borrower hereby waives and shall not interpose any sections of forum non conveniens or to venue, and waives any right to move any

proceeding commenced in a state court to a federal court, and consents to any and all relief ordered by such court.

SEVERABILITY The invalidity of any one or more sections of this an Agreement or any portion thereof shall not be deemed to affect or impair the validity and enforceability of the remainder.

ASSIGNMENT: BINDING EFFECT All covenants, terms and provisions of this Loan Agreement shall inure to the benefit of and extend and bind the successors and assigns of the CITY, provided that the Borrower shall not have the right to assign this Loan Agreement or any rights hereunder to any other person or entity, excepting any entity into which the Borrower shall be merged or with which the Borrower shall be consolidated and any entity which shall purchase substantially all assets of the Borrower.

COMPLIANCE WITH EDA REQUIREMENTS The Borrower shall comply with any and all applicable laws and/ or regulations applicable to its receipt and use of the funds being loaned to it pursuant to the aforementioned loan program, including, but not limited to, all of the following requirements where applicable:

The regulations for the Economic Development Administration Revolving Loan Fund Loan Program contained in 13 CFR, Part 316.1, 316.3, 316.7, 316.8, 316.15 and 317.

All requirements imposed by Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and Section 1.09 of the Housing and Community Development Act of 1974, as amended, and the regulations related to equal opportunity (24 CFR, Part 570.601). No

person in the United States shall, the grounds of race, color, creed, religion or national origin, sex, disability or other handicap, age, marital status or status with regard to public assistance, be excluded from participation in, be denied the benefits or be subjected to discrimination under, any project assisted with EDA Funds.

The flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (Public Law 93-234);

The lead-based paint requirements of 24 CFR, part 35, Subpart B, used pursuant to the Lead-Based Paint Poisoning Act (42 U.S.C., 4801 etg_.);

The regulations, policies, guidelines and requirements of OMB Circular A-102 Revised (handbook 1300.17), which relates to the acceptance and use of federal funds;

The labor standards requirements as set forth in 13 CFR Part 300.etc, Employees on construction jobs assisted with EDA funds must be paid prevailing federal wage rates; and the Project must comply with the City's position regarding the Boston Harbor Agreement, if applicable;

Section 504 of the Rehabilitation Act of 1973 (Public Act 93- 112), amended, and implementing regulations. No person (employee or applicant for employment) shall be discriminated against because of a physical or mental disability with regard to any position for which the employee or applicant is qualified;

The provisions of the Age Discrimination Act of 1975, as amended, Public Law 94-135);

Requests from EDA, the City and the Comptroller General (or any authorized representatives) for access to and the right to examine all records, books, papers or documents related to the Loan and cooperate fully with the City in supplying information to meet audit requirements;

The American with Disabilities Act of 1990 (42 U.S.C. Section 12101 seq.); Section 3 of the Housing and Urban Development Act of 1968, as amended, and implementing regulations at 24 CFR, Part 135 requiring 3.f to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the Project area and contracts for work in connection with the Project be awarded to eligible business concerns which are located in or owned in substantial part by persons residing in the area of the Project;

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570, Part 1. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Borrower shall cause or require a covenant running with the land to be inserted in the deed or lease such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the City and the United States are beneficiaries of and entitled to enforce such covenants. The Borrower, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such

measures as are necessary to enforce such covenant, and will not itself so discriminate; Section 112 of P.L. 92-65 (42 U.S.C. § 3123) prohibiting sex discrimination in any program or activity receiving Federal Financial Assistance under PWEDA; and Borrower will, in all solicitations or advertisements for employees aced by or on behalf of Borrower; state that it is an Equal Opportunity or Affirmative Action Employer.

ENTIRE AGREEMENT It is understood and agreed by the parties hereto that this is the entire agreement between the parties and that no verbal statement and no prior written matter extrinsic to this instrument shall have any force or effect. This Loan Agreement shall not be modified except by writing, subscribed by both parties.

HONORABLE AGREEMENT This is an honorable Loan Agreement intended to achieve the recited purposes. This Loan Agreement is to be instructed and applied liberally to achieve those purposes and is not to be defeated by resorting to technical defenses or objections to price imputation or any other matter affecting its operation.

WAIVER OF BREACH The waiver by the City of a breach of any provision of this Loan Agreement by the Borrower shall not operate nor be construed as a waiver of any subsequent breach by the Borrower.

COUNTERPARTS This Loan Agreement may be executed in one or more counterparts, each of which shall be deemed an original and together institute one and the same agreement.

SURVIVORSHIP CLAUSE

The Borrower and the City acknowledge and agree certain obligations imposed upon them pursuant to the terms of this Loan Agreement may survive the termination of this Loan Agreement and be legally binding upon the parties hereto subsequent to the termination of this Loan Agreement.

INTERPRETATION

This Loan Agreement shall constitute a contract under the laws of the Commonwealth of Pennsylvania and shall for all purposes be construed in accordance with such laws. The headings of sections in this Loan Agreement are for convenience of reference only, and shall not enlarge or restrict the rights of the parties hereto

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly caused this Loan Agreement to be duly executed.

CITY OF SCRANTON

ATTEST:

City Clerk

BY _____
Mayor, City of Scranton

Date

Date

BY _____
City Controller

Date

BY _____
Executive Director, Office of Economic
Office of Economic and Community
Development

Date

APPROVED AS TO FORM:

City Solicitor

Date



DEPARTMENT OF LAW

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

May 27, 2020

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 ENTER INTO LOAN AGREEMENTS AND MAKE LOANS FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION-REVOLVING LOAN PROGRAM, BETWEEN THREE THOUSAND (\$3,000.00) DOLLARS AND TWENTY THOUSAND DOLLARS (\$20,000.00) TO VARIOUS SMALL BUSINESSES IN THE CITY OF SCRANTON TO ASSIST ELIGIBLE PROJECTS AND TO OFFSET THE FINANCIAL IMPACT COVID-19 HAS HAD ON BUSINESSES, AS PART OF THE CITY OF SCRANTON SMALL BUSINESS RELIEF LOAN PROGRAM.

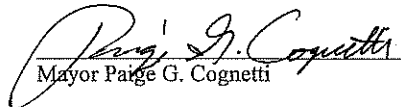
Respectfully,

Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

EMERGENCY CERTIFICATE

This is to certify that an emergency exists requiring the immediate passage of the attached Small Business Grant Program Resolution in order to aid local businesses in their recovery from the COVID-19 pandemic and emergency orders that came with it. The Small Business Grant Program Resolution is needed on an emergent basis due to the pending June 5, 2020 lifting of the Governor's mandatory non-essential business closure order in the City of Scranton. The Mayor and other appropriate City officials are authorized to execute any and all documents necessary to expedite the passage of said legislation.


Mayor Paige G. Cagnetti

I hereby certify and concur in the above emergency.


John Murray, City Controller

RESOLUTION NO. _____

2020

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS FOR THE CITY OF SCRANTON TO ENTER INTO GRANT AGREEMENTS AND MAKE GRANTS FROM THE CITY OF SCRANTON'S ENTERPRISE ZONE FUND IN THE AMOUNT OF \$2,500.00 TO VARIOUS SMALL BUSINESS THROUGHOUT THE CITY OF SCRANTON AS PART OF THE CITY OF SCRANTON'S SMALL BUSINESS RELIEF GRANT PROGRAM DUE TO THE COVID-19 PANDEMIC.

WHEREAS, The City of Scranton Office of Economic and Community Development has available funds in the amount of \$275,000.00 from the City of Scranton's Enterprise Zone Fund to assist small business within the City of Scranton due to COVID-19 Pandemic; and

WHEREAS, as a result of the COVID-19 Pandemic, various small business throughout the City of Scranton have experienced unprecedented economic hardship; and

WHEREAS, The City of Scranton seeks to provide Grants to One Hundred and Ten (110) small business in the City of Scranton utilizing funds from the City of Scranton's Enterprise Zone Fund in an amount not to exceed \$2,500.00 to assist small business in mitigating the drastic financial effects COVID-19 has had on their businesses; and

WHEREAS, these GRANTS further the plan to help Small Business in the City of Scranton recover from COVID-19 Pandemic.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and other appropriate City Officials are hereby authorized to enter into Grant Agreements substantially in the form attached as Exhibit "A", and other required documents as needed, and to disburse Grant funds from City of Scranton's Enterprise Zone Fund to various small business in an amount not to exceed \$2,500.00

SECTION 1. A disbursement of these funds is conditioned upon full execution of the attached Grant Agreement.

SECTION 2. 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 3. This Resolution shall become effective immediately upon approval.

SECTION 4. 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.

Legislative Cover Sheet - Scranton City Council

LEGISLATION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS FOR THE CITY OF SCRANTON TO ENTER INTO GRANT AGREEMENTS AND MAKE GRANTS FROM THE CITY OF SCRANTON'S ENTERPRISE ZONE FUND IN THE AMOUNT OF \$2,500.00 TO VARIOUS SMALL BUSINESS THROUGHOUT THE CITY OF SCRANTON AS PART OF THE CITY OF SCRANTON'S SMALL BUSINESS RELIEF GRANT PROGRAM DUE TO THE COVID-19 PANDEMIC.

What Department is this legislation originating from? Where did the initiative for this legislation originate?

OECD originated the legislation as part of the City of Scranton's Small Business Relief Grant Program to assist small business in the City of Scranton recover from the devastating economic impact the COVID-19 pandemic has had on small business.

Summary and Facts of the legislation

OECD possesses Money from the Enterprise Zone Fund which originated in 1999. This money was not being utilized for many years. In 2016, DCED granted the City request to use these funds in conjunction with the City's Business Loan to Grant Program. In addition, DCED also ended the reporting requirement for these funds.

OECD Executive Director, Eileen Cipriani contacted DCED to ensure the use of funds for our Small Business Relief Grant program was acceptable.

Purpose – please include the following in the explanation:

What does the legislation do - what are the specific goals/tasks the legislation seek to accomplish?

The legislation authorizes city officials to execute necessary documents to provide grants and enter into Grant agreements for \$2,500.00 to one hundred and ten (110) small business in effort to help offset the severe and unprecedented economic impact COVID-19 pandemic has had on businesses.

What are the benefits of doing this/Down-side of doing this?

Benefit – Helps small business in our City recover from the COVID-19 Pandemic.

Downside - The downside of this project is limited. Not every business will receive a Grant

How does this legislation relate to the City's Vision/Mission/Priorities?

Helps City recover from COVID-19 Pandemic by providing business with money to offset severe financial impact on City Businesses.

Financial Impact - please include the following in the explanation:

Cost (initial and ongoing) - \$2,500.00 Grant Awards

Benefits – Helping small Business which have been hit hard by this pandemic

Funding Sources –Enterprise Zone Fund

Priority Status/Deadlines – High – City would like to provide grants to small business as soon as possible

Why should the Council unanimously support this legislation?

These Grants will help small business in our City recover and offset the unprecedented financial impact COVID-19 pandemic has had on business.

Include any other pertinent details and/or relevant information that the Council should be aware of:

ATTACHMENTS:

____ Legislation

____ Sample Loan Agreement

____ Program Guidance (details still being finalized, submission forthcoming upon completion)

**GRANT AGREEMENT
UNDER
CITY OF SCRANTON SMALL BUSINESS RELIEF GRANT FUND PROGRAM
THROUGH THE CITY OF SCRANTON ENTERPRISE ZONE FUND**

AND

_____(NAME)

This Grant Agreement is entered into as of the ____ day of _____, 2020, by and between **The City of Scranton** (hereinafter referred to as the "**City**"), a municipal corporation organized and existing under the laws of the Commonwealth of Pennsylvania with offices located at 340 N. Washington Ave., Scranton, Pennsylvania 18503 and _____(Name of Business) organized and existing under Pennsylvania law, which has a place of business located at _____, Scranton, Pennsylvania. (hereinafter referred to as the "**GRANTEE**").

WITNESSETH

WHEREAS, as the result of the COVID-19 pandemic, Grantee has experienced significant and unprecedented economic hardship; and

WHEREAS, Grantee wishes to continue to operate a business located in the City of Scranton; and

WHEREAS, the Grantee, has made application to the City for a Grant under the program known as the City of Scranton Small Business Relief Grant Program by and through the Enterprise Zone Fund; and

WHEREAS, City herein agrees to provide a Grant to the Grantee in the amount of **\$2,500.00** as such funds are available from the City of Scranton's Enterprise Zone Fund; and

WHEREAS, the parties wish to herein provide for terms and conditions of said Grant and designate the uses to which the Funds may be applied.

NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby mutually agree as follows:

GRANT

1. Small Business Relief Grant Program by and through Enterprise Zone Program Funds. City shall make the Grant to the Grantee(s) in the amount of **\$2,500.00** which shall be advanced to them as in accordance with the terms and conditions set forth in the Application. Grantee(s) agree to adhere to all program guidelines and if this Agreement conflicts with those guidelines, the guidelines are the controlling document.

2. Availability of Small Business Relief Grant by and through Enterprise Zone Funds. The City has, by Notice of Award of Grant, and passage of Resolution No. ____? on the ____ day of ____, **2020** approved making the Grant to the Grantee. Exhibit "A" attached -----***insert # after approval***

3. Conditions, Representations and Warranties. To induce the City to provide the GRANT described in this Agreement, the Grantee hereby represents and warrants to the City that:

- (a) Grantee is a small business duly organized, validly existing in the City of Scranton, and in good standing under the laws of the Commonwealth of Pennsylvania and has been conducting business in the City of Scranton on or before January 1, 2020;
- (b) Grantee has the power and authority to own its assets and to carry on the activities of said business;
- (c) Grantee will act prudently and in accordance with customary industry standards in managing and operating its business and property;
- (d) Grantee certifies that they are current with all State, Federal and Local taxes including but not limited to real estate taxes and refuse tax;
- (e) Grantee holds all licenses, permits and other authorizations of any nature and kind required for the ownership of its assets and the operation of its business, all of which are now in full force and effect;
- (f) Grantee certifies that this Grant is necessary in order for Grantee's business to remain viable;
- (g) Grantee certifies there is no material fact that the Grantees has not disclosed to the City which could have a material adverse effect on the Grantees place of business or the prospects or condition

(financial or otherwise) of the Grantees. No Certificate or statement delivered herewith or heretofore by the Grantees in connection with this Agreement or the Application contains any untrue statement of material fact or omits to state any material facts necessary to keep the statements contained herein or therein from being misleading;

- (h) Grantee Certifies that the execution and delivery of this Grant Agreement, and the other Documents to which it is a party, and compliance with their respective covenants, terms and conditions, will not violate any provisions of limited operating agreement or books or any statute or regulation order, writ, injunction, decree, decision of any court or governmental agency binding upon it or conflict with or result in a breach of any of the covenants, terms and conditions of any agreement or instrument to which the Grantees are a party or by which it is bound or to which it is subject, or constitute a default there under, a result in the creation or imposition of a lien, charge or encumbrance of any nature or kind upon any of the assets of the Grantees pursuant to the terms of any such agreement, instrument or otherwise;
- (i) Grantee certifies it will not dispose of any hazardous waste at the Grantees place of business and will not knowingly violate any environmental statutes, regulation or other restrictions;
- (j) Grantee certifies that it will not use Grant fund to conduct illegal business or violate any Federal or State Statute, Rules, or Regulations;
- (k) Grantee is permitted to use the Grant funds for the following: Payroll, Inventory, Working Capital, COVID-19 Mitigation Efforts, Utilities, Taxes, Rent and Mortgage. Grantee **must** provide City with notice and seek permission for use of Grant funds that do not conform with this section;
- (l) Grantee shall provide to the City within 60 days of execution of this agreement, proof of the use of Grant funds. (i.e paystub, receipts etc). Additionally, Grantee agrees to provide City with any and all information City may request with respect to this Grant.

the execution and delivery of this Grant Agreement, and the other Grant Documents to which it is a party, and compliance with all of the covenants, terms, and conditions thereof, will constitute valid and binding obligations of the Grantees, enforceable in accordance with their respective terms;

4. Recapture of Funds. City reserves the right to require a total or partial refund of this Grant if it, in the City's sole discretion, such action is necessary: (1) because Grantee has not fully complied with the terms and conditions of this Grant; (2) to protect the purpose and objective of the Grant or (3) to comply with any law or regulation applicable to Grantee, the City or this Grant.

5. Court Expenses. Grantees agree to pay reasonable attorney's fees, court costs and disbursements ordered by the court in the event City takes successful legal action to enforce City's rights under this Grant Agreement.

6. Hold Harmless Agreement. Grantees will indemnify and defend City and hold it harmless from any claim against it involving or in any way arising out of its involvement with providing this Grant unless it is involving or in any way arising out of the willful misconduct of City, its agents or employees.

7. Exercise of Rights. No delay or failure of the City in exercising any right or remedy under this Agreement shall be deemed a waiver of such right or remedy or affect or impair the future exercise of such right or remedy and no modification or waiver by the City of any covenant or condition of this Agreement or waiver by the City of any default hereunder shall be effective for any purpose unless contained in writing signed by the City and then only to the extent specifically set forth in such writing.

8. Consent to Jurisdiction. The Grantee irrevocably consents to the exclusive jurisdiction of the Court of Common Pleas of Lackawanna County, Pennsylvania or the United States District Court for the Middle District of Pennsylvania in any and all actions and proceedings whether arising hereunder or under any other agreement or undertaking, and irrevocably agrees to service of process by Certified Mail, Return Receipt Requested to the address of the Grantees set forth herein. The Grantee hereby waives and shall not interpose any objections of forum non conveniens, or to venue and waives any right to remove any proceeding commenced in a state court to a federal court, and

consent to any and all relief ordered by such court.

9. Severability. The invalidity of any one or more sections of this Grant Agreement or any portion thereof shall not be deemed to affect or impair the validity and enforceability of the remainder.

10. Assignment: Binding Effect. All covenants, terms and provisions of this Grant Agreement shall inure to the benefit of and extend to and bind the successors and assigns of the City, provided that the Grantee shall not have the right to assign this Grant Agreement or any rights hereunder to any other person or entity, unless the Grantees' business and property is sold to a purchaser acceptable to the City.

11. Entire Agreement. It is understood and agreed by the parties hereto that this Grant Agreement shall constitute the only agreement between them relative to this Grant, and that no oral statement shall have any force or effect. This Grant Agreement shall not be modified except by writing, subscribed by both parties.

12. Honorable Agreement. This is an honorable Agreement intended to achieve the recited purposes. This Agreement is to be constructed and applied liberally to achieve those purposes and is not to be defeated by resorting to technical defenses or objections to price computation or any other matter affecting its operation.

13. Waiver of Breach. The waiver by the City of a breach of any provision of this Agreement by the Grantees shall not operate nor be construed as a waiver of any subsequent breach by the Grantees.

14. Counterparts. This agreement may be executed in counterparts, each of which shall be deemed an original and together constitute one and the same agreement.

15. Survivorship Clause. Grantees and City acknowledge and agree certain obligations imposed upon them pursuant to the terms of this Agreement, may survive the termination of this Agreement and be legally binding upon the parties hereto subsequent to the termination of this Agreement.

16. Interpretation. This Grant Agreement shall constitute a contract under the laws of the Commonwealth of Pennsylvania and shall for all purposes be construed in accordance with such laws. The headings of Sections in this Grant Agreement are for convenience of reference only, and shall not enlarge or restrict the rights of the parties hereto.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly caused this Loan Agreement to be duly executed.

City:

COUNTERSIGNED

CITY OF SCRANTON

City Clerk

BY _____
Mayor, City of Scranton

Date

Date

BY _____
City Controller

Date

BY _____
Executive Director, Office of Economic
Office of Economic and Community
Development

Date

APPROVED AS TO FORM:

City Solicitor

Date

Grantee:

ATTEST:

Date: _____



DEPARTMENT OF LAW

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

May 27, 2020

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 CITY OFFICIALS FOR THE CITY OF SCRANTON TO ENTER INTO GRANT AGREEMENTS AND MAKE GRANTS FROM THE CITY OF SCRANTON'S ENTERPRISE ZONE FUND IN THE AMOUNT OF \$2,500.00 TO VARIOUS SMALL BUSINESS THROUGHOUT THE CITY OF SCRANTON AS PART OF THE CITY OF SCRANTON'S SMALL BUSINESS RELIEF GRANT PROGRAM DUE TO THE COVID-19 PANDEMIC.

Respectfully,

Jessica Eskra (s)

Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

RECEIVED

MAY 29 2020

OFFICE OF CITY
COUNCIL/CITY CLERK

RESOLUTION NO. _____

2020

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO WAIVE THE RESIDENCY REQUIREMENTS FOR EILEEN CIPRIANI IN HER CAPACITY AS EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT FOR THE CITY OF SCRANTON SUBJECT TO CERTAIN CONDITIONS.

WHEREAS, Mayor Paige G. Cagnetti seeks to appoint Eileen Cipriani as Executive Director of the Office of Economic and Community Development ("OECD") for the City of Scranton (the "City"); and

WHEREAS, Ms. Cipriani's residence is located at 117 Washington Avenue, West Wyoming, Luzerne County, PA 18644, outside the territorial limits of the City of Scranton; and

WHEREAS, Mayor Cagnetti has determined that Ms. Cipriani's appointment to the position of Director of OECD would be in the best interest of the City and has requested that the Council of the City approve a waiver of the residency requirements pursuant to Section 6-6 (I)(4) of City's Code. The Mayor's request for a waiver being formalized in her appointment letter for Ms. Cipriani dated May 13, 2020. A copy of the Mayor's May 13, 2020 appointment letter is attached hereto as Exhibit "A" and incorporated herein by reference thereto; and

WHEREAS, Mayor Cagnetti has outlined the reasons she has determined that requesting a waiver of the residency requirement is in the City's best interests in a letter to Council dated May 14, 2020. A copy of the Mayor's May 14, 2020 letter to Council is attached hereto as Exhibit "B" and incorporated herein by reference thereto; and

WHEREAS, the Council of the City has determined that it will approve a waiver of the residency requirement for Ms. Cipriani's appointment to the position to Director of OECD subject the following conditions: (1) the City's withholding and payment of the earned income tax for Ms. Cipriani's salary be set at the same rate as is withheld and paid for employees who are residents of the City; and (2) waiver of the residency requirement provided herein expires on January 3, 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the residency requirements for Eileen Cipriani are waived until January 3, 2022. Ms. Cipriani may serve as Executive Director of the Office of Economic and Community Development for the City of Scranton while residing outside the municipal limits of the City of

Scranton, County Lackawanna, Pennsylvania, as long as the City withholds and pays the earned income tax for Ms. Cipriani's salary at the same rate as is withheld and paid for employees who are residents of the City.

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.



OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4251

May 13, 2020

Jessica Eskra, Esq.
City Solicitor
340 North Washington Avenue
Scranton, PA 18503

Dear Ms. Eskra,

Please be advised that I have appointed Eileen Cipriani, 117 Washington Ave. West Wyoming, PA 18644 to the position of *Executive Director* of the Office of Economic and Community Development effective May 18, 2020. Ms. Cipriani will be replacing Mary-Pat Ward as Executive Director. Ms. Cipriani is not a resident of Scranton and pursuant to §6-6 (I)(2) of the Administrative Code, I am hereby requesting a residency waiver in my sole discretion in the best interest of the City.

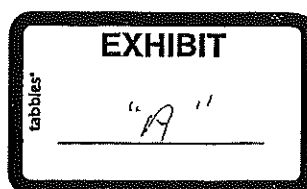
Ms. Cipriani's salary will be \$53,152.00 yearly with benefits.

Please adjust your records accordingly.

Sincerely,

Paige G. Cognetti
Mayor, City of Scranton

CC: John Murray, City Controller
Patrick Sheridan, Business Administrator
Lindsey Manley, Payroll
Debbie Torba, Insurance





OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4261

May 14, 2020

Dear Council and President Gaughan,

I am pleased to present for your consideration the appointment of Eileen Cipriani as Executive Director of OECD, effective May 18, 2020.

Ms. Cipriani brings extensive economic development experience to Scranton. Most recently, Ms. Cipriani served as Deputy Secretary of Workforce Development at the Pennsylvania Department of Labor and Industry, where she oversaw a staff of 400 employees and a budget of \$228 million. Additionally, Ms. Cipriani has served as Acting Director for the State Workers Insurance Fund and as a member of the West Wyoming City Council.

Ms. Cipriani is a resident of West Wyoming in Luzerne County. I am formally requesting Council to provide a residency waiver for her appointment. Section 6-6 (I)(2) of the City Administrative Code requires that the "best interest of the City shall be the most important" in employing a person. The best interest of the City is the sole consideration in whether an appointment should receive a residency waiver; it is hard to imagine an appointment more worthy of one.

The City's Act 47 Exit Plan includes a recommendation to "bolster the City's internal economic development capacity". Ms. Cipriani is exactly the type of leader we have needed for some time.

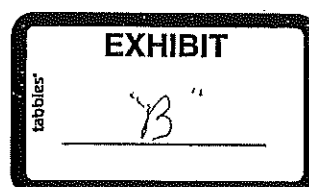
The challenges we face are unprecedented; unemployment has rapidly and dramatically increased, businesses have shuttered or reduced hours, transportation is limited, and social distancing mandates have changed the core of day-to-day life in innumerable ways.

As we look to begin the recovery process from the COVID-19 pandemic and navigate the growing economic crisis, Ms. Cipriani's economic development and workforce experience will be invaluable. She has the vision, expertise, and relationships in NEPA and statewide to hit the ground running as we continue to identify ways to assist small businesses teetering on bankruptcy, obtain critical aid dollars, and create long-term development plans.

I submit to you unequivocally that the best interests of the City will be served by Ms. Cipriani leading OECD, especially under these extraordinary circumstances.

Sincerely,

Paige G. Cognetti
Mayor, City of Scranton





DEPARTMENT OF LAW

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

May 27, 2020

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

RECEIVED
MAY 27 2020

Dear Honorable Council Members:

OFFICE OF CITY
COUNCIL/CITY CLERK

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO WAIVE THE RESIDENCY REQUIREMENTS FOR EILEEN CIPRIANI IN HER CAPACITY AS EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC AND COMMUNITY DEVELOPMENT FOR THE CITY OF SCRANTON SUBJECT TO CERTAIN CONDITIONS.

Respectfully,

Jessica Eskra (s)
Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

FILE OF THE COUNCIL NO. _____

2020

AN ORDINANCE

AMENDING SECTION 13 (AS AMENDED BY ORDINANCE NO. 29, 1994 AND ORDINANCE NO. 195, 2003) OF THE ADMINISTRATIVE CODE ENTITLED "APPROPRIATION" IN ORDER TO REQUIRE COUNCIL'S APPROVAL PRIOR TO THE TRANSFER OF AN UNEXPENDED BALANCE OF AN APPROPRIATION ITEM TO FUND A NEW JOB CLASSIFICATION OR INCREASE THE BUDGETED SALARY OF A JOB CLASSIFICATION.

WHEREAS, the City of Scranton (the "City") is a duly organized municipality and political subdivision within the County of Lackawanna, Commonwealth of Pennsylvania with offices located at 340 North Washington Avenue, Scranton, Pennsylvania 18503; and

WHEREAS, the City is a Class 2A city which operates under a Home Rule Charter adopted by the City's residents and effective the first Monday of January, 1976 (the "Home Rule Charter"); and

WHEREAS, Section 202 of the Home Rule Charter provides that the powers of the City's government shall be divided among the executive and legislative branches and that said powers belonging to one branch of government shall not be exercised by the other branch, except as expressly provided in the Home Rule Charter; and

WHEREAS, Section 905 of the Home Rule Charter requires City Council to hold a public hearing regarding the annual budget submitted by the Mayor pursuant to Section 904 of the Home Rule Charter and to approve and adopt an annual budget no later than December 15 of the current fiscal year; and

WHEREAS, Article VI of the General Code of the City of Scranton is known as the "Administrative Code"; and

WHEREAS, Section 13 of the Administrative Code relates to "Appropriation" and provides, *inter alia*, that the Business Administrator shall have the power to authorize the transfer of any unexpected balance of any item appropriated in the budget within a department without the approval of Council; and

WHEREAS, the Business Administrator has invoked the authority provided under Section 13 of the Administrative Code to transfer the unexpended balance of appropriated items to increase the salary of job classifications which were approved by Council in the budget adopted after receiving the public's input; and

WHEREAS, the Council has determined that said practice of the Business Administrator transferring a department's unexpended balances to increase the salaries of certain job classifications without Council's approval or the public's input undermines the budget approval process established by the Home Rule Charter; and

WHEREAS, Section 502(9) of the Home Rule Charter provides that an Ordinance of the City may only be amended or repealed by passage of an Ordinance, unless proposed by initiative and referendum.

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF SCRANTON that Article VI, Section 13 (as amended by Ordinance No. 29, 1994 and Ordinance No. 195, 2003) of the Code of the City of Scranton is further Amended to read as follows:

SECTION 1: Amendment of Section 6-13

§ 6-13. Appropriation

- A. No monies shall be paid out of the City Treasury except upon appropriation previously made by Council and upon warrant pursuant thereto, which warrant shall explicitly state the purpose for which the money is to be drawn. No work shall be hired to be done, no material purchased, no contracts made and no order issued for the payment of any monies in any amount which will cause the sums appropriated to specific purposes from funds on hand or estimated to be received within the fiscal year and not appropriated to any other purpose. Such supplemental appropriations shall be considered by Council as an Ordinance amending the annual budget.
- B. Except as provided herein, the Business Administrator shall have the power to authorize the transfer of any unexpended balance of any appropriation item, or any portion thereof, within a department, but if it is between departments, then the Business Administrator shall make such transfer with the approval of Council. Only with the prior approval of Council may the Business Administrator transfer any unexpended balance of any appropriation item, or any portion thereof, within a department or between departments, to:
 - 1) fund a job classification or position of employment that is not identified in the annual budget for the current fiscal year; or
 - 2) increase the salary of a job classification from the salary appropriated in the annual budget for the current fiscal year.
- C. Expenditures from the contingency fund shall be made only upon the express approval of Council.

SECTION 2. Severability

If any sentence, clause, section or part of this Ordinance is, for any reason, found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts hereof. It is hereby declared as the intent of Council of the City of Scranton that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.

SECTION 3. Existing Ordinances, Resolutions and Policies

All relevant Ordinances of the City of Scranton not amended shall remain in full force and effect.

SECTION 4. Conflicting Ordinances, Resolutions and Policies

All ordinances of the City of Scranton or parts thereof conflicting with any provisions of this ordinance are hereby repealed insofar as the same affects this Ordinance.

SECTION 5. Effective Date

This Ordinance shall be effective immediately upon passage and approved in the manner prescribed by Article V of the Home Rule Charter.

SECTION 6.

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.