approval.

MR. DUNBAR: Exactly.

ATTY. RINALDI: I'm going to put not to exceed the preliminary plan approval --

MR. DUNBAR: No, no, not to exceed 80 and 12.

MR. RUSSELL RINALDI: Tonight or at the public hearing?

ATTY. RINALDI: At the public hearing. It will be drafted. They're not going to pass it tonight anyway.

ATTY. GALLACHER: The proposal is we requested that the hearing be held on the condition that the plan as submitted, which is up to 80 units, that that would be the one that's being considered at the public hearing.

MR. DUNBAR: So it's 65 townhomes and 96 apartments which the preliminary plans are currently approving. The entire project is approved for 65 townhomes and 96 apartments. What I'm asking is 80 --

ATTY. RINALDI: That's not in the plan. Did you change it?

ATTY. GALLACHER: It's up to. It's

not on the current plans now. That's correct. That's up to.

MR. FEBBO: Then you have to go to planning and zoning and change it.

ATTY. RINALDI: Right.

ATTY. GALLACHER: Then we would be back here on a LERTA issue again.

MR. DUNBAR: We're not asking -- and I'd like to bring this to council's attention. No one touched on this tonight. We're not asking for a full ten year, hundred percent. We're asking for a phase in. So after the second year we're paying taxes, 90, 103, 103, 90, 80, 70, 60. We're not asking for a full ten year freight. Everybody else in municipalities, they did that. I'm not asking that. I understand the situation the school district is in. I want to help my community.

MR. RUSSELL RINALDI: The same LERTA as Birchwood.

MR. DUNBAR: You got it. Same exact thing.

MR. NOTARI: Does the LERTA work where every year your property gets

assessed?

MR. DUNBAR: Yes.

MR. NOTARI: So year one you're not finishing, so let's just say the assessment will be the same. Year two you finish two buildings that you have occupancy permits.

ATTY. GALLACHER: Correct. So as long as there's a new building constructed there is a new assessment for the overall development.

MR. NOTARI: So the assessment -- is the property going to be assessed at a greater value assumed?

ATTY. GALLACHER: Correct. As the buildings increase it increases the value of the property. There's a new assessment every time there is an occupancy permit issued.

MR. NOTARI: So if you were -- and I know it's more than ten, but just say the tenth building is done in year ten. That building now has a ten year cycle for taxes, that property? Or no?

ATTY. RINALDI: That's the problem with the county right now. The county was

managing that LERTA, so what the county decided to do is every time we gave him an occupancy permit for an apartment unit so the people could move in, even though the development wasn't completed they were saying okay, we'll start it here. So that's going to be an issue that you guys have got to talk about. Technically he can't get occupancy permits until the development is completed, but I know you want to be able to move people in as soon as you finish each unit.

MR. DUNBAR: Well, we phase it in.

MR. NOTARI: But it's one property, so that property, when you're finished -- say you're finished in year ten. Say in ten years you do the whole property. In year 11 we should realize the full zero percent.

ATTY. RINALDI: Not the way he wants to do it.

ATTY. GALLACHER: No, you would. In year 11 of the first buildings that were constructed --

MR. DUNBAR: You'll get a hundred percent.

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ATTY. GALLACHER: For the buildings that were completed in year one.

MR. NOTARI: They're not separate properties.

MR. DUNBAR: Maybe this will help. So as I mentioned at the work session, I'm going to start off of Forge Street. going to do a cluster of nine and nine. a total of 18 townhomes. Once those 18 townhomes are completed and I'm in compliance with the building codes and I'm issued my certificate of occupancy, then the LERTA clock starts then. So for the first two years it will be a hundred percent on that phase, and then the third year will be In the meantime I'm starting on phase 90. two, building 18 more houses. So the first two years of that is going to be a hundred and a hundred and then the clock starts ticking in your favor and the school district, so on and so forth. It's called a phasing LERTA.

So let me propose it like this. If you have ten developers come in here wanting a LERTA to develop for over a ten year

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period, you have ten developers coming in, mine is that I'm phasing in. The bank only allows me to do X amount of buildings at a time because it's a huge project, the money involved. So I'm ten developers. You're giving ten LERTAs to me, to George Dunbar, because I have to phase this in. No one in their right mind could build or afford to build that, so we have to phase it in. Just look at me as being ten developers asking this body to grant me a LERTA, phased in LERTA. That's the only way financially this project will success. As I mentioned, if I didn't have a LERTA on Birchwood with Covid, inflation, lumber going up 300, 400 percent it never would have succeeded. It was huge It's an excellent economic tool for for me. developers. That's why I'm asking we phase in the LERTA. Again, look at me as ten developers.

MR. NOTARI: Is that in the documents you sent to us?

ATTY. GALLACHER: It is.

ATTY. RINALDI: No, it's got to read you're giving them a tax exemption on the

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assessment attributable to the actual cost of new construction or all improvements for a period of ten years beginning January 1 of the year following the year which the borough issues the occupancy permit for the improvements as defined under the ordinance.

ATTY. GALLACHER: That's what it says.

ATTY. RINALDI: "And shall be exempt from real property taxes otherwise payable to the borough of Old Forge as a result of increase in the tax assessment for the property and attributable to the cost of future improvements, constructed" --

ATTY. GALLACHER: And that's the exact language that was in Birchwood. It's ten years from when an occupancy permit is granted for any particular improvement to the property.

ATTY. RINALDI: The first occupancy You have to have all the entranceways done.

ATTY. GALLACHER: Correct. We can't get the occupancy permit unless that's there. Absolutely. We have to be able to

have people living there --

ATTY. RINALDI: That's what I have in here. Then it's going to be provide -- MR. DUNBAR: Say that again.

ATTY. RINALDI: I know you're going to come down and say hey, I have a building done. I want people to move in. Well, I know people are going to complain that the corners aren't done --

MR. DUNBAR: Well, you're basing that opinion on a hypothetical and I'd like to refer to the SALDO. The municipality SALDO requires one ingress and one egress. We have to go by the SALDO, Bill. That's what it states. Birchwood has one ingress and egress. What he's trying to say is that we have both of our ingresses and egresses done on Howard Street and Forge Street.

ATTY. RINALDI: He's got to be able to say people can safely drive in and out of there.

ATTY. GALLACHER: You can't get the occupancy permit unless there's access to it.

MR. RUSSELL RINALDI: Mike, I have

no problem staying here all night. When you guys came back I would ask that you just take a few minutes when we're done with this, write up that proposed motion, let our solicitor read it, and then see if that's how we're going to work.

MR. DUNBAR: Okay, we'll go out, write it up.

MR. RUSSELL RINALDI: Give it to our solicitor, let him review it, just the way you said, and then bring it back in so he can read it.

ATTY. GALLACHER: Sounds good. Do you understand? Good.

MR. FEBBO: I just want to speak on behalf -- I appreciate you people coming out tonight to listen to this whole presentation. It's very important for the whole community here. We have pro and con, my feeling. Mr. Dunbar brings a lot to this community. If you ever have a chance to really take a ride, especially at night, through the development down at Birchwood. This is going to be done -- he's going to invest between 80 and 100 million dollars in

our community. That's 80 to 100 million. That's a lot of money.

Yes, we have concerns. I understand, Doctor, you're saying the school district is in dire straits right now and we won't realize money for ten years, but without --

MR. NOTARI: He just said it's not ten years.

MR. FEBBO: Could be longer. It could be 20. If he doesn't finish the project until year ten.

MR. NOTARI: It's ten years from there.

MR. FEBBO: One phase based on the property tax. Again, I brought it to council here nobody is understanding the fact that right now we are drawing a tremendous amount of money from wage taxes. His clientele are all higher-end people.

You have doctors, lawyers, retired people.

MR. NOTARI: If they're retired you're not getting any.

MR. FEBBO: They have income, whatever. It's just the amount of money

taken in in wage taxes.

MR. NOTARI: We don't know that number.

MR. FEBBO: We don't know that number?

MR. DUNBAR: We'll present that momentarily.

MR. FEBBO: Unless while you're waiting here you want to put it in right now. If we're going to have a public hearing this is what we need. We need the public involved here to see what their opinion is on what we want to do here in the community.

Again, am I in favor of this development? Yes, I am, because I love Old Forge and I see the things that he has done in Old Forge and you promote it. We don't have tax base movement. Our tax base is the taxpayers or Mr. Dunbar. That's where we're going to get our money from. We don't have industry, we don't have Montage Mountain, we don't have shops. We have nothing here and we have no room for it. So, consequently it becomes either on the shoulders of the

taxpayers or it comes on our development.

Quality people come into the community.

In addition to what he's bringing in in terms of money, these people are servicing our restaurants, our gas stations, our community stores. They spend a lot of money in the community here.

So again, it's important to have public input. The public has to be here.

There are pros and cons. I thank you for your patience sitting here tonight because it's important.

MR. RUSSELL RINALDI: Doctor Notari, do you want to come back up?

DR. NOTARI: I'm not as smart as the attorney here, but I would like to pass these out to council, which is the LERTA Act. You can have it in your possession and read it at your leisure. Especially on page three where it says a LERTA should not be legally more than ten years. So, I submit in 2016 the Birchwood LERTA is illegal because it is not ten years. Currently, right now, it is up to 17 years.

The number two bullet on page -- I'm

sorry, number one, "the length of the schedule of taxes exempted should not exceed ten years on the property." If he wants to subdivide the property and do it, absolutely. Each phase, let him subdivide it and let him come every single time he's ready for a LERTA. Absolutely.

But on one property for an indefinite time, it's great to take somebody's word that I'm going to get this done in three or four years. You were on the board in 2016. It was going to be done in two or three years. Seven years, it's still not done. Still building. And I understand everything goes -- Covid came, prices went up. You don't know the unforeseen of what could happen. You're making my case that while he's building these great things for tax exempt it's putting the burden on the rest of the taxpayers to make up for what he's building. There's no way to get around that.

MR. RUSSELL RINALDI: If you're stating that by him building buildings and bringing more taxes into the community, how

MR. RUSSELL RINALDI: Not to point the finger, but maybe the school board members. They're the ones making the decisions for the school, not us.

DR. NOTARI: No, no, no. That's why I came up before about the state formula. We're losing money from the state because we cannot tax our residents up to the level determined on what everything states. So we have all these households, we have all --per taxable property. We have all this increase in median income.

MR. RUSSELL RINALDI: Isn't this development like this bringing in a lot of school taxes?

DR. NOTARI: No.

Russ.

MR. RUSSELL RINALDI: It's not?

DR. NOTARI: It's not being taxed,

MR. RUSSELL RINALDI: It's being taxed as it's being built according to the LERTA.

DR. NOTARI: At a sliding scale. So in 2016, when it was supposed to be ten years -- Correct? When it was supposed to

ATTY. RINALDI: So why isn't the LERTA -- he says it does --

DR. NOTARI: Because if you go by this document that's how it was written. If you read the document that was enacted by everybody he has the sliding scale in there. So you can't beat the legal actions of the borough, the school and the county, how it was written.

ATTY. RINALDI: It's only a ten year LERTA.

DR. NOTARI: So here's the first part. Here's the second part where it says "as is resolved." The first part is the ten years, then there's this additional part that allows it for the sliding scale as is occupied for them to go under this scale. This is 2016.

MR. RUSSELL RINALDI: Doctor, just so you know I thought you were saying that the school district has to raise their taxes because of the decisions we make.

DR. NOTARI: What I'm saying is just like actions that we have at the school affects the borough, actions you have here

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at the borough affect the school. So by allowing this tax deferment, tax abatement, whatever you want to call it, it's changing the metrics of how our town is viewed. town is more wealthy, so the state says to the school you're more wealthy. You can afford taxes. We don't have to give you any more money. You have more households that can be taxed, but when the school goes to tax, because these are abated it then has to be spread amongst everybody else. So maybe we only had to raise taxes one mill if everything was taxed appropriately, but because it's not we have to go to formulas to get that same amount of money. We're looking to get \$200,000. We're not getting it from his development currently. We're only getting \$45,000.

MR. RUSSELL RINALDI: From what development?

DR. NOTARI: From the current one that's abated. The other ones he built had no abatements. He paid taxes immediately. But this abatement, so now we have to find the hundred fifty thousand spread amongst

everybody else.

MR. RUSSELL RINALDI: Let me stop you there. The development before that that weren't tax abated, that the borough made decisions on, they had helped the school. Correct?

DR. NOTARI: Sure.

MR. RUSSELL RINALDI: We impacted in a good way, is what I'm saying.

DR. NOTARI: The opposite of that is -- I would say yes. I have no problem saying yes. However, I don't know the properties that were there before. You'd have to look back when he built The Orchards, Maple Leaf and Edith Street. I don't know the taxes that were there.

MR. RUSSELL RINALDI: The school's probably getting maybe, like, 2,000 a year and the borough's getting about 400 on certain properties. Right? But my point is those properties that the borough makes a decision on to approve, that George took all the rights through the planning process and permitting and everything --

DR. NOTARI: I'm not against the

development, I'm against the tax abatement.

MR. RUSSELL RINALDI: I'm just saying that the borough is making decisions that also help the school.

DR. NOTARI: Absolutely. I'm not saying you're doing anything negative.

MR. RUSSELL RINALDI: I know what you mean now. In the beginning I thought you were saying because of us approving developments school taxes have to be raised.

DR. NOTARI: If we allow this -taxes are being raised disproportionately
because of the abatement. All the great
things that brings with it, the state looks
at it and goes oh, that's wonderful. They
have no idea that we are not taxing it.

MR. FEBBO: Are you saying that if we had a lesser income population come into the community that we'd get more money?

MR. RUSSELL RINALDI: The school would, not the borough.

DR. NOTARI: No. Let's start again.

MR. FEBBO: A lesser income population we would get more money for the school district.

DR. NOTARI: I can't say that's the way the formula works because -- you're talking about the low income person. All right? Are they sending kids to the school? That's where that becomes a factor.

MR. FEBBO: How many --

DR. NOTARI: You're not listening to me. You're trying to twist my words.

MR. FEBBO: How many children in how many developments do you have going to Old Forge?

MR. DUNBAR: So great question. As I stated last week at the work session, I believe -- plus or minus, I think I currently have 233 units in this municipality. Please be advised that I have ten students in the school district. Six of them were already in the district. So let's do the math. So I injected four. I injected four in the school district.

DR. NOTARI: That's not what I'm talking about. Your question was am I advocating for lower income people to benefit the school district.

MR. FEBBO: Are you not saying

that --

DR. NOTARI: No. You're talking about two different parts of the equation. You asked lower income people into the school or lower income in general and they're raising the higher income. It's two different variables you're talking about and three different things.

MR. RUSSELL RINALDI: Explain to
Councilman Febbo. What you were saying was
according to the state and the way the
state --

DR. NOTARI: Formulates our funding.

MR. RUSSELL RINALDI: -- gives their aid to the school districts throughout Pa.

lower value areas would receive more funding or get funding --

DR. NOTARI: Currently.

 $$\operatorname{MR.}$$ RUSSELL RINALDI: Not saying that he's for that.

DR. NOTARI: I have nothing to do with what anybody wants to build anywhere. I just want them to be taxed appropriately so the residents don't have to feel the burden of the non-taxable buildings.

MR. LETTIERI: Is there any way that the school -- did you explore all avenues about making cuts and stuff like that?

DR. NOTARI: We don't have anything at the school now, Mike. There's nothing at the school now.

MR. LETTIERI: Three principals at the school? I mean, can we get rid of one?

DR. NOTARI: No.

MR. LETTIERI: We can't?

DR. NOTARI: No.

MR. LETTIERI: For the number of kids we have we have three principals?

DR. NOTARI: Correct, and guess what? You don't have to take my word for it. You can talk to everybody else. We are at, so far, the low end of the services we provide, that we were in Harrisburg, how many administrators do you have?

Five.

You only have five administrators?
Yes.

Well, you can't cut there.

We were back and forth to the state constantly. We had state --

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MR. LETTIERI: Right.

DR. NOTARI: We are -- out of 500 school districts we are the 464th in money spent in the schools. We have a thousand students. We are the 389th sized school in the state. You're going to see school districts up and down this valley -- we spend 16 million a year at the school -- less than us spending 25 mill a year. The state has already told us we're 5 million a year short in spending to be average to give our students. That we're so far behind they don't even know how to help us. That's the answer. Now, a lot of it is political talk because we don't have political power but --

MR. ZUPON: So you're basically saying that with the school right now we're better off leaving that property as blighted culm dumps. You're going to make more money than what he's trying to do.

DR. NOTARI: By the sate formula, yes. As I said earlier, the more houses you put -- you may think it's crazy. I'm not making it up. Ask him for the presentation of why we are being penalized --

MR. KARAM: Fifteen? Can I have ten? So that's \$30,000. What are we collecting in taxes on the property currently?

MR. DUNBAR: About 4,000.

MR. KARAM: It's going to take some years to get it on the tax roll. Right?

Take a little time. Okay? If we're collecting \$400 a year currently and it's going to give us \$30,000, well, if we just collect the tax it's going to take us how long? Fifty, 60 years? Whatever the math is.

Listen, the only way Old Forge can continue to move forward is economic development. Plain and simple. We have nothing else going on here in town. Right? Do we have any big industry coming in? Big shopping? You look at Moosic, Dickson City, those guys have stuff. They have retail, they have warehousing. They have all that stuff going on. They have the right zones for it. What do we have? We have a little bit of housing left. I don't know where you can build a new home in Old Forge today.

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Are there any developments that are actively doing new homes?

MR. RUSSELL RINALDI: Rosemount.

MR. KARAM: Anybody else? Anything new happening that I'm not aware of? don't know. My only advice is this. I know the school needs help, but to do a project like this, tools like LERTA, right, exactly what it is. It's a device to help developers accomplish what they need to accomplish in blighted areas. Right? When I sat on council there was talk about the project that he's on right now, Birchwood. I had fellow councilmen who were upset. They said oh, section eight. He's going to turn it into low income. Right? Can't be any better than it is, gentlemen. And that's just my take on things. right?

MR. RUSSEL RINALDI: Anybody else?
MR. BROWN: Good evening, council.

Devon Brown. I know that Mr. Dunbar has his attorneys and his representatives here tonight. I know that Mr. Notari has given facts on behalf of the school district. I'm not saying that I doubt or don't disbelieve

one side or the other, but as I heard attorney Rinaldi mention at some point the state association of boroughs, he referenced.

Was there anyone that conducted a cost/benefit analysis as to the current projects that Mr. Dunbar has completed from the borough standpoint? From the school? What I mean --

MR. RUSSELL RINALDI: How much money they generated so far?

MR. BROWN: Yes. Like, what their expenses are, how many kids are coming in from the district done by a professional that certifies it, that can say here's the pros, here's the cons. Here's what happened and what has gone wrong. You know, what has impacted since --

MR. RUSSELL RINALDI: Mr. Dunbar's addressed that there's only four children currently.

MR. DUNBAR: Six were already in school.

MR. BROWN: And I'm sure that we can believe that with obviously conferring with

the school district. But at the same time if you reach out to any public entity, non-profit. Wilkes has a program where they consult non-profit and governmental entities. I know the state department of community and economic development, which the county has to report to for LERTAs, compiles data. They have outreach specialists known as policy specialists which are dedicated for these issues. So I would just advise all that when conducting an in-depth study for such a big decision.

My other thing is I heard Mr. Notari comment about the budget and the school with their funding, and I would be in agreeance that the formula that is set up for public schools does not benefit us currently. However, the state budget is not passed. It was supposed to be passed June 30th. They are at a budget impasse, the house and the senate. Right now it comes down to the fair funding formula.

So while this decision might not impact the school it's more of the state government, and what I would be doing as a

community is reaching out to your state senators and your state legislators because they're the ones that are holding us up right now. Bills are not being paid, grants are not being paid, employees soon will not be paid.

So I don't think that Mr. Dunbar's project right now would have that drastic impact on the budget because the fair funding formula may change depending on this impasse with the budget, with the house and the senate.

So I would definitely form a lobbying group as well to lobby your state representative and state senators. I know that Senator Flynn -- it was brought back in the past about representatives not bringing funds back to the school district. The Scranton School District, which I want to say maybe ten years ago, I'm not sure, passed a LERTA. The city passed a LERTA as well. Both entities were financially distressed. The city was in Act 47, which means it was financially distressed. It was before a takeover comes in and appoint a

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consultant, as did the school district.

They were able to and developers were able to still receive LERTAs while these financial distresses were going on and it didn't impact them.

Actually, I want to say at the beginning of the year the city of Scranton actually exited the distressed acts from the state and they're not even going to go into receivership and the funds are back in the city's control. The school district, I think, is working that as well. So I'd just like to keep that in mind.

So the two things are lobbying your state senators, state representative because the fair funding is not fair, but it shouldn't be blamed on this council here, it shouldn't be blamed on Mr. Dunbar. It's been like this for years, and it's at the state level, not at the municipal level.

Two, I would do a cost/benefit analysis by a certified firm to study it. While I know that Mr. Notari has provided us figures I'm not disputing them, but I'm just saying for council's sake as a whole just to

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gather and engage. Always reach out to other avenues. I know that it can be costly obtaining these things, but there's some non-profits and even state entities that can maybe assist. That's all.

MR. RUSSELL RINALDI: Thank you.

ATTY. RINALDI: What council does here today won't -- what they do in enacting a LERTA won't affect the school district.

DR. NOTARI: I'm here as a resident. I'm not here as -- I know I happen to have a spot on the school board. I'm here as a resident to talk about only information that you get on the internet. Budgets that are available, tax assessments that are available on the internet. I've obviously been to presentations at the school district to see why our funding keeps dropping. been to Harrisburg. We've had dignitaries here at the school several times. We've been with Senator Flynn. We've been with the leadership on both sides in the house the last two years. We've done all our due diligence. We've actually met with Governor Wolf when he was here at Mr. Rinaldi's

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restaurant, we've met with Governor Shapiro last week in Pittston. We've done the due diligence.

MR. RUSSELL RINALDI: Larry, did you want to come up?

MR. SEMENZA: Larry Semenza. As you know, I work for George. I think a lot of the things that happened happened because of miscommunication with a lot of these things. If this agreement goes through and you're going to have a meeting next week -- I talk to a lot of you guys daily, weekly about different things in the borough. hesitate to call. If somebody calls and has a question about the project, about Birchwood, call me. You might not be able to get George. Come over and see what goes Nobody's here to pull the wool over anybody's eyes. I work for the guy. Trust me, there's no secrets, there's no shady deals going on. He'll tell you anything you want to know that he could. Believe me.

With that, I'm going to defer my rebuttal to Doctor Notari until the dentist chair. You guys might as well make a motion

to adjourn.

MR. WARTELLA: I'm Chris Wartella. I just wanted to add a couple comments. Real estate development, especially real estate development of this size, takes time. You know, this borough's been established since 1899. Been here a long time, and it's grown over that long time. The fact that Mr. Dunbar would have to phase this in is an economic decision. It's not a decision to get anything extra out of the borough. It's to use the tools -- as the gentleman before me had spoke, to use the tools of development to help increase economic development in a community.

Currently, let's just take Birchwood that has the LERTA and has had the LERTA.

Again, it's a rolling LERTA. I think it's a misnomer to say it's 17 years. It's not.

Each phase, think of it as it's own development. On each development it's ten years. Not longer. These buildings go ten years. Will he do another group of buildings? Ten years. Another. So it's not cumulative effect, it's a rolling LERTA,

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but taxes get paid along the way.

But take Birchwood. Let's just take the school district. Again, he's asking for time because real estate development takes Last year, in 2022, Birchwood accounted for almost \$39,000 of school district taxes. At that end or the expiration of the LERTA, of all of the LERTA in Birchwood that's going to increase to That takes time. \$482,000. That doesn't happen in a year. It won't fix the short-term problem. Mr. Dunbar cannot account for nor can he recommend anything about the fiscal responsibilities of the school district or their actions. He can handle his fiscal responsibilities to build and invest into this community. That's what he's choosing to do. He's putting at risk -- he's putting a greater amount of risk than anyone else because he's personally responsible for this debt that he's incurring.

Let me say that again. At the expiration of the LERTA on Birchwood the school district will receive \$482,000. He's

asking for time to get that money built up to the school district. They're getting more each and every year that increases.

I'm sure the doctor could attest to that.

But those taxes on Birchwood increase every single year.

So let's talk Holly Ridge for a minute. Right now the school district receives \$2,534 from that blighted property. If we use the same metrics that we applied to Birchwood to determine the taxes, what we estimate those to be based on what the assessed values may be -- but I think fair is to say kind of what's going on with Birchwood now. To the school district at the expiration of the LERTA on Holly Ridge it will go from \$2,500 to \$600,000, and he's only asking for time to grow the tax to \$600,000.

DR. NOTARI: A child born today will never see that money to the school district because a child born in 2016, the number you used, \$480,000, will be 2033. Correct?

Seventeen years. That child will never see the full fruition of his development, which

MR. WARTELLA: Are they going to continue from --

MR. NOTARI: You're the one that chose to use the words every year, not me. So let's be clear.

MR. WARTELLA: Then I'll amend that and I will say from this point forward every single year those taxes are increasing.

Correct?

MR. NOTARI: Yes.

MR. WARTELLA: Now, let's talk about if the development doesn't get done at Holly Ridge on that blighted property. How do the taxes look ten years from now, then? Let's take ten years from now if he does the project. What do they look like? I think one word can answer it. More. More help. Right? If there's a problem with school district funding that's a problem with the state, not with Mr. Dunbar. That you have to talk to your state representatives about and how they compute. He has no control over that.

But he's adding every year -- except for the first two -- additional taxes to the

borough and the school district and the county. Every -- from this point forward every single year. And it's a fact. Ten years from now we know there will be more taxes paid on Holly Ridge than are being paid right now, which is a benefit.

Not only that, there are residents that move into this community that do pay earned income taxes. We can squabble over how much that is. You have better access to those numbers from your tax collector than we ever can. It's private information.

But we can also say for a fact that people spend money in the local economy. People who move here spend money in the local economy. There are 233 new units that Mr. Dunbar has brought in since he's established his developments and they spend money in the local economy. I think that goes without saying. That benefits everybody.

So we can either do nothing, let properties sit blighted, have costs continue to increase, pension costs continue to increase, teacher salaries continue to

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increase, administrative costs continue to increase, and do not grow the tax base.

That's your option. Or grow the tax base through assisting a developer to do a project that would not otherwise be financially feasible. Those are the options.

Again, it's a numbers thing. he's asking for is time to build so that those taxes can be achievable down the road. If he can do it in a year he would do Time. it in a year. If we can have it a hundred percent occupied we'd have it occupied in a Right? So we're asking for time. That's it. Real estate development takes time and it's an investment in the community Not we're asking from you other than hold off on assessing us. assessments will come according to how the LERTA gets negotiated and structured. Taxes They're not paid starting in year are paid. ten, they're paid along the way. first two years but they are paid along the way. That's the only point.

All the other legal machinations,

it's not my venue. I just looked at the long term effects of this. Are the long term effects positive or negative, not short term, and if it's a state funding issue take it up with the state, not with a private developer looking to invest another \$80 million into this community. That's all I have to say.

ATTY. GALLACHER: Just the written proposal. What we're asking for, again, tonight is essentially the same thing we have with Birchwood. The language was approved, the language was there before. We're asking that the -- the only thing that's really changed is the description of the number of units. Again, we're asking for the up to 80 and the 12 apartment buildings. The numbers have changed. That's basically about it.

So we're asking tonight that council vote to set the currently submitted LERTA proposal, which, again, is identical to the Birchwood one, for a vote one week after the advertisement of the meeting, that the vote be conditioned upon dissolution of the TIF

with the approval of the LERTA, and that the advertisement of the meeting be submitted or put out there pretty much timely. By the end of this week, we would request. So that's what we're asking council to vote on right now.

That was our compromise, I think, to what we originally came in here. I'm hoping that's acceptable to council and that's what we're asking for at this point.

MR. RUSSELL RINALDI: Bill, is that --

ATTY. RINALDI: I'm not going to use their resolution, no. I don't mind entertaining the LERTA but I'll draft it.

ATTY. GALLACHER: Well, I think that's what we're having a problem with, because by drafting it he wants to change the number of units, the up to, the ten years, the language of it. It was good for Birchwood. When we came in last week that was our proposal. We're not asking for more. We could have come in here and we could have said hey, we want a hundred percent for ten years, abatement. That's

where we're at. But we didn't. We came in, it's worked at Birchwood. Council had approved it for Birchwood. We're asking for the same thing. We don't want the language to be changed, we don't want the numbers to be changed. We don't want a whole bunch of things changed in it because that's not what we're looking for.

MR. FEBBO: Can we do that, Bill?
ATTY. RINALDI: No, I can't.

ATTY. GALLACHER: Why couldn't you do it? We did it for Birchwood. What was the problem?

ATTY. RINALDI: Because Birchwood was run by the county. This is a stand alone ordinance from the borough.

ATTY. GALLACHER: And Birchwood was approved by Old Forge. They approved the LERTA as well and the resolution.

ATTY. RINALDI: I have more questions that they have to answer, and there's a lot of litigation over that.

MR. DUNBAR: The litigation is over the taxes, Bill. Everybody appeals their taxes. There's not a person in this room

tonight that didn't appeal their property
tax. Can somebody tell me that they didn't
appeal their property tax?

MR. RUSSELL RINALDI: That's not what I said. I said I wanted them to draft a proposed motion that you and --

ATTY. RINALDI: That's the ordinance I can give you. It does everything you guys want, not necessarily what they want.

MR. DUNBAR: But I need to have that to make this project successful or it doesn't work for me and I won't waste any more of your time.

MR. RUSSELL RINALDI: What was

ATTY. RINALDI: They're getting a ten year exemption under the act.

MR. DUNBAR: So a full hundred percent for ten years, Bill?

ATTY. RINALDI: No, I'm going to give you a ten year exemption. First year, 100 percent; second year, 100 percent; third year, 90 percent; fourth year, 90 percent; fifth year, 80 percent; sixth year, 80 percent; seventh year, 70 percent; year

eight, 70 percent; year nine, 60 percent; and year ten is 50 percent.

ATTY. GALLACHER: The problem I have with that is he's saying he's going to give us. It's your decision as council on what to do here.

ATTY. RINALDI: I can give you a hundred percent every year.

MR. RUSSELL RINALDI: I thought we were giving the same as Birchwood?

MR. DUNBAR: Exactly. That's exactly what I'm looking for, Russell. Exactly the same. I don't want anything different. No more, no less.

MR. RUSSELL RINALDI: What we discussed.

MR. DUNBAR: Exactly the same.

ATTY. RINALDI: They're the real estate tax exemptions for Birchwood. I didn't change them.

MR. DUNBAR: You're saying ten years, so it's a phased-in ten years. We want to make sure that's in the language.

ATTY. RINALDI: I'm going to go -I'll follow the act. I mean --

MR. DUNBAR: Throwing a curve ball there.

MR. RUSSELL RINALDI: I don't know what it means follow the act.

MR. DUNBAR: He's throwing a curve ball.

ATTY. RINALDI: Whatever the act allows. I'm not going to make up new laws.

ATTY. GALLACHER: The act allows the language of Birchwood. No one has challenged the LERTA to Birchwood.

MR. DUNBAR: Guys, I want to get there with you. Right? So again, it's up to you. You heard our part, you heard their part. We need to get this resolved tonight. I'm not looking for any more. I'm asking you to partner with me to make this project successful. There is not a single individual in the history of this community who has injected more in their own community than me. Than me. I need this LERTA to make that high-end project work, and it has to be a rolling LERTA because of the amount. If I want to do a \$4 million project I'm not before you. Maple Leaf, was I before you?

No. Orchards, was I before you? No.

Lilac, was I before you? No. They're much smaller projects. That was something I can handle money wise.

But these are massive. There's probably not a bigger residential going on in the commonwealth of Pennsylvania right now than what I'm proposing with Holly Ridge. And the quality, I want to emphasize the quality. Not even close.

MR. RUSSELL RINALDI: Well, that's what my question is. I thought council was aware that we were going to propose the motion tonight with the same LERTA as Birchwood, same language as Birchwood. Am I wrong?

MR. FEBBO: No.

 $$\operatorname{MR}.$$ HOOVER: That's what I thought, too.

ATTY. RINALDI: Whatever exemptions you want to give him. Your obligation is up to a hundred percent for ten years.

MR. RUSSELL RINALDI: I thought we were doing the same as Birchwood. That's what I'm asking.

MR. NOTARI: Does the Birchwood LERTA comply with the law?

ATTY. RINALDI: I haven't reviewed it.

MR. DUNBAR: I'd like to answer that question.

MR. NOTARI: No, I have to get an answer from our solicitor.

ATTY. RINALDI: I haven't looked at it.

MR. DUNBAR: Rick, a LERTA has already been established for Birchwood, approved.

MR. NOTARI: I understand that, but I keep reading it and I don't see -- and maybe it's just the wording, but I don't see the sliding phase part of it, and that's kind of what the sticking point for me is right now.

ATTY. GALLACHER: The Birchwood

LERTA's been in effect for seven years. No
one has challenged, no one sought to
challenge it. It was approved by the
county, it was approved by the school board,
it was approved by council seven years ago.

So it was good enough then. It was looked at by the solicitors of the county, I'm sure, at that time, of the school board, and I'm sure it was looked at by council here, the solicitor, which I believe was Bill at that time.

MR. DUNBAR: Rick, if I'm doing 18 units I have no problem. It's huge.

MR. NOTARI: I get it.

MR. DUNBAR: I hope you do. You have to be in the trenches to truly understand what's involved with this.

MR. NOTARI: I agree with you, but I understand what you're doing.

MR. HOOVER: I thought we were doing the same LERTA as Birchwood, and I thought we were going to make a motion, contingent on county's answer, to give you the LERTA.

That's what I thought we were doing tonight.

Am I right?

MR. FEBBO: You're right.

ATTY. RINALDI: I didn't advertise the ordinance.

MR. NOTARI: After speaking with Bill earlier in executive session I came to

back in 2016 with input from --

ATTY. RINALDI: That's all for your penefit.

MR. DUNBAR: It's the same thing.

It's the same exact verbiage. The only
thing that changed is Holly Ridge -Birchwood to Holly Ridge and the pin number.
That's it.

ATTY. GALLACHER: And the number of

MR. HOOVER: Isn't it different wording in the TIF than there is in the LERTA?

MR. GALLACHER: There is, but we're not proposing the same as the TIF. We're proposing what was the Birchwood LERTA.

We're not saying we want to take the TIF that was granted for Holly Ridge.

ATTY. RINALDI: He's asking for -I'm using the preliminary plan that was
approved. He's asking for more than that.

MR. DUNBAR: I think it's 80 and then the 12.

ATTY. RINALDI: He's asking for 80 townhouses --

MR. DUNBAR: Not to exceed.

ATTY. RINALDI: But that's not the project. He's approved for 65 townhouses, and he's asking for 12 apartment buildings and he's only approved and he only has seven on the property with 84 units.

MR. DUNBAR: Not to exceed. I may not ever be able to do that but I want to have that in so I don't get in the same position that I am with the school district.

ATTY. RINALDI: You guys have to think about it. Thirty years from now he comes in and he says I'm going to put this structure and I want a ten year abatement. Thirty years from now. That's what he wants to be able to do. He wants a rolling one.

MR. DUNBAR: No, that's not -that's so far in left field. I'm not asking
for that.

ATTY. RINALDI: I didn't know the school district had an issue. I thought the LERTA was pretty much coming to an end.

MR. RUSSELL RINALDI: No matter what he wants to do after the 65 townhouses and six apartments approved he has to come back

and get all the approvals. He can't do what he wants.

ATTY. RINALDI: Council at that time might say you know what, now this isn't a deteriorated property, we don't want to give a LERTA. That's for --

MR. RUSSELL RINALDI: Then let them decide that at that time. This council wants to decide something different.

ATTY. RINALDI: He wants you to decide it now. You can't. I'll give you the classic example. North Pocono did a contract. If and when we ever build a school up in Clifton Township you're going to use this contractor, this site, this --

MR. RUSSELL RINALDI: That's not what this is.

ATTY. RINALDI: Yes, it is.

MR. RUSSELL RINALDI: No, it's not.

MR. DUNBAR: If I may just add one thing, and hopefully this clears everything up. You want me to build 80 townhomes as opposed to 65 because what does that do? It generates more economic development. So, Bill -- and not being disrespectful to

you -- but instead of resisting why don't you partner with us? You have a fiduciary duty to this municipality to move this town forward. So let's do that.

No one's trying to pull the wool.

Right? I have a proven record here. I

finish my projects. My projects are top

shelf. We don't have police there, there's

not people off the streets pointing guns at

people, there's not people shooting up

crack. We don't have that. These are

quality people I bring in this community.

So I'll asking you, Bill --

ATTY. RINALDI: You want to increase the LERTA?

MR. RUSSELL RINALDI: I thought we were doing, number one, the same as Birchwood --

ATTY. RINALDI: I thought we were doing -- now we're doing the project plus.

MR. RUSSELL RINALDI: No, no, we're doing not to exceed. We weren't doing anything plus.

ATTY. RINALDI: His project is -- I told you what his project is, 65 townhouses

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MR. DUNBAR: It's four, four, four, so it's 12. This may never happen. storm water calcs may never change. I may not be able to do that.

MR. RUSSELL RINALDI: If it does happen you'll have to come back here.

MR. DUNBAR: Exactly. It would take about two years to get those approvals, by the way.

ATTY. GALLACHER: Again, we're making changes. We're asking for the same thing that we have at Birchwood. language is exactly the same.

ATTY. RINALDI: Currently it's proposed for this. The LERTA can be extended upon approval from planning and the borough up to this amount.

MR. DUNBAR: We want the term not to exceed. I don't know what the big issue is. Again, it may never happen.

ATTY. RINALDI: I don't want them banging this over your head saying you already approved this development.

MR. RUSSELL RINALDI: But we didn't approve it. We just put not to exceed.