

REGULAR MEETING OF THE MECHANICSBURG BOROUGH COUNCIL  
2 West Strawberry at North Market Street  
Mechanicsburg, PA 17055-6282

November 27, 2001

5:00 P.M.

RECORD OF PROCEEDINGS

CALL TO ORDER

President Rider called the Borough of Mechanicsburg Special Council Meeting of November 27, 2001 to order at 5:00 p.m. and led those assembled in the Pledge of Allegiance to the Flag.

ATTENDANCE:

President Rider, Vice President Eichelberger; Councilmen: Seagrist, Winchell; Mayor Ritter; Chief of Police Spotts; Solicitor Sunday; Secretary/Manger Stough, Assistant Secretary Boyer; Cress-Sentinel; Miller-Patriot; Others: Ron Blauch, Bob Dietrich, Todd Gayman, Floyd Kautz, Jr., Larry & Trudie Seagrist, and Jay Stoner. Councilmen Forry and Ritter were absent. Councilman McDermott arrived at 5:05 p.m.

ADDITIONS TO AGENDA

President Rider noted that the order of the agenda items was changed as follows: Item D to be discussed first, Item B, second, Item A, third, Item C, fourth and Item E, last.

APPROVAL OF AGENDA

Eichelberger moved, Seagrist seconded, approval of the agenda for the Special Council Meeting of November 27, 2001 with the changes in order as noted. Motion passed 5-0

CITIZENS COMMENTS / REQUESTS  
NONE

BUSINESS ITEMS

- ◆ **Consider Resolution 14-01 for the purchase of property located at 34-36 Allen Street.** Solicitor Sunday reviewed the Analysis of the property being considered as follows with Borough Council.

DriveKore to Borough – Analysis

Remaining Frontage on North side of Allen Street by Deeds and Plans

<u>Recorded</u>	<u>Lot</u>	<u>Plan Book</u>	<u>Grantor</u>	<u>Footage</u>
X-30-567	Lot No. 1-A*	PB-46-79	J&R Ford Tractor Sales, Inc.	19.00
B-26-617	Lot No. 2	PB-26-77 and PB-46-79	J&R Ford Tractor Sales, Inc.	59.28
Z-24-700	Remaining Frontage	PB-26-76	R.W. White, Inc.	199.33 -40.00
				<u>79.33</u>
				Remaining Frontage to Borough on North Side 157.61 ft

\*Restriction on Lot No. 1-A "Lot No. 1-A is substandard and must be combined with lot No. 2 (DriveKore, Inc.)"

Frontage on South Side Allen Street

X-30-567	Lot No. 4**	PB-46-79	J&R Ford Tractor Sales, Inc.	<u>60.00</u>
				Frontage to Borough on South side of Allen Street 60.00ft

\*\* Restrictions on Lot No. 4 on South side of Allen Street

"Lot No. 4 is substandard and cannot be used for building purposes. Proposed use for Lot 4 is off street parking for DriveKore, Inc."

"Lot 4 may not be separated from Lot No. 2 unless it is combined with other adjoining property."

Zoning of DriveKore Lands

"C-G" Commercial District General

Section 902. Permitted Uses

2.a. – Parking lots

2.c. – Municipal uses

After reviewing these property descriptions and allowed uses with Borough Council, the Solicitor reviewed the agreement for the sale with Borough Council. The purchase price is \$650,000, which includes the down payment of \$10.00, which would be due at signing tomorrow. The Solicitor reviewed the points from the sales agreement as follows:

1. Change in settlement date with Drivekore to on/or before March 31, 2001.
2. Change to include contingency that the Borough obtains financing.
3. Title deed of special warranty added to be insured by a reputable title insurance company.
4. Personnel property added including telephone system, pictures relating to building property history, and unused desks and furniture. Property to be excluded will include the lean to between 34-36 Allen Street and the Internet tower on the roof.
5. Maintenance and risk of loss clause stating the seller maintains the risk of loss till date of settlement.
6. Realty transfer tax (2%) to be divided equally between buyer and seller and real estate taxes will be prorated at the date of settlement.
7. Clause stating seller shall deliver possession of the property to the buyer by deed at settlement
8. Clause stating that if the buyer defaults they forfeits deposit.
9. Clause stating that the if the seller defaults buyer shall be entitled to return of deposit.
10. Clause stating neither the buyer or seller have used a real estate agent and no commissions are due to be paid as a result of this sale.
11. Acknowledgement of non cash charitable contribution was added which obligates the Borough to sign IRS form 8283 entitled non cash charitable contribution to be executed at closing. Buyer must notify by seller if the property is sold within two (2) years of the date of closing. The Solicitor read IRS form 8283 to the Borough Council and explained the filing process.

The Solicitor then read Resolution 14-01 for the consideration of the Borough Council. Councilman Winchell made a **motion** to adopt Resolution 14-01, with the changes as noted by the Solicitor, authorizing the Borough Council President and Secretary to execute the agreement for purchase of the real estate located at 34-36 Allen Street together with parking lot. Councilman Eichelberger seconded the **motion**. After some additional discussion a roll call vote was taken as follows:

In favor: Winchell, Seagrism, Eichelberger, Rider Against: McDermott.

**The motion passed 4:1**

- ◆ **Consider Authorizing the Borough Council President and Borough Secretary to enter into an agreement for financing with PNC bank for financing in the amount of \$800,000 to purchase and renovate real estate located at 34-36 Allen Street.**

The Solicitor reviewed the terms of the financing of the proposed \$800,000 loan from PNC bank to purchase and renovate the property at 34-36 Real Estate. The Solicitor informed Borough Council that the interest rate is 3.65% and this is a fixed rate with penalty for early payment. Councilman Eichelberger made a motion, seconded by Councilman Seagrism, to authorize the Council President to execute the acceptance of the offer for 5 year financing of a loan in the amount of \$800,000 at a fixed rate of 3.65%. The motion carried 5:0

- ◆ **Consider engagement of Frank J. Leber of Rhoads and Sinon as counsel in the process of undertaking general obligation debt proceedings for financing of the purchase of real estate.**

Solicitor Sunday reviewed the schedule submitted by Frank Leber of Rhoads Sinon for the debt enabling ordinance and subsequent financing of this purchase. Councilman Seagrism made a motion, seconded by Councilman Winchell to engage Frank J Leber of Rhoads & Sinon LLP as bond counsel for financing of this real estate purchase. The motion carried 5:0

- ◆ **Authorize Frank Leber, Esq. to advertise the debt-enabling ordinance.**

Councilman Eichelberger made a motion to authorize Frank Leber to prepare and advertise the debt-enabling ordinance. Councilman Seagrism seconded the motion. The motion carried: 5:0

- ◆ **Consider Resolution 15-01 authorizing the Council President and Borough Secretary to make application to the Department of Community and Economic Development for a low interest loan in the amount of \$50,000 towards building purchase and renovation.**

Solicitor Sunday reviewed the Resolution and noted several typographical errors that needed to be corrected. The Manager explained that application would be for a loan of \$50,000 at 2% interest from the Department of Community and Economic Development. Councilman Winchell made a motion, seconded by Councilman Eichelberger to adopt Resolution 15-01 authorizing the Council President and Secretary to make application for a low interest loan through the Department of Community and Economic Development. The motion carried as follows

In favor: Eichelberger, McDermott, Rider, Seagrist and Winchell Opposed: None

The motion carried 5:0

#### CITIZEN COMMENT

#### ADJOURNMENT

Having no further business to come before Borough Council, the meeting was adjourned at 5:40 p.m. to be followed by an executive session with no action to be taken.

Jonathan S. Stough  
Borough Secretary

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