

AGENDA
REGULAR MEETING OF COUNCIL
April 29, 2019
6:00 PM

1. ROLL CALL
2. READING OF MINUTES
3. REPORTS & COMMUNICATIONS FROM MAYOR & HEADS OF DEPARTMENTS AND INTERESTED PARTIES AND CITY CLERK'S NOTES
 - 3.A AGENDA FOR THE BOARD OF ZONING APPEALS MEETING TO BE HELD MAY 8, 2019.

[Zoning Board Meeting Agenda 5-8-19.pdf](#)
 - 3.B TAX ASSESSOR'S REPORT FOR HEARING DATE TO BE HELD MAY 8, 2019.

[Tax Assessor's Report for 5-08-19.pdf](#)
 - 3.C AGENDA FOR THE CITY PLANNING COMMISSION SPECIAL MEETING TO BE HELD MAY 1, 2019.
[Agenda for City Planning Commission Special Meeting 05-01-19.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 - A RESOLUTION - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPLY FOR AND EXECUTE A GRANT FOR THE REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP) THROUGH THE COMMONWEALTH OF PENNSYLVANIA'S OFFICE OF THE BUDGET IN THE AMOUNT OF ONE MILLION (\$1,000,000.00) DOLLARS; ACCEPTING AND DISBURSING THE GRANT IF THE APPLICATION IS SUCCESSFUL; AND COORDINATE THE USE OF THE GRANT FUNDS WITH "MIMI EQUITIES", FOR THE PROJECT TO BE NAMED THE "WYOMING AVENUE DEVELOPMENT".

[Resolution - 2019 RACP Wyoming Avenue Development.pdf](#)

6. CONSIDERATION OF ORDINANCES - READING BY TITLE

- 6.A NO BUSINESS AT THIS TIME.

7. FINAL READING OF RESOLUTIONS AND ORDINANCES

- 7.A FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - RESOLUTION NO. 112, 2019 - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH KOHANSKI & COMPANY, PC TO PROVIDE THE CITY OF SCRANTON INDEPENDENT POST AUDIT FOR FISCAL YEARS ENDING DECEMBER 31, 2018, DECEMBER 31, 2019, DECEMBER 31, 2020 AND DECEMBER 31, 2021.

[Resolution-2019 Contract Kohanski & Company, PC-Independent Post Audit - 2018-2021.pdf](#)

- 7.B FOR CONSIDERATION BY THE COMMITTEE ON RULES - FOR ADOPTION - RESOLUTION NO. 113, 2019 - APPROVING THE FINANCING BY THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY OF CERTAIN CAPITAL PROJECTS FOR THE BENEFIT OF MARYWOOD UNIVERSITY, A

PENNSYLVANIA NOT-FOR-PROFIT CORPORATION; DECLARING THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY AND WELFARE OF THE PEOPLE OF THE CITY OF SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, AND THE AREA SERVED BY MARYWOOD UNIVERSITY TO HAVE THE PROJECT PROVIDED BY AND FINANCED THROUGH THE AUTHORITY; DESIGNATING THE MAYOR OF THE CITY, OR, IN THE MAYOR'S ABSENCE, THE PRESIDENT OR VICE PRESIDENT OF THE CITY COUNCIL, AS THE PERSON TO ACT ON BEHALF OF THE CITY COUNCIL AS THE "APPLICABLE ELECTED REPRESENTATIVE" WITHIN THE MEANING OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AUTHORIZING SUCH MAYOR OF THE CITY OR THE PRESIDENT OR VICE PRESIDENT OF THE CITY COUNCIL OF THE CITY TO TAKE CERTAIN ACTIONS ON BEHALF OF THE CITY COUNCIL OF THE CITY AS SUCH "APPLICABLE ELECTED REPRESENTATIVE"; AND AUTHORIZING OTHER NECESSARY AND APPROPRIATE ACTION.

[Resolution-2019 SLHW Financing for Marywood University Projects.pdf](#)

8. ADJOURNMENT



DEPARTMENT OF LICENSING, INSPECTIONS AND PERMITS

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4193 • FAX: 570-348-4171

NOTICE RECEIVED

APR 22 2019

OFFICE OF CITY
COUNCIL/CITY CLERK

THE BOARD OF ZONING APPEALS OF THE CITY OF SCRANTON
HEREBY GIVES NOTICE THAT IT WILL HOLD A MEETING AT CITY HALL, IN
CITY COUNCIL CHAMBERS (2nd Floor) ON WEDNESDAY,
MAY 8, 2019 @ 6 PM.

MEETING AGENDA :

- 1) The Forever Sammi Treatment Facility, 125 Scranton Pocono Highway. The applicant seeks a Special Exception pursuant to Section 806-G of the current Zoning Ordinance. Requesting to open a treatment Facility @ this location. R-1 – C-R Zone. Continued from the 4/10/2019 Zoning Board Hearing.**
- 2) Lafayette Realty, LLC, Sergio Elejalde, 1400 Lafayette St. Applicant is seeking a variance to open & operate a convenience store/ deli @ this address. R1-A Zone.**
- 3) Arsenio Velez, 543-545 Fourth (4th) Ave. The applicant seeks a variance to open this property for three (3) units. R-2 Zone.**

**4) Dennis Rutowicz, 1413-1415 N. Sumner Ave. seeks a variance/ appeal in order to re-open this vacant address as a four (4) unit building. R-2 Zone.
Continued from the 4/10/2019 Zoning Hearing Board Hearing.**

ANYONE INTERESTED IN BECOMING A PARTY TO THE ABOVE LISTED CASES ARE DIRECTED TO CONTACT THE CITY ZONING OFFICER @ 570-348-4193, EXT # 4512. HEARING: 5/8/2019, SHAWN WALSH , CHAIRMAN, SCRANTON ZONING BOARD. PUBLIC PARTICIPATION WELCOME.

TAX ASSESSOR'S REPORT

Hearing Date: 05/08/19

Time	Name	Boro/Twp.	Pin Number	Attorney	Proposed/Current Assessed Value	After Appeal Value
10:00 AM	ROBERTS LAURA J	ARCHBALD	09517080024		13500	
10:10 AM	BROMLEY ANREW & HELEN	ARCHBALD	09402050033		51500	
10:20 AM	LEO ANDREW	GREENFIELD TWP	01412010005		30500	
10:30 AM	RIVENBARK OLGA O	JEFFERSON TWP	1490205000154		49000	
10:40 AM	TALLO PATRICIA M	MAYFIELD	0740101000225	KEVIN SMITH	24500	
10:50 AM	SHVARTSMAN OLEG & NATAL	COVINGTON	22004070076		7650	
11:00 AM	GALLART PAUL JR & NOREEN	COVINGTON	22002090652		6150	
11:10 AM	RUSSO ROBERT S & ROXANNA J	ROARING BROOK	1700101001107		8085	
11:20 AM	JONES RYAN & KATHRYN	ROARING BROOK TWP	1800403005304	GUY VALVANO	44000	
11:30 AM	DEPIETRO ANTHONY & MELANIE	ROARING BROOK	1600102000523		46500	
11:40 AM	MATECHAK JOSEPH & ELLIE	SCOTT TWP	0410201001307		16500	
11:50 AM	ALBANO ANGELA & FOWLER GERAL	SCOTT TWP	10102060018		35000	
12:00 PM	LLOYD MICHAEL J JR & ALLYSON	SPRINGBROOK TWP	21004010018		40500	
12:10 PM	LOMEO SAMUEL J & NATALIE S	DALTON	0680203000125	PATRICK LAVELLE	35500	
12:20 PM	FITZPATRICK EDWARD L & CATHERI	SCOTT	06211020018		38500	
12:30 PM	GERMONPREZ SARAH & ISIL OZGUR	SCRANTON	15705030010		3000	
12:30 PM	GERMONPREZ SARAH & ISIL OZGUR	SCRANTON	15705030009		25000	
12:40 PM	PAHANICH SUZANNE C	SCRANTON	13415030033		16000	
12:50 PM	AKHONDI ZAHRA L & BETHTSH MARY	SCRANTON	14618010008		19200	
1:00 PM	HOWARD MAUS REALTY	SCRANTON	13411030008	JAMES PHILLIPS	30000	
1:10 PM	MAROS STANLEY A & CAROL J	SCRANTON	17705030004		15242	
1:20 PM	WEIDOW EDWARD J & SHIRLEY A	SCRANTON	1680303004435		20550	
1:30 PM	MYQUEST PROPERTIES LLC	SCRANTON	15668030007	ANGELO TERRANA JR	24000	
1:40 PM	BOYLE MEGHAN & JUDGE MATTHE	SCRANTON	13518020062		14300	
1:50 PM	LEE PATRICK E & MELINDA M	SCRANTON	15610010032		2000	
2:00 PM	BISHOP JANE	BENTON	02809010008		33300	

TOTAL RECORDS 26

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APR 23 2019

OFFICE OF CITY
COUNCIL/CITY CLERK



CITY PLANNING COMMISSION

CITY HALL : 340 NORTH WASHINGTON AVENUE : SCRANTON, PENNSYLVANIA 18503 : PHONE 570-348-4280 : FAX 570-348-4171

**SPECIAL MEETING
CITY PLANNING COMMISSION
May 1, 2019
6:00 PM**

**Meeting Location
City Council Chambers 2nd Floor
City Hall
340 N. Washington Ave.
Scranton, PA**

OLD BUSINESS:

1. Review of Final Land Development Plans by Lace Building Affiliates, LP for the development of Lace Village a development of the former Scranton Lace property into a complex of 59 Townhomes, 68 Apartments and 31,000 SF mixed use commercial space. 1315 Meylert Ave (I-L zone, Mixed Use Adaptive Reuse

NEW BUSINESS:

1. Review of Final Land Development Plans by Wyoming Avenue Development LLC. for the development of Medical Offices and additional parking at 501 South Washington Ave. (I-L zone)
2. Make recommendation to Zoning Hearing Board regarding request by The Forever Sammi Treatment Facility for special exception approval for a change of use (Medical Offices to Treatment Facility) pursuant to Section 806.G of the Zoning Ordinance. 125 Scranton- Pocono Highway (former Geisinger Medical Offices) (R-1 & C-R zones)

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APR 25 2019

OFFICE OF CITY
COUNCIL/CITY CLERK

NOTICE

The Planning Commission of the City of will hold a special meeting on May 1, 2019 at 6:00 PM at City Council Chambers, 2nd Floor City Hall, 340 N. Washington Ave., Scranton, PA 18503. The purpose of the meeting is to conduct the business from the April 24, 2019 regular meeting cancelled due to lack of quorum.

Persons with disabilities who plan to attend any meeting and who need special accommodations should call 570-348-4280 at least 48 hours prior to the meeting.

James Thomas

Chairman

RESOLUTION NO. _____

2019

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPLY FOR AND EXECUTE A GRANT FOR THE REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP) THROUGH THE COMMONWEALTH OF PENNSYLVANIA'S OFFICE OF THE BUDGET IN THE AMOUNT OF ONE MILLION (\$1,000,000.00) DOLLARS; ACCEPTING AND DISBURSING THE GRANT IF THE APPLICATION IS SUCCESSFUL; AND COORDINATE THE USE OF THE GRANT FUNDS WITH "MIMI EQUITIES, FOR THE PROJECT TO BE NAMED THE "WYOMING AVENUE DEVELOPMENT".

WHEREAS, the City of Scranton, in coordination with "Mimi Equities", of 317 Linden Street, Scranton, Pennsylvania 18503 is desirous of obtaining funds from the Commonwealth of Pennsylvania's Office of the Budget in the amount of \$1,000,000.00 for the redevelopment of multiple properties located at Wyoming Avenue Scranton Pa. The Grant funds for this project will be used for the following: 1) acquisition of three buildings located at 614, 620 & 650 Wyoming Avenue, Scranton Pa, 2) demolition of building located at 620 Wyoming Avenue, Scranton PA, 3) creation of a parking lot for fifty-four (54) cars, 4) installation an elevator at 614 Wyoming Avenue, Scranton, PA and 5) framing and drywall for the building located at 614 Wyoming Avenue. The construction and development of a multiple story building featuring a mixed-use concept at 614 Wyoming Avenue, Scranton PA will be completed by Mimi Equities with the assistance of private funding. The first two floors will consist of office space of a still to be determined tenant. Floors three through six will consist of 39 apartments ranging from studio to two bedrooms in size. This project will assist in developing housing and office space through the Redevelopment Assistance Capital Program (RACP); and fill the need of downtown housing and modern office space in the 600 block of Wyoming Avenue; and

WHEREAS, a blighting influence exists due to the deteriorating condition of the area the project is located at 614-650 Wyoming Avenue Scranton, Pennsylvania; and

WHEREAS, the City will partner with "Mimi Equities", as the applicant for the grant funds from Commonwealth of Pennsylvania's Office of the Budget and disburse the funds to the City to fund the Project; and

WHEREAS, the City will reimburse the Commonwealth of Pennsylvania's Office of the Budget for any expenditures found by the Commonwealth of Pennsylvania's Office of the Budget to be ineligible; and

WHEREAS, the details of the Project costs and breakdown are detailed in the grant application a copy of which is attached hereto and made a part hereof.

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 apply for, execute and submit a grant application to the Pennsylvania Office of the Budget for the Redevelopment Assistance Capital Program (RACP); substantially in the form attached hereto, and if successful, to accept the grant funds to be used for the Project as detailed in the grant application. This approval anticipates the execution of any and all related documentation which may be necessary to complete the grant application, including but not limited to the grant application.

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.



April 9, 2019

Via Hand Delivery

Jessica Eskra, Esquire
340 North Washington Avenue
4th Fl., Law Department
Scranton, PA 18503

Re: Redevelopment Assistance Capital Program (RACP)
Wyoming Avenue Development
Scranton, PA 18503
Resolution - \$1,000,000.00

Dear Attorney Eskra:

The City was approved for a \$1,000,000.00 grant through the Pennsylvania Office of the Budget through the RACP for the development of the above mentioned project. Documentation regarding this project is attached.

OECD is requesting that you review the attached Resolution for the development of Wyoming Avenue located at 614, 620, and 650 Wyoming Avenue, Scranton, PA 18503.

Please do not hesitate to contact me if you should need additional information.

Sincerely,

Mary-Pat Ward
Executive Director

/mpw



DEPARTMENT OF LAW

P E N N S Y L V A N I A CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 6, 2019

Mr. Steven Heuer
Office of the Budget
Bell Tower – 7th Floor
303 Walnut Street
Harrisburg, PA

Re: Redevelopment Assistance Capital Program Grant (RACP)
Wyoming Avenue Development
Scranton, Pennsylvania 18509
Tab 21 – Statement of Compliance Requirements
\$1,000,000.00

Dear Mr. Heuer:

I am the Solicitor for the City of Scranton (hereinafter referred to as "Applicant"). The Applicant has been approved for One Million (\$1,000,000.00) Dollar Grant from the Commonwealth of Pennsylvania's Office of the Budget Redevelopment Assistance Capital Program for the rehabilitation of the project to be called "**Wyoming Avenue Development Project**" ("the Project").

In connection with the aforementioned application, I am of the opinion that:

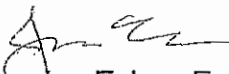
- (a) The Applicant is a City of the Second Class A organized and existing under the laws of the Commonwealth of Pennsylvania, with offices located at 340 North Washington Avenue, Municipal Building, Scranton, Pennsylvania 18503
- (b) There is no pending litigation against the Applicant that would have a material effect on the project; and
- (c) The Applicant can legally contract with the Commonwealth of Pennsylvania for financial assistance and has met all state/federal requirements.

The opinion herein is to the best of my knowledge and is made without any independent investigation or verification on my part. This opinion is limited to the matters expressly set forth herein, and no opinions are to be inferred or may be implied beyond the opinion expressly set forth herein. This opinion is as of the date hereof, and I undertake no obligation and hereby disclaim any obligation to advise of any change in the opinion set forth herein, whether based on a change in the law or any other circumstance.

Page: Two
Tab 21 – Opinion of Counsel

This opinion is being delivered solely in connection with the application of the Applicant for said Grant and for no other purpose. Accordingly, without limitation, this opinion may not be quoted, in whole or in part; or otherwise referred to or filed with any other governmental authority or other regulatory agency, or otherwise circulated, utilized or relied upon for any other purpose without my prior written consent.

Sincerely,


Jessica Eskra, Esquire
City Solicitor

JLE/IsI

Cc: Mrs. Mary Pat Ward Executive Director, OECD
Mr. Donald Mammano, Mimi Equities

RACP Application and Business Plan-1859-00- Wyoming Avenue Development

Table of Contents

Tab 1 – Project Eligibility Requirements & Housing Statement
Tab 2 – Project Description
Tab 3 – Economic Impact
Tab 4 – Community Impact
Tab 5 – Strategic Clusters for Development
Tab 6 – Organizational, Management & Strategic Plan
Tab 7 – Statement of Compliance
Tab 8 – Project Schedule
Tab 8-A – Construction Schedule
Tab 8-B – Bid Documentation
Tab 8-C – Construction Related Documentation
Tab 9 – Projected Cash Flow Schedule
Tab 10 – RDA-300 Form (Sources of Funds)
Tab 10-A – Documentation of Matching Funds
Tab 10-B – Documentation of Interim/Bridge Financing
Tab 11 – RDA-301 Form (Uses of Funds) & Identification & Qualification of Project Cost Estimator
Tab 11-A – Construction Cost Breakdown
Tab 11-B – Site Control Documentation
Tab 12 – Business Plan Scoring Summary
Tab 13 – Plans & Specifications
Tab 14 – RACP Funding Accumulation Schedule
Tab 15 – Permits, Licensing, Regulatory & Legal Requirements
Tab 16 – Flood Zone Requirements
Tab 17 – Statement of Community Participation
Tab 18 – Resolution to File Application by Applicant
Tab 19 – Cooperation Agreement or Ordinance by Host Municipality or County
Tab 20 – Cooperation Agreement with Administrator/Sub-Applicant
Tab 21 – Opinion of Counsel
Tab 22 – Eminent Domain

Tab 1: Project Eligibility Requirements & Housing Statement

Itemization Requirements:

The proposed project for the Wyoming Avenue Development located in Scranton Pennsylvania is included in the Capital Budget Itemization Act as follows: **Item # 9471**

County	Municipality	Act #	Authorization Date	Act Description	Act Amount	Release Amount	Remai Amo
Lackawanna	Scranton	2017-52	10/30/17	Acquisition, construction, infrastructure, renovation, redevelopment and other related costs for an economic development project on Wyoming Avenue	\$5,000,000	\$1,000,000	\$4,000,000

Construction Status:

The construction will begin in March 2019 for the Wyoming Avenue Development RACP project.

The project is scheduled to be completed December 2019.

Project Labor Agreement is not required

Housing Statement:

Project Name: Wyoming Avenue Development
County: Lackawanna

Mimi Equities request the Wyoming Avenue Development RACP Project be eligible because it supports and generates economic activity and is in accordance with RACP program guidelines. This project is consistent with the City of Scranton's comprehensive plan.

The RACP Project scope includes both housing and non-housing RACP eligible components.

Chapter Three: Growth Management Plan

HOUSING PLAN

Residential – Low/Moderate Density

Low/Moderate residential development, averaging from about 2 to 7 dwelling units per acre, corresponds generally with small-lot single-family detached dwelling units and single-family attached (twins and townhouses) developments in the SAPA area (see the Land Use Plan's Figure 3.2.1).

Areas appropriate for low/moderate-density housing include the core of the Abingtons' municipalities (outside the Borough and Village Centers), including portions of Abington, Clarks Green, Clarks Summit, Dalton, Glenburn, and South Abington. The housing plan recognizes that reinforcement of the residential areas within the SAPA area is a significant aspect of planning for residential use. Where there remain parcels available for development, these will be developed generally at densities comparable with existing housing, in a form that is compatible with the neighborhood or district character.

Existing low/moderate density residential areas are reasonably stable and are projected to remain much as they are through the planning period. Any development of several units simultaneously, or of a substantial tract, is proposed to incorporate corridors of contiguous open space as part of the land development process. This technique is recommended in order to protect environmentally-sensitive resources, provide lands for recreation, accommodate greenways along road corridors, and to allow for a trail network throughout the community.

Residential – Low Density

Low density development is located throughout the SAPA area and is characterized by existing single-family detached dwelling units located on large lots of one or more acres in size. This type of development is generally found in some of the more rural locations in the SAPA area and east of I-81 in Scranton and Dunmore.

New low density development will be highly clustered, using a development strategy commonly referred to as "conservation development" that concentrates the location for development and limits the disturbance of land for dwelling construction.

Chapter Three: Growth Management Plan

HOUSING PLAN

This method of development includes a high percentage of permanent open space and natural resource protection that occurs in conjunction with land development.

In general, cluster development reduces the amount of land consumed for residences when compared with conventional development methods, while at the same time preserving a portion of development tracts for permanent open space uses. This form of development design technique concentrates buildings in specific areas on a site to allow the remaining land to be used for agriculture, preservation of environmentally-sensitive areas, permanent buffers, open space, or recreational uses. Cluster development can involve only modest set-asides of land for these uses, or can involve set-asides of eighty percent or more of the whole tract being considered for development. From the point of view of the Growth Management Plan, the latter kind of development is preferred, since more permanent open space would result.

This concept will be promoted for any new subdivisions in areas designated for low density development, in order to conserve natural and open space resources. In addition, if there is any flexibility when considering what portion of a tract to reserve as open space, the emphasis will be placed on setting aside lands that are contiguous to or complementary to existing open space, environmentally-sensitive areas or other related amenities.

Cluster Subdivision/Conservation Design

While some opportunities for cluster subdivision have been available over the last few years in the SAPA area, additional incentives may be needed to achieve the goals of the Growth Management Plan. To preserve the remaining open space areas, cluster subdivision opportunities must be attractive to potential developers. All low-density residential zoning districts should offer clear opportunities for cluster subdivision.

One way to achieve increased set-asides of permanent open space is to combine cluster subdivision options in the regulations of a zoning ordinance with opportunities that permit developers of land flexibility in the selection of housing types to be constructed.

Chapter Three: Growth Management Plan

HOUSING PLAN

Density limits based on gross density (“units per acre”) classifications, rather than specific housing types and individual lot-size requirements (“no less than 80,000 square-foot lots”), will be more likely to achieve the desired level of permanent open space set-aside of tracts undergoing development.

In general, flexibility in permitting a variety of structural types of housing, and even encouraging single-family attached and multi-family construction in lieu of single-family detached dwellings, can help in meeting a wide variety of the needs of residents through the planning period while still preserving the existing character of the housing stock.

Fair Share and Affordability

The term “fair share” comes from legal decisions that have been made, beginning in the mid-1970s. Courts have held that local government land use regulations must allow for the housing needs of people who may desire to live within municipal borders. In that regard, an ordinance may not exclude legitimate uses of land, such as multi-family housing, either by specifically prohibiting the use or by failing to make provisions for the use. Each municipality, then, must do its “fair share” in accommodating various housing types that may be in demand in a region.

In addition to being a legal requirement, providing a fair share of housing types makes sense for local businesses that need a diversity of workers to meet their varied needs. A diverse workforce can be seen as a competitive advantage for corporations to remain or to locate within the SAPA area.

While the SAPA area as a whole currently maintains a diverse mix of housing types, it will continue to promote providing its fair share of housing types. The central concepts of the Growth Management Plan will provide opportunities to increase the diversity of housing options within the SAPA area. The higher density housing options allowed within Mixed-Use Centers and Mixed-Use Corridors make possible the provision for affordable housing in a way that new development confined solely to single family detached housing would not.

Chapter Three: Growth Management Plan

HOUSING PLAN

Still, high density housing options may not produce affordable units without concerted efforts by SAPA and housing advocates. Discussions by SAPA and municipal leaders with developers and non-profits may yield opportunities to build some affordable units as part of new developments. For example, integrating workforce housing within a multi-unit development is possible through choices in the square footage and the amenities within the unit, and can also be achieved without substantially changing the outward appearance of a unit, thereby allowing units of differing costs to be easily located near each other within a development. Developers could also be offered incentives such as an expedited review process, increased density allowances (the most common way to achieve workforce housing in PA), and even tax abatement for tenants.

In order to encourage housing options for people of all incomes, the SAPA area could convene a subcommittee task force to discuss best practices within Pennsylvania and throughout the nation in order to determine whether and how to implement policies that respond to the circumstances and needs of SAPA municipalities. The SAPA area may consider expanding that conversation to neighboring municipalities in order to consider the challenges and benefits at a larger scale and potentially learn from the best practices of others.

Resources and guidance are available, including an Urban Land Institute study of how to implement affordable, workforce housing in the Washington DC, Chicago, and Atlanta Regions. *Encouraging Workforce Housing in the Chicago Region, Atlanta and the District of Columbia* describes specific strategies to encourage affordable housing and provides examples intended to stimulate actions in other communities. A Pennsylvania example is Lower Merion Township, Montgomery County which provides incentives for workforce housing, and has real examples of applications that have succeeded or failed.

Chapter Three: Growth Management Plan

HOUSING PLAN

Demographic and other changes may mean that residential units in mixed-use developments can tap into an increasing need for housing structural types other than single-family detached units that meet the needs of residents entering the work force and those wishing to downsize their dwelling. Higher density residential construction in conjunction with commercial/mixed-use initiatives in the SAPA area may be able to respond to current and expected market demands over the planning period.

With a mix of commercial services, restaurants, and community functions, as well as advantages with respect to proximity to transportation and employment, these areas should be well-positioned to gain attractive, market-rate dwelling units at these locations, while also providing opportunities for the addition of smaller, moderately-priced units.

Scranton City Center and its Extension are considered the most appropriate for the highest densities of development, including multi-family residential buildings and the “vertical mix” of commercial and residential uses in structures. Borough Centers too are also appropriate locations for multi-family residential uses, but at more moderate densities, as well as for single-family attached dwellings. Multi-family residential units may also take the form of dwellings located just above a first floor retail or service commercial use, at overall densities that are compatible with the local context.

New development or redevelopment of these areas may provide opportunities for new or rehabilitated housing stock to be built using green building principles. The Scranton-Abingtons Planning Association will investigate ways to encourage environmentally-friendly housing construction.

Residential densities in Mixed-Use Centers in Scranton and Dunmore will be above 12 dwelling units per acre, and could range much higher. Mixed-Use Centers in Clarks Summit, Clarks Green, and Dalton and Mixed-Use Corridors will be closer to the 7 dwelling units per acre range.

Chapter Three: Growth Management Plan

HOUSING PLAN

SECTION 3.4: HOUSING PLAN

GOAL:

Provide for a diversity of housing opportunities, in harmony with existing development and the historical and natural environments.

OBJECTIVES:

1. Facilitate a range of housing types, sizes, and price levels, to respond to changing housing needs and to provide housing for various stages of the life cycle, household configurations, and income levels.
2. Maintain the character of existing residential neighborhoods.
3. Ensure a high level of housing quality that includes environmentally sustainable building techniques, both for new construction and for the existing housing stock.
4. Develop policies that will encourage the creation of workforce housing within the SAPA area to allow individuals entering the work force to live in the communities where they work.

Mixed-Use Centers & Mixed-Use Corridors Housing

The Mixed-Use Centers located throughout the SAPA area represent significant opportunities to develop and redevelop properties for mixed uses, including residential components. Parcels in these areas are suitable for higher-density residential uses such as multi-family (apartment) and single-family attached (townhouse) units, and perhaps specialized residential uses such as life-care facilities. These areas may have prospects for new residential uses in place of current uses or may include new multiple-use (residential and commercial, for example) structures consistent with the special character intended for these parts of the SAPA area.

Tab 2: Project Description

Project Name:	Wyoming Avenue Development
Address:	317 Linden Street Scranton, PA. 18503
Municipality:	Scranton
County:	Lackawanna
State Representative:	Hon. Marty Flynn 409 North Main Ave, Jays Commons Scranton, PA 18504 113 th Legislative District
State Senator:	Hon. John Blake 409 Lackawanna Ave, Suite #210 Scranton, PA. 18503 22 nd Legislative District

Overall:

The Wyoming Avenue Development consists of acquiring three properties on Wyoming Avenue (614,620,650). 620 Wyoming will be demolished in order to create parking for 614 Wyoming Ave, which will be a mixed used building consisting of two floors of office space and four floors of 39 apartments ranging in size from studios to two bedrooms. 650 Wyoming Ave will be renovated in order to accommodate the needs of the tenants in 620 Wyoming Ave. Mimi Equities is planning on addressing the acquisition, demolition, parking lot construction, elevator, framing, and dry wall with RACP money, private funding and a portion of the money from a Wayne Bank 20 year note. The rest of the \$4.5(M) total project will be financed through the remaining bank funds and private equity investment. Without this funding, Mimi Equities would not be able to create the parking needed for future office and housing tenants and the building would not be rehabbed into apartments to help meet the City of Scranton's need for downtown living. In addition, without this funding, the current tenants located in 620 and 650 Wyoming Ave were considering leaving the City of Scranton for a new location.

RACP funding will be used to acquire the three buildings, demolish 620 Wyoming Ave, create parking 54 parking spaces, install an elevator, frame, and dry wall at 614 Wyoming Ave.

Proposed RACP Scope:

The proposed RACP Scope will be used to fix up an abandoned building, create parking and office space and help meet the demands of the City of Scranton's plan of developing downtown housing.

TAB 3. ECONOMIC IMPACT

A.	NEW Jobs:	
1.	NEW permanent direct jobs from positions being CREATED, or vacant ones being filled.	
a.	Full-time jobs	5
b.	Part-time jobs - For scoring purposes, 2.5 part-time jobs are considered a Full Time Equivalent (FTE). OB will calculate FTEs.	
2.	"NEW" permanent direct jobs TRANSFERRED TO PA FROM OUT OF STATE. "NEW" for this entry's purpose only includes existing, filled positions that will be transferred into PA from out of state.	
a.	Full-time jobs	
b.	Part-time jobs - For scoring purposes, 2.5 part-time jobs are considered an FTE. OB will calculate FTEs.	
B.	RETAINED permanent direct (non-construction) jobs. "RETAINED" for this purpose includes existing jobs, currently located elsewhere in PA or existing jobs retained at a current employment site <u>that will be lost without the progression of this project.</u>	
1.	Full-time jobs	
2.	Part-time jobs - For scoring purposes, 2.5 part-time jobs are considered an FTE. OB will calculate FTEs.	
C.	Number of permanent INDIRECT jobs created by support/supplier industries and secondary industries attracted by the project. Must supply multiplier basis used by the project.	
D.	Number of non-permanent direct (CONSTRUCTION) jobs created by the project.	75
E.	MEDIAN ANNUAL WAGE for all NEW permanent direct full-time jobs.	30,000
F.	Provide the PER CAPITA INCOME for the project's county per the U. S. Census Bureau at the following link: http://quickfacts.census.gov/qfd/states/42000.html	27,258
G.	Total STATE TAX GENERATION (payroll, sales, corporate, etc.).	Prior to project

I certify that the representations made in the above schedule and corresponding attachments and supplementary information are to the best of my knowledge, complete, and accurate.

Signature <i>Don Mammano</i>	Title <i>member / President</i>	Date
Don Mammano	President	3/5/2019

TAB 4. COMMUNITY IMPACT

A. Reclamation or the redevelopment of a blighted area or a Brownfield site:
Not Applicable

B. Economic health of the project site's county

1. County unemployment higher than state average: Not Applicable

2. Declining population in county: Yes, according to U.S. Census Website.
Lackawanna County lost population from 2010 to 2017.

Population Estimates July 1, 2017 (V2017)	210,761
Population, Census April 1, 2010	214,437
Population, Percentage Change 4/1/2010-7/1/2017	-1.7%

3. County per capita income below the state per capita income: Yes,

	Pennsylvania	Lackawanna County, Pennsylvania	UNITED STATES
Population estimates, July 1, 2018, (V2018)	12,807,060	NA	327,167,434
PEOPLE			
Income & Poverty			
Median household income (in 2017 dollars), 2013-2017	\$56,951	\$48,380	\$57,652
Per capita income in past 12 months (in 2017 dollars), 2013-2017	\$31,476	\$27,258	\$31,177
Persons in poverty, percent	12.5%	14.3%	12.3%

About datasets used in this table

4. Project location in a KOZ, KOEZ, KIZ, KSDZ, EZ or KOIZ-designated area:
Not Applicable

C. Quality of life

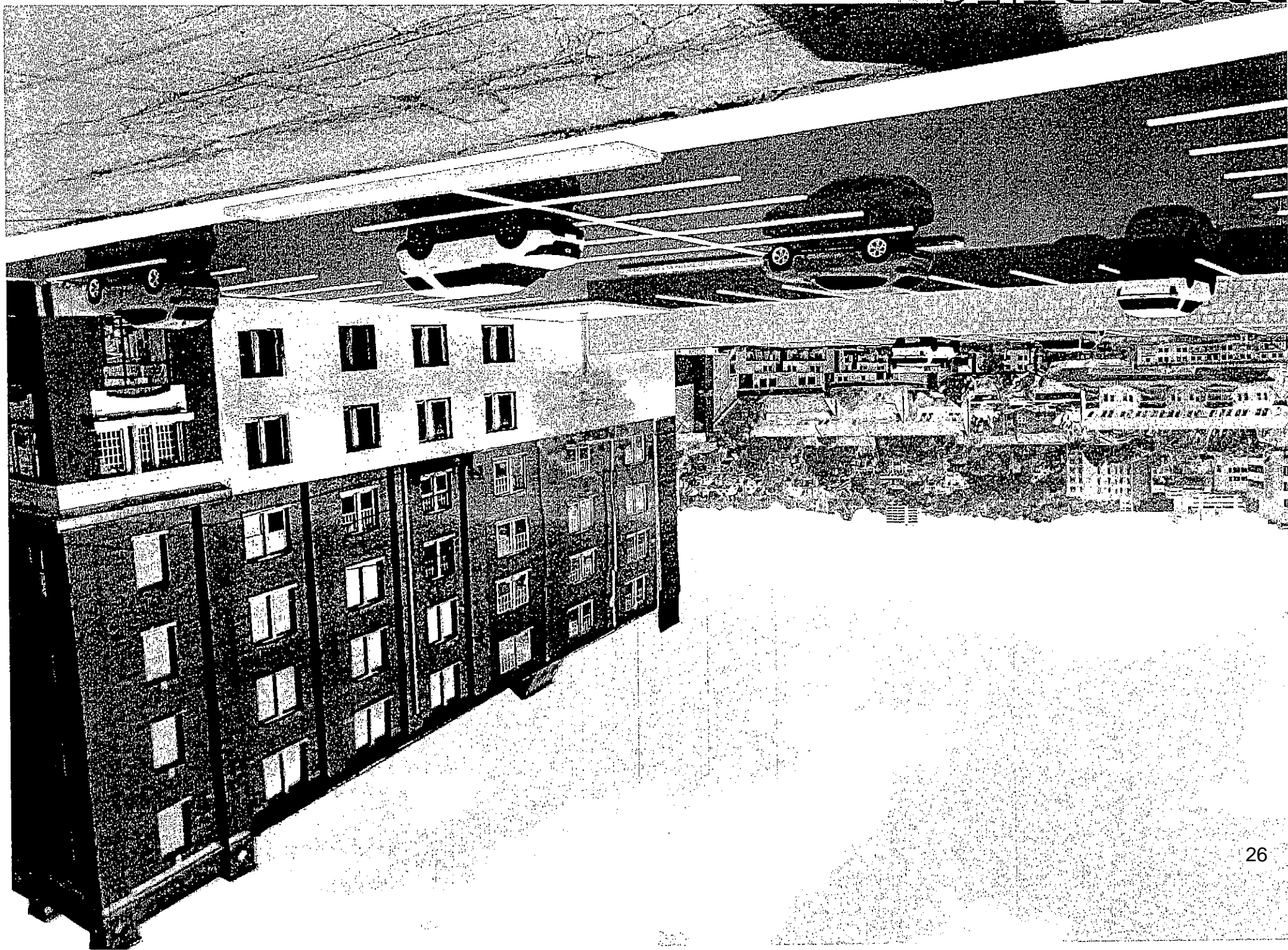
1. Creates or improves Civic, Cultural or Recreation Facilities: Yes

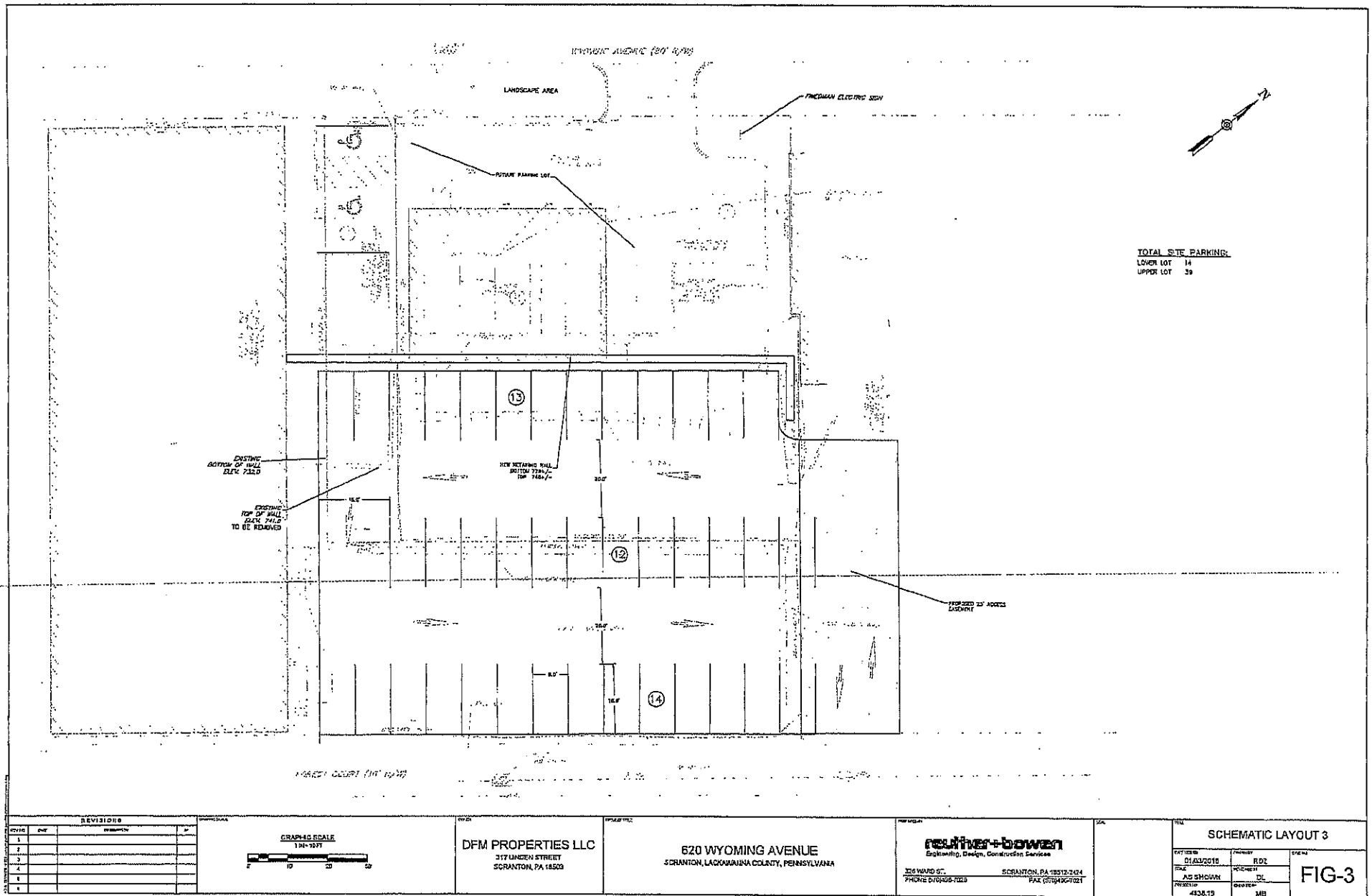
The project is increasing the number of housing units available in an area of Scranton that is need of apartments. This location is close to the Commonwealth Medical College, Lackawanna College, Scranton Prep High School, and small businesses. Currently the conditions of the neighborhood are not adequate to handle the increased student population, administration and community needs.

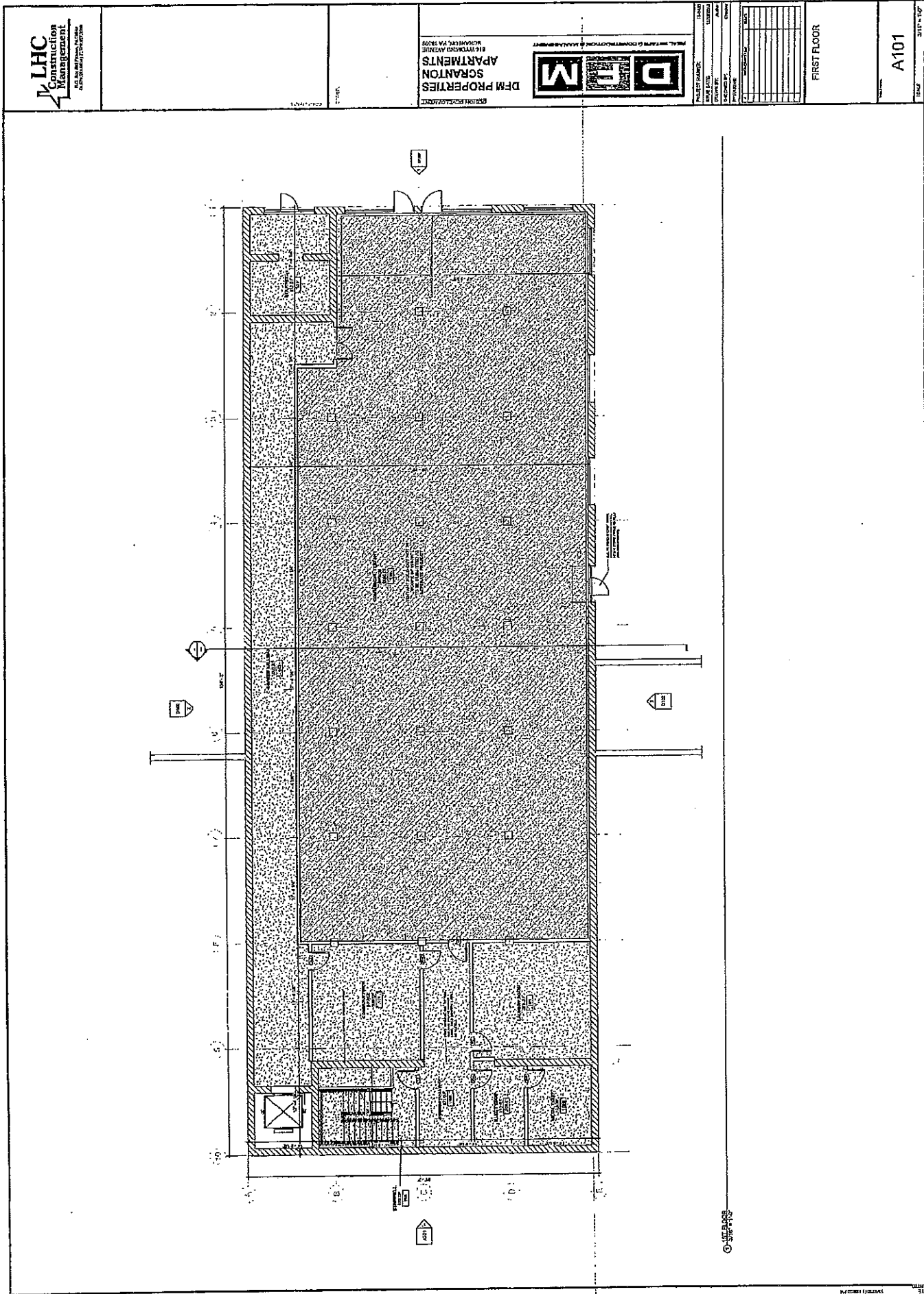
2. Improves Commercial/Retail/Mixed-use Buildings in a downtown or core area:
Yes. This project will develop two floors of available office space at approximately 9,000 square feet per floor and build 39 apartment units on four floors.
3. Addresses immediate/urgent issues to improve the quality of life: Yes
4. Addresses issues that could have a negative impact on the quality of life: Yes

D. Regional impact

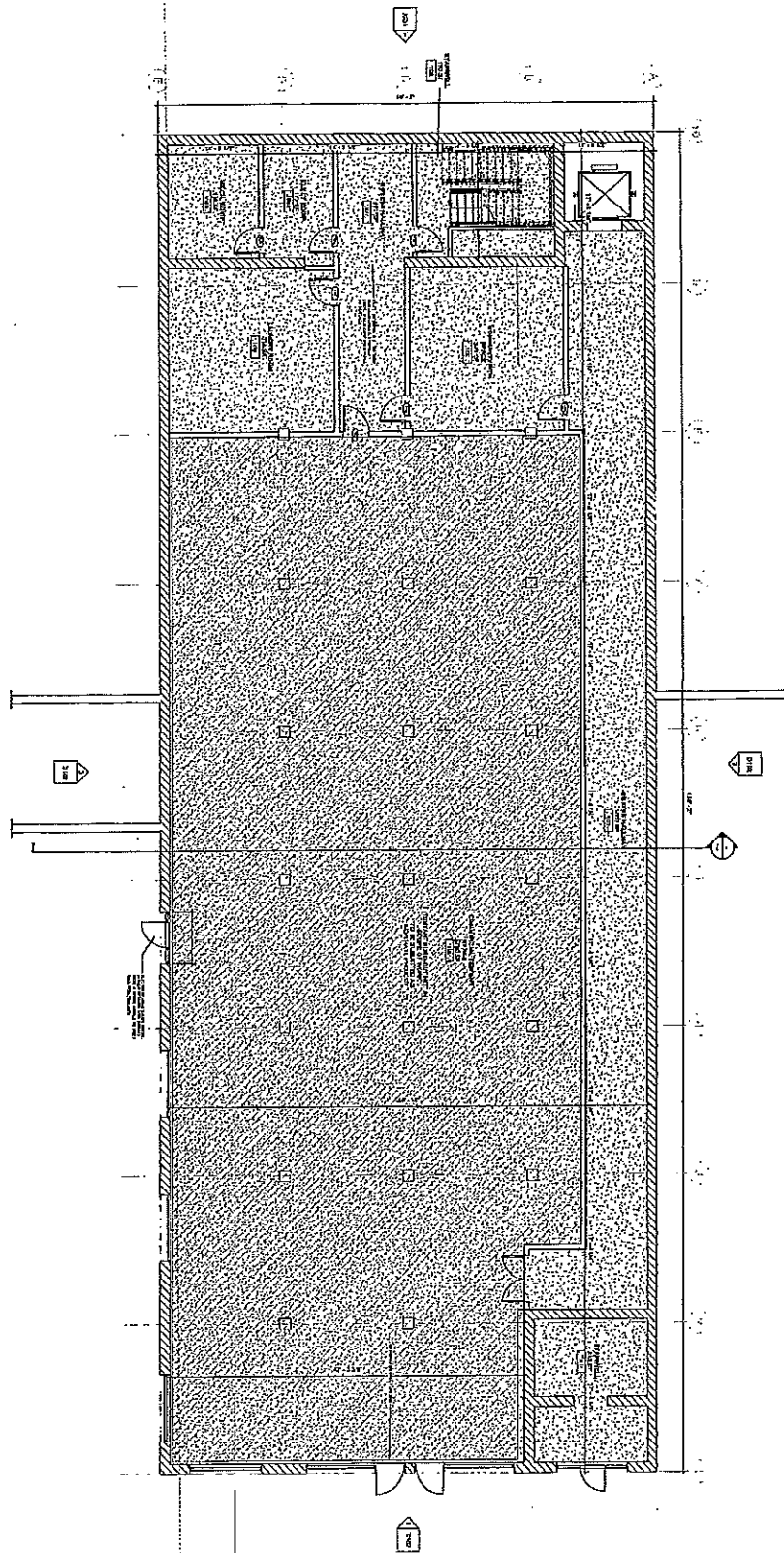
1. Consistent with an existing revitalization plan: Yes
Is consistent with City of Scranton's Comprehensive Plan
2. Joint effort involving multiple municipalities: NO
3. Public engaged in the development of the project: No.
4. Promotes tourism: No



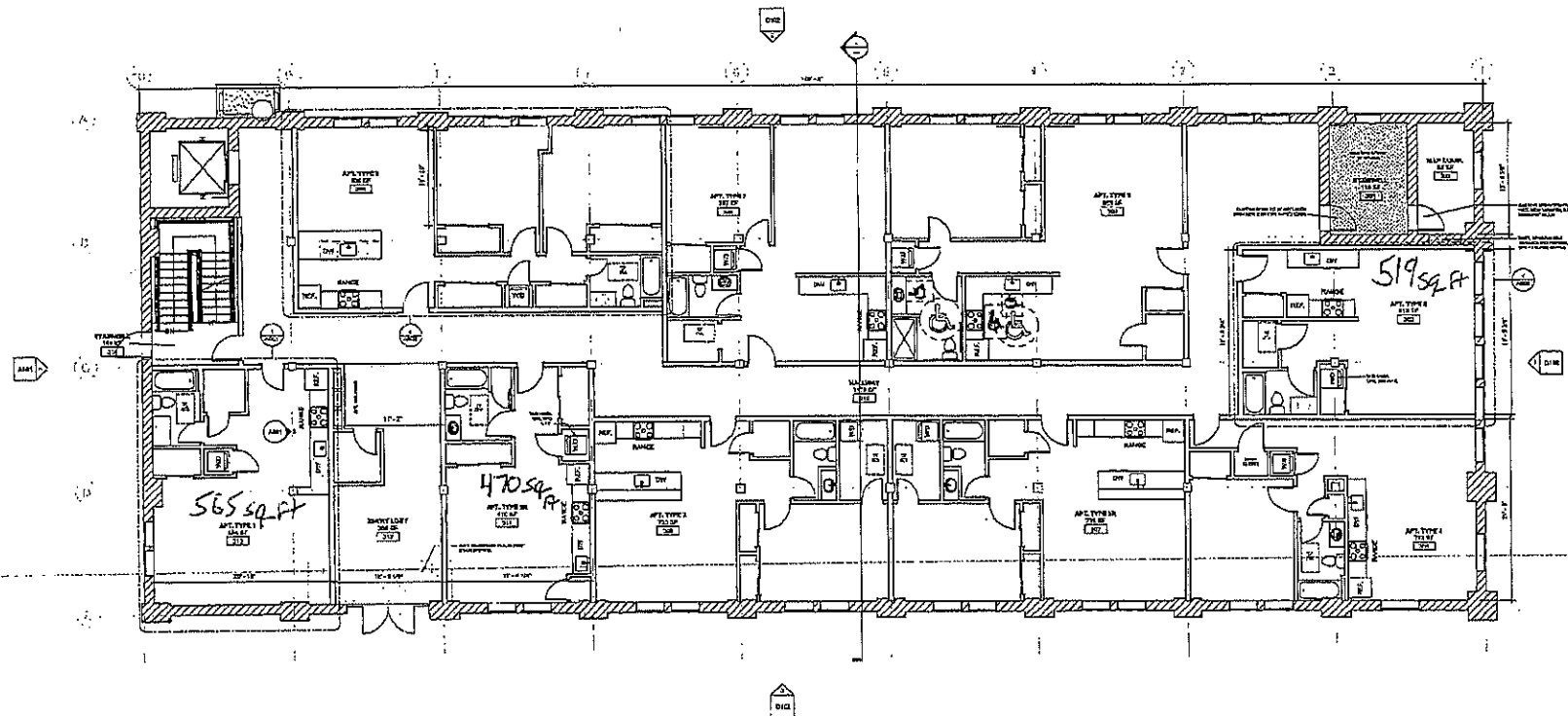




0.000000
 200' x 100'



<p>DFM</p> <p>DFM PROPERTIES SCRANTON APARTMENTS</p> <p>411 WYOMING AVENUE SCRANTON, PA 18503</p>	<p>LHC</p> <p>Construction Management</p> <p>700 Main Street, 2nd Floor Scranton, PA 18503</p>	<p>PROJECT NAME: [unintelligible]</p> <p>DATE: [unintelligible]</p> <p>DESIGNED BY: [unintelligible]</p> <p>DRAWN BY: [unintelligible]</p> <p>CHECKED BY: [unintelligible]</p> <p>APPROVED BY: [unintelligible]</p>
		<p>PROJECT NO: [unintelligible]</p> <p>DATE: [unintelligible]</p> <p>DESIGNED BY: [unintelligible]</p> <p>DRAWN BY: [unintelligible]</p> <p>CHECKED BY: [unintelligible]</p> <p>APPROVED BY: [unintelligible]</p>



3RD FLOOR
3/11/10 11:10

ESTIMATED GROSS AREA
DFM PROPERTIES
SCRANTON
APARTMENTS
6140 GROSS AREA
SERVING THE AREA



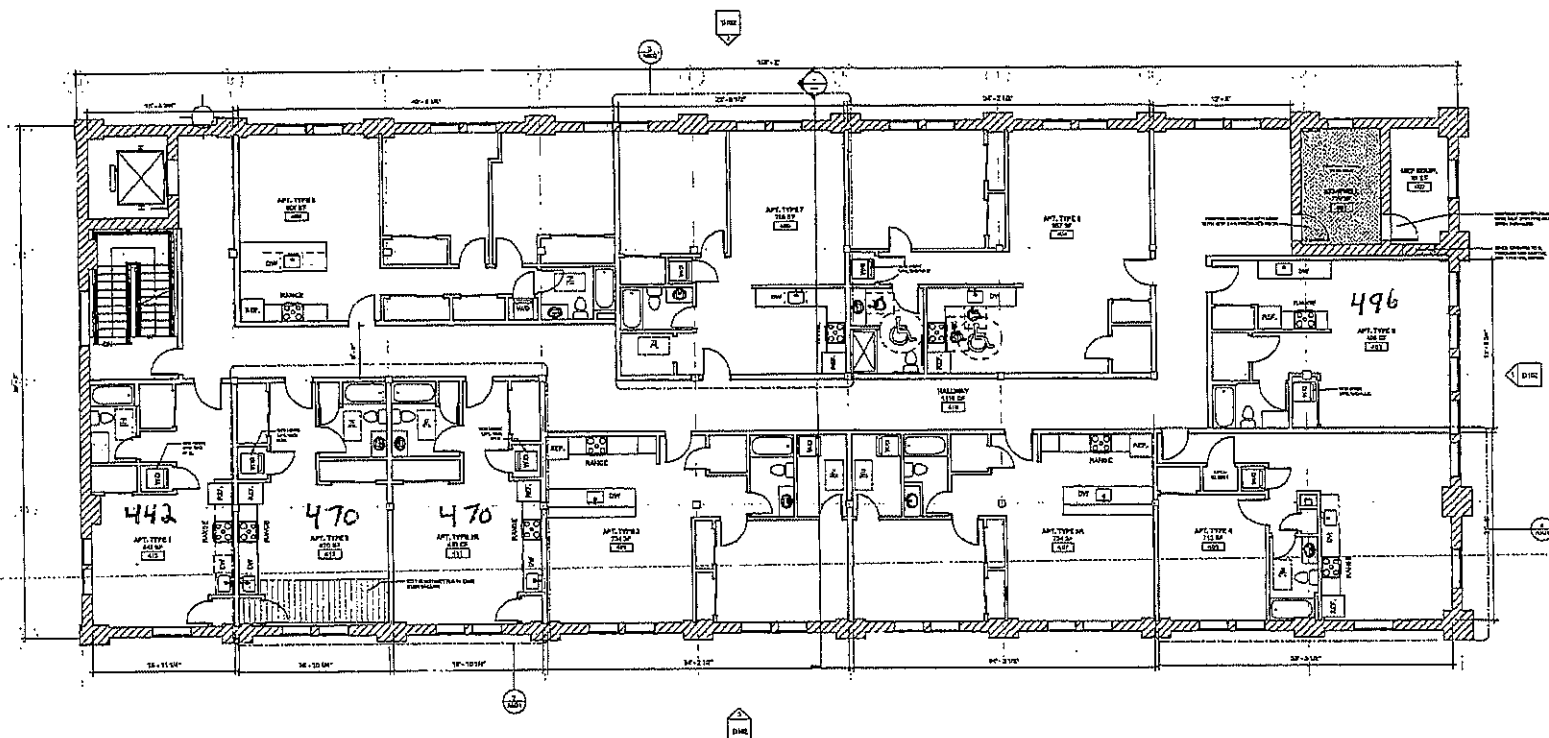
PROJECT LOCATION: 6140 GROSS AREA
DATE: 10/25/10
DRAWN BY: JMD
CHECKED BY: JMD
APPROVED BY: JMD

NO.	REVISION/NOTES	DATE

THIRD FLOOR

A103

SCALE: 3/16" = 1'-0"



DELIVERY/RECEIPT
DFW PROPERTIES
SCRANSTON
APARTMENTS
15000 N. 10TH AVE.
SCOTTSDALE, AZ 85257



PROJECT NUMBER: 15-0003
ISSUE DATE: 07/20/06
SUBMITTER: LHC
CHECKED BY: C. J. JONES
REVISIONS:

#	DESCRIPTION	DATE

FOURTH FLOOR

A104

SCALE: 3/16" = 1'-0"

2.000

5000 LHC MANAGEMENT
DFM PROPERTIES
SCRANTON
APARTMENTS
11500 MARSHALL AVENUE
SAN FRANCISCO, CA 94133



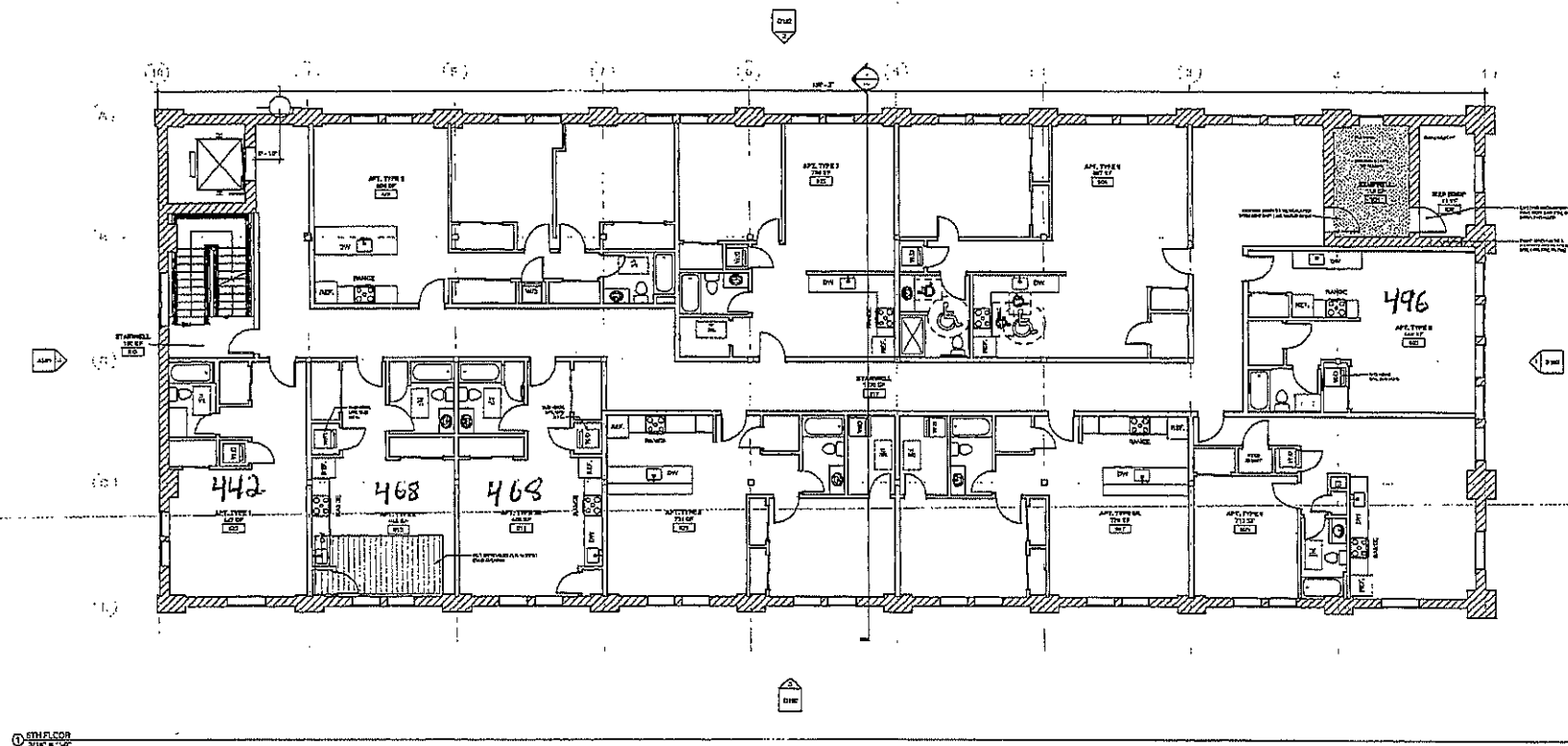
PROJECT NUMBER: 100000
DRAWN DATE: 10/10/00
DRAWN BY: J. H. H.
CHECKED BY: J. H. H.
REVISIONS:

NO.	REVISION	DATE

FIFTH FLOOR

A105

SCALE: 3/16" = 1'-0"



5TH FLOOR
3/16" = 1'-0"

TAB 5. STRATEGIC CLUSTERS FOR DEVELOPMENT

Not Applicable

TAB 6. ORGANIZATION, MANAGEMENT & STRATEGIC PLAN

TABLE OF INVOLVED ORGANIZATIONS:

GRANTEE:	City of Scranton Mayor William Courtright 340 North Washington Avenue Scranton, PA. 18503 P: (570) 348-4216 Contact: Mary Pat Deflice, Executive Director mpdeflice@scrantonpa.gov		
Sub-Grantee:	Miml Equities President Don Mammano 317 Linden Street Scranton, PA. 18503 P: (570) 241-3687 don@dfmproperties.com		
Architect:	Design Management Group Ryan Wanko, PE CEM, LEED AP 2007 Highway 315 Suite 202 Pittston, PA. 18640 P: (570) 299-7520 Ryan@dmgeng.com		
Engineer:	Reuther & Bowen Marc Bowen, PE, Managing Principal 326 Ward Street Dunmore, PA. 18512 P: (570) 496-7020 mbowen@reutherbowen.com		
Project Administration:	Mark Amenola Business Manager 317 Linden Street Scranton, PA 18503 P: (570) 344-1750	Construction Manager:	Steve Kanaley Design Manager LHC Construction Management 1212 Keelersburg Road Tunkhannock, PA 18657 P. (570) 283 - 0536

A. Project Information

1. Tax Status & Organizational Structure

Mimi Equities will operate as a for profit company and will own the properties

2. Financial & Operating Status

Financing for the project consists of the following \$1,000,000 in RACP funding, and \$3,500,000 in private investment from the owner/developer secured through a 20-year bank loan from Wayne Bank and \$1 million in private owners equity from Mimi Equities.

As this is a new project there is no historical financial data available. There is a cash flow analysis to support the pro forma

3. Project Administration

The administration of the project, operation and compliance reporting will be the responsibility of Business Manager Mark Amendola, and LHC Construction Management, the construction manager. Don Mammano, the President of Mimi Equities has extensive experience in Scranton PA with urban development projects operating under DFM Properties. DFM has completed several major projects in Scranton including 317 Linden Street, the Scranton Armory, and over 100 housing units in the City of Scranton.

The Grantee, the City of Scranton, has applied for and been awarded many RACP grants over the past several years and has significant experience administering and managing such grants and in working with Don Mammano. The City administers state and federal funds through the Office of Economic Community Development (Mary Pat Deflice). They will administer the RACP funding, The Grantee will work closely with Mimi Equities, who will complete the project being funded through this grant, to ensure that all program guidelines and requirements are met. A cooperation agreement will be executed between the Grantee and Sub-Candidate that establishes the cooperative framework under which the Grantee and Mimi Equities will ensure appropriate management of the RACP funds.

4. Financial Necessity

The Wyoming Development Project is located on the 600 block of Wyoming Avenue near the Commonwealth Medical College, Lackawanna College and many other small businesses. This block has not seen residential redevelopment activity or office space availability for many years. The reason being, that a project this size will never be able to charge the rents associated with rehabbing a six story building within a traditional capital structure for this part of the City. The project would be a non-starter without the RACP money.

RACP funds in the amount of \$1,000,000 are necessary to undertake the project, as the project requires extensive improvements of multiple buildings and the existing landscape that combined with the economics, make this project unviable. RACP funds along with the noted equity and debt will allow the project to move forward and be completed by December of 2019.

B. Strategic Plan

1. Business Strategy Plan

The Wyoming Avenue Development Project will address the need to improve the quality of life in this section of the City by adding available office and rental space with parking. This will act as a catalyst for redevelopment for this area of the City.

The City of Scranton was once a thriving and vibrant City, with manufacturing, current office space and entertainment venues. Scranton has seen its population shrink and its employment base change to new demographics. However, the City of Scranton population has since stabilized and has seen an investment in downtown living and available commercial space by private developers in conjunction with leadership by state and local elected officials. This project will be the catalyst that provides for more economic growth in this section of the City.

The Wyoming Avenue Development Project requires the acquisition of three buildings for the completion of 614 Wyoming Avenue. 620 Wyoming Avenue will be demolished to provide 54 parking spaces for tenants in 614 Wyoming Ave, which will consist of two floors of available office space and four floors of market rate housing. Floors one and two will provide 18,000 square feet of available commercial space and floors three through six will consist of 15 studio apartments, 20 one bedroom apartments and 4 two bedroom apartments. This project will keep 30-40 jobs in the City and will be consistent with the industrial commercial element in this neighborhood while incorporating a much needed residential element.

2. Financial Information

A 20-year \$3.5(M) loan is secured from Wayne Bank, and Mimi Equities is contributing \$1(M) in private owners equity to the Wyoming Ave Development Project. Please see attached the Wayne Bank Agreement

3. Plan for Continuing Operation

The financial plan is attached. Parking is a major consideration in the operation of the Wyoming Avenue Development. Currently, this is very little available parking in this location, and this will be addressed as part of the acquisition and demolition process. Thus providing commercial and housing tenants with options that do not exist in this neighborhood.



717 Main Street, P.O. Box 289 • Honesdale, PA 18431
570-253-1455 • Fax: 570-253-3278 • waynebank.com

March 5, 2019

Donald F Mammano, Jr., Member
317 Linden Street
Scranton, PA 18503

**RE: Amendment to Commitment Letter Dated January 28, 2019
Commercial Construction Mortgage in the Amount of \$3,500,000.00**

Dear Mr. Mammano:

The above-referenced commitment letter is amended to include the following:

1. The Borrower shall be changed from Electric City Development, LLC to MIMI EQUITIES, LLC;
2. The number of units has changed from forty one to thirty nine;
3. All other terms and conditions remain unchanged.

Please indicate your acceptance of this Amendment by signing and returning this letter to me. A copy has been enclosed for your records.

Very respectfully yours,

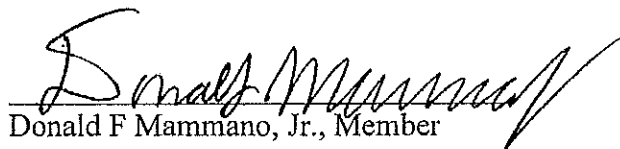
Vincent G O'Bell
Senior Vice President
Commercial Loan Officer

VO

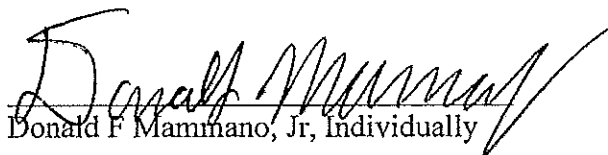
On this the 3rd day of March, 2019, intending to be legally bound, the undersigned hereby accepts the foregoing Commitment and agrees to the terms and conditions hereof.

ACCEPTANCE OF BORROWER

MIMI EQUITIES, LLC by:


Donald F Mammano, Jr., Member

ACCEPTANCE OF GUARANTOR


Donald F Mammano, Jr, Individually



717 Main Street, P.O. Box 269 • Honesdale, PA 18431
570-253-1453 • Fax: 570-253-3273 • waynebank.com

January 28, 2019

Donald F. Mammano, Jr., Member
Electric City Development, LLC
317 Linden Street
Scranton, PA 18503

RE: Commercial Construction Mortgage Loan in the Amount of \$3,500,000.00

Dear Mr. Mammano:

We are pleased to advise you that subject to the terms and conditions herein set forth, Wayne Bank (the "Bank") has approved your application for a Commercial Construction Mortgage Loan (the "Loan") in the amount of Three Million Five Hundred Thousand (\$3,500,000.00) Dollars, which will be extended to Electric City Development, LLC (the "Borrower") to purchase three (3) parcels along Wyoming Avenue in Scranton, Pennsylvania and convert/renovate one building into forty one residential apartments and two floors of commercial space (collectively, the "Improvements").

This Commitment is issued subject to: (i) the statutory and other requirements by which we as a banking association are governed; (ii) your acceptance hereof in the manner hereinafter provided; (iii) your compliance with all the provisions hereof; and, (iv) the following terms and conditions.

AMOUNT OF LOAN:	\$3,500,000.00	
ORIGINATION FEE:	\$6,000.00	Due at acceptance
	\$6,000.00	Due at Closing

The Origination Fee shall be deemed earned by the Bank upon acceptance of this Commitment Letter by the Borrower and, if for any reason Closing, as hereinafter defined, does not occur pursuant to this Commitment Letter, the Bank shall be entitled to obtain reimbursement from Borrower for all the Bank's out-of-pocket costs incurred in connection with the proposed commitment and to retain the portion of such fee paid by the Borrower as its compensation for issuing this Commitment Letter and the time, effort, investigation and services devoted to the proposed transaction.

RATE OF INTEREST: The Loan shall bear interest at an annual rate fixed equal to Five and 625/1000 (5.625%) percent, based upon a year of three hundred sixty (360) days, until the date five (5) years from the date of Closing (the "Interest Rate Change Date"). On the Interest Rate Change Date, and every three (3) years thereafter, the interest rate shall be adjusted to a rate of Three (3.00%) percent in excess of the 3 Year Treasury Rate, as published each business day in the Money Rate section of the Wall Street Journal, or such similar publication chosen by the Bank, in its sole discretion (the "3 Year Treasury Rate"), based on a year of three hundred sixty (360) days. **The Borrower hereby acknowledges and agrees that the 3 Year Treasury Rate is a changing rate, which is used by the Bank as a standard for setting loan rates, and is not necessarily equal to the Bank's lowest or most favorable loan rate.**

TERMS OF REPAYMENT: The Loan shall be repaid in full over a period of twenty (20) years and eighteen (18) months from the date of Closing. Commencing thirty (30) days from the date of Closing and continuing on the same date of each month for the next seventeen (17) months thereafter (the "Draw Period"), the Borrower shall make eighteen (18) monthly payments of interest only to the Bank on the outstanding principal balance of the Loan at the above rate of interest. Then, after the Draw Period and commencing on the date which is one (1) year and seven (7) months from the date of Closing and continuing on the same day of each month thereafter, the Borrower shall make forty-two (42) fixed monthly payments of principal and interest, each in the amount of Twenty-four Thousand Four Hundred seventy-nine and 35/100 (\$24,479.35) Dollars, to the Bank on the outstanding balance of the Loan at the above-stated rate of interest. On the Interest Rate Change Date, the monthly payments of principal and interest shall be adjusted to the interest rate then in effect in accordance with the "Rate of Interest" section above. The entire remaining principal balance of the Loan, with all interest accrued thereon, shall be due and payable on the date twenty-one (21) years and six (6) months from the date of Closing.

DEFAULT RATE: Upon default, including failure to pay upon final maturity, the Bank, at its option, may increase the interest rate on the Loan to six (6.0%) percent over the interest rate detailed then in effect at the time of such default.

PAYMENTS AND PREPAYMENTS: All payments shall be made in current funds at the office of the Bank specified in this Commitment or at any other branch office of the Bank. The Bank shall be entitled to impose a service charge equal to Twenty-five (\$25.00) Dollars or five (5%) percent of the amount of any installment of principal and interest not paid within fifteen (15) days after the same becomes due and payable, whichever is greater. The Borrower shall have the right to prepay the entire amount of the Loan at any time without restriction or penalty, and make partial prepayments on account of the principal from time to time, provided that partial prepayments shall not be deemed to reduce the amount of the monthly installments specified in the Commitment, or postpone the payment of any such installment. However, the Borrower will pay a prepayment penalty of One (1.00%) percent of the outstanding balance of the

Loan in the event the Loan, or any portion thereof, is refinanced by any entity other than the Bank during the first five (5) years of the Loan.

BANK REVIEW: For purposes of this Loan, all documentation prepared by Borrower's legal counsel shall be forwarded to the Bank and/or its legal counsel at least five (5) days prior to the date of Closing. Borrower shall be responsible for the payment of any costs incurred for fees for professional services rendered by the Bank's counsel for review of said documentation.

ADVANCES: Advances under the Loan (each an "Advance") will be made during the Draw Period, according to a construction advance schedule approved by the Bank prior to Closing and, upon the Bank's receipt and satisfactory review of certificates(s) provided by a licensed, independent architect/engineer, engaged by the Bank for the purpose of assessing and inspecting the Improvements. The Bank will require third-party inspections of the work completed prior to each Advance, the cost of which are to be borne by the Borrower. Advances will be made directly to the contractor or sub-contractor, as applicable, upon receipt of an invoice for the work performed or materials supplied.

TAX MONITORING: In lieu of monthly real estate tax escrow payments, Borrower agrees to enroll in the Bank's tax payment monitoring program. A one-time estimated fee of Three Hundred Ninety-seven (\$397.00) Dollars will be borne by Borrower at Closing.

SECURITY: Security for the Loan shall consist of the following (collectively, the "Collateral"):

(a) **Mortgage Liens.** A first lien, title-insured mortgage (collectively, the "Mortgages") upon each of the parcels of real estate located at (i) 614 Wyoming Avenue, Scranton, Lackawanna County, Pennsylvania; (ii) 620-624 Wyoming Avenue, Scranton, Lackawanna County, Pennsylvania; (iii) 650 Wyoming Avenue, Scranton, Lackawanna County, Pennsylvania; and (iv) 317 Madison Avenue, Scranton, Lackawanna County, Pennsylvania (collectively, the "Mortgaged Properties"). The Mortgages shall also constitute a security agreement creating a first lien on and security interest in all present and future leases thereof and rents payable thereunder, all building systems, fixtures, and equipment now and at any time hereafter located on and at the Mortgaged Properties and all additions thereto, substitutions therefore, and replacements thereof, including all cash and noncash proceeds of insurance.

(b) **Assignment of Leases.** Assignment of all leases, rents and income related to the Mortgaged Properties (the "Assignment of Rents").

(c) **Security Agreement.** A perfected first lien security interest in and to the business assets of Borrower (collectively, the "Business Assets"), including, without limitation, all furniture, fixtures, machinery, equipment, inventory, chattels, deposit accounts, accounts, building materials, personalty, general intangibles, licenses, and all other property, now owned

or hereafter acquired, or affixed to the Mortgaged Properties of the Borrower (the "Security Agreement").

(d) **Guarantee/Suretyship Agreement.** A Guarantee/Suretyship Agreement (the "Guaranty") duly executed by Donald F. Mammano, Jr. (the "Guarantor").

(e) **Assignment of Plans and Specifications.** Assignment of all rights of the Borrower in and to the Plans and Specifications, including, without limitation, the construction contract between the Borrower and the general contractor for the Improvements (the "Construction Contract").

(f) **Assignment of the Construction Contract.** Assignment of all of Borrower's rights, title and interests in and to the Construction Contract, including, without limitation, the consent to such assignment by the general contractor and subcontractors (the "Assignment of the Construction Contract").

(g) **Assignment of RACP Grant Proceeds.** The Loan is contingent upon the approval of the Redevelopment Assistance Capital Program grant (the "RACP Grant") of proceeds in the amount of One Dollars (\$1,000,000.00) Dollars (the "RACP Grant Proceeds") awarded to Electric City Development, LLC, which shall be assigned to the Bank. The Bank shall apply the RACP Grant Proceeds to the Loan as a reduction of the principal and shall modify the payments under the Loan thereafter, as appropriate.

ITEMS TO BE FURNISHED: At Closing, or as soon thereafter as agreed to by the Bank, the Borrower shall furnish to the Bank the following items:

(a) **General Insurance.** Policies of Fire, Casualty, Liability, and Flood Insurance as required by the Bank, with regard to the Mortgaged Properties, with such coverages as are usually maintained by similar businesses, in such amounts and issued by such insurance carriers **licensed to do business in Pennsylvania** as may be acceptable to the Bank wherein the interests of the Borrower and the Bank are insured as their respective interests may appear, and the said policies to name the Bank as mortgagee or loss payee, as appropriate, under the equivalent of a Pennsylvania standard clause. **All policies shall provide that no cancellation or termination shall be effective without fifteen (15) days prior notice to the Bank. The policy term and payment term cannot be less than six (6) months. The Bank shall be furnished with a copy of the policy at least forty-eight (48) hours prior to Closing. In the event of policy cancellation or lapse, the Bank will force-place insurance with related premiums being borne by the Borrower in addition to a \$250.00 administrative fee.**

(b) **Flood Determination/Insurance.** If any part or all of the Mortgaged Properties is determined to be located in a Special Flood Hazard Area, the Borrower will be required to purchase and maintain flood insurance for the life of the loan. The Borrower will pay with its

monthly loan payments an amount as periodically determined by the Bank to pay the annual flood insurance premium.

(c) **Title Insurance Policy.** A marked-up title binder or a policy of title insurance in an amount equal to the amount of the Loan issued by a title insurance company acceptable to the Bank, insuring the liens of the Mortgages as a valid first liens against the Mortgaged Properties, free and clear of all prior liens (including, but not limited to, possible mechanics' liens) and encumbrances, except liens in favor of the Bank, and subject only to such minor objections and exceptions as the Bank, and Bank's counsel, may approve, together with a Closing Protection Letter in favor of the Bank and Pennsylvania endorsements 100, 300, 710, 910, 1015 and 1030 and such other endorsements thereto (or their equivalent) as the Bank may reasonably require. The binder shall include copies of all recorded easement agreements, memoranda of leases, rights of way, plans, etc. The title binder must be delivered to the Bank, or Bank's counsel, at least five (5) days prior to the Closing Date for review. The binder must be marked up on the Closing Date and returned to the Bank. The title insurance policy is to be furnished to the Bank within forty-five (45) days following the Closing Date.

(d) **Loan Documents.** A Loan Agreement, Note, the Mortgages, Assignment of Rents, Security Agreement, Guaranty, an Environmental Indemnity Agreement, and such other documentation required by the Bank to evidence and secure the Loan (collectively, the "Loan Documents"), all in form and content satisfactory to the Bank. Borrower hereby acknowledges and agrees that the Loan Documents shall contain all of the Bank's prevailing terms and conditions for a commercial construction mortgage loan, including, but not limited to, a confession of judgment/warrant of attorney on behalf of the Bank.

(e) **Corporate Documents.** The Borrower's counsel will order an original Certificate of Good Standing for Electric City Development, LLC issued by the Pennsylvania Department of State and a Corporate Lien Certificate for Electric City Development, LLC issued by the Pennsylvania Department of Revenue, all dated within thirty (30) days of Closing and provide copies to the Bank. Borrower will provide a copy of the Certificate of Organization with the Pennsylvania Department of State and the most recent Operating Agreement for Electric City Development, LLC, prior to the Closing.

(f) **Appraisal.** An appraisal of each of the Mortgaged Properties by an independent appraiser engaged by the Bank. The aggregate loan to value ratio not to exceed seventy-five (75%) percent of the appraised value before the application of the RACP Grant Proceeds to the principal balance of the Loan. All costs for such appraisal shall be borne by the Borrower.

(g) **Environmental.** Environmental inspections and reports as may be deemed necessary by the Bank in its sole opinion, including, but not limited to, the most recent Phase I report, if prepared or other environmental screening reports, if prepared, associated with the Mortgaged Properties, and containing only those exceptions acceptable to the Bank.

(h) **Legal Opinion.** An opinion of counsel for the Borrower and Guarantor in form and content acceptable to the Bank, as to good standing, corporate authorization, incumbency of

officers, pending or threatened litigation, compliance with all applicable laws and regulations, the validity and enforceability of all documents, compliance with all existing agreements, zoning of the Mortgaged Properties, environmental compliance, compliance with all applicable regulations and permits with respect to the operation of the Borrower's business(es), the priority of the Bank's liens, and such other matters as the Bank may require.

(i) **Construction Documents.** Borrower will provide Bank with a copy of the following documents relating to the Improvements (the "Construction Documents"), prior to Closing: (i) all necessary government and local approvals, permits or certifications required for the Improvements; (ii) a copy of the executed Construction Contract between the general contractor and the Borrower, in a form and substance satisfactory to the Bank; (iii) a construction draw schedule for all costs associated with the Improvements; (iv) stipulations against liens or bonds from any and all subcontractors engaged by the general contractor, each in a form and substance satisfactory to the Bank; and (v) such other documents relating to the Improvements as the Bank or the Bank's legal counsel deems necessary.

(j) **RACP Grant Documents.** Any and all documents issued by the Commonwealth of Pennsylvania and such other authorities, as applicable, in connection with the RACP Grant.

(k) **Leases.** Copies of all present and future leases with respect to the Mortgaged Properties.

(l) **Miscellaneous.** The Borrower shall furnish such other documents, instruments, and materials as the Bank or the Bank's legal counsel deems necessary or appropriate.

GENERAL TERMS AND CONDITIONS: The Loan Agreement and the other Loan Documents shall contain such terms and conditions, cross-default provisions, representations and warranties, and affirmative, negative, financial and environmental covenants as required by the Bank, including, but not limited to, the following:

(a) the Bank shall be furnished, within one hundred twenty (120) days after the end of each fiscal year, with annual financial statements each of the Borrower and Guarantor, in form and content acceptable to the Bank.

(b) the Bank shall be furnished with a copy of the federal income tax returns filed by each of the Borrower and Guarantor, within ten (10) days of filing.

If annual financial information (or a copy of an acceptable IRS extension) is not furnished to the Bank as required above, the Bank reserves the right to increase the applicable interest rate then in effect by four (4.0%) percent until this information is delivered to the Bank.

(c) the owners of Borrower shall not sell, transfer or otherwise dispose of any of their respective ownership interests or units in the Borrower, without the prior written consent of the

Bank. The Borrower and Guarantor shall not sell, lease, transfer, or otherwise dispose of all or any part of the Mortgaged Properties, without the prior written consent of the Bank.

(d) the Borrower and Guarantor shall maintain all the franchises, licenses, permits, and the other authorizations required for the Improvements, the Mortgaged Properties, and the ownership of the Mortgaged Properties, and the ownership of its Business Assets, in compliance with the same and in compliance with all statutes, ordinances, and regulations applicable to same.

(e) the Borrower and Guarantor shall maintain the Improvements and the Mortgaged Properties in good order and condition, make all repairs, replacements, and renewals necessary for the proper maintenance and operation of the same, and permit authorized representatives of the Bank to inspect the same at reasonable times.

(f) the Borrower shall not issue any additional ownership interests or units nor redeem any of their ownership interests or units in the Borrower, without the prior written consent of the Bank.

(g) the Borrower and Guarantor shall not allow any lien, security interest, mortgage, pledge or other form of encumbrance to attach to the Improvements, the Mortgaged Properties, or the Business Assets.

(h) such other terms and conditions that the Bank or the Bank's legal counsel deems necessary or appropriate.

MISCELLANEOUS:

(a) if, prior to Closing, the financial condition of the Borrower and/or the Guarantor shall change, such that in the reasonable business judgment of the Bank, its risk hereunder shall increase, this Commitment, and the Bank's obligation to extend the Loan to the Borrower, shall terminate.

(b) all terms, conditions, representations and covenants of the Borrower and Guarantor contained herein or in any documentation required hereunder shall survive the execution of the Commitment and the making of the Loan hereunder and will continue in full force and effect as long as any indebtedness hereunder of the Borrower to the Bank remains outstanding.

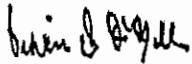
(c) all items required to be furnished hereunder shall be furnished without cost to the Bank, and the Borrower, by the acceptance hereof, hereby agrees to pay, whether or not the Closing occurs, all fees and expenses of the Bank's counsel for services in connection with this Commitment, and/or the Loan, and to reimburse the Bank for all out-of-pocket expenses incurred in connection herewith.

(d) the Bank's commitment to extend the Loan to the Borrower shall terminate **including, without limitation, any interest rate commitment** unless this Commitment Letter is executed by the Borrower and returned to the Bank on or before February 15, 2019, and Closing of the Loan occurs on or before March 15, 2019 (the "Closing").

(e) This commitment is not assignable.

Please indicate your acceptance of this Commitment by signing and returning the original of this letter to me on or before February 15, 2019.

Very truly yours,

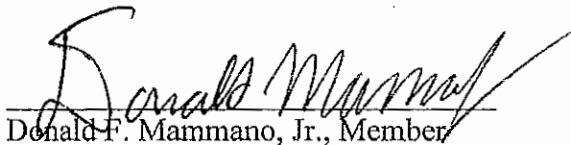


Vincent G. O'Bell
Senior Vice President
Commercial Loan Officer

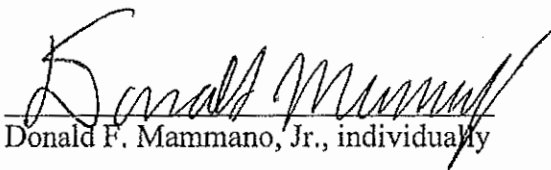
On this the 5th day of March, 2019, intending to be legally bound, the undersigned hereby accepts the foregoing Commitment and agrees to the terms and conditions hereof.

ACCEPTANCE OF BORROWER

Electric City Development, LLC, by:


Donald F. Mammano, Jr., Member

ACCEPTANCE OF GUARANTOR


Donald F. Mammano, Jr., individually



February 19, 2019

Mr. Steven Heuer
Office of the Budget
Bell Tower – 7th Floor
303 Walnut Street
Harrisburg, PA

Re: Redevelopment Assistance Capital Program Grant (RACP)
Mimi Equities
Wyoming Avenue Development
Scranton, Pennsylvania 18503
Tab 7 – Statement of Compliance Requirements
\$1,000,000.00

Dear Mr. Heuer:

This letter serves as a Statement of Compliance regarding the City of Scranton (Applicant) and Mimi Equities (Sub-Applicant) receiving \$1,000,000.00 from the Office of the Budget through its Redevelopment Assistance Capital Program Grant (RACP).

All construction and related activities of the "Wyoming Avenue Development Project" will comply with all requirements set forth by the Commonwealth of Pennsylvania, including but not limited to:

1. Competitive Bidding Requirements
2. Steel Products Procurement Act
3. Trade Practices Act
4. Public works Contractors' Bond Law (Performance Bond & Payment Bond)
5. Pennsylvania Prevailing Wage Act or Davis Bacon Federal Wage Act
6. Americans with Disabilities Act
7. Fidelity Bonds
8. Insurance
 - a. Worker's Compensation Insurance
 - b. Comprehensive General Liability Insurance
 - c. Property Damage Insurance
 - d. Identify Commonwealth as Additional Insured
 - e. Flood Insurance (if applicable)
9. Article 8 (Restrictions on Govt. Entities selling RACP project of Grant Agreement.

Page: Two

Tab 7 – Statement of Compliance Requirements

The City of Scranton will continue to gather the documentation of compliance as required by the grant, which we will make available to the Commonwealth. We understand that failure to comply with these provisions could affect funding reimbursement.

Sincerely,

A handwritten signature in black ink that reads "Linda B. Aebli". The signature is fluid and cursive, with the first name "Linda" being the most prominent part.

Linda B. Aebli
Executive Director

Lba/

Cc: Mimi Equities, 317 Linden Street, Scranton, Pennsylvania 18503

Tab 8: Project Schedule

Activity Wyoming Avenue Development Project:

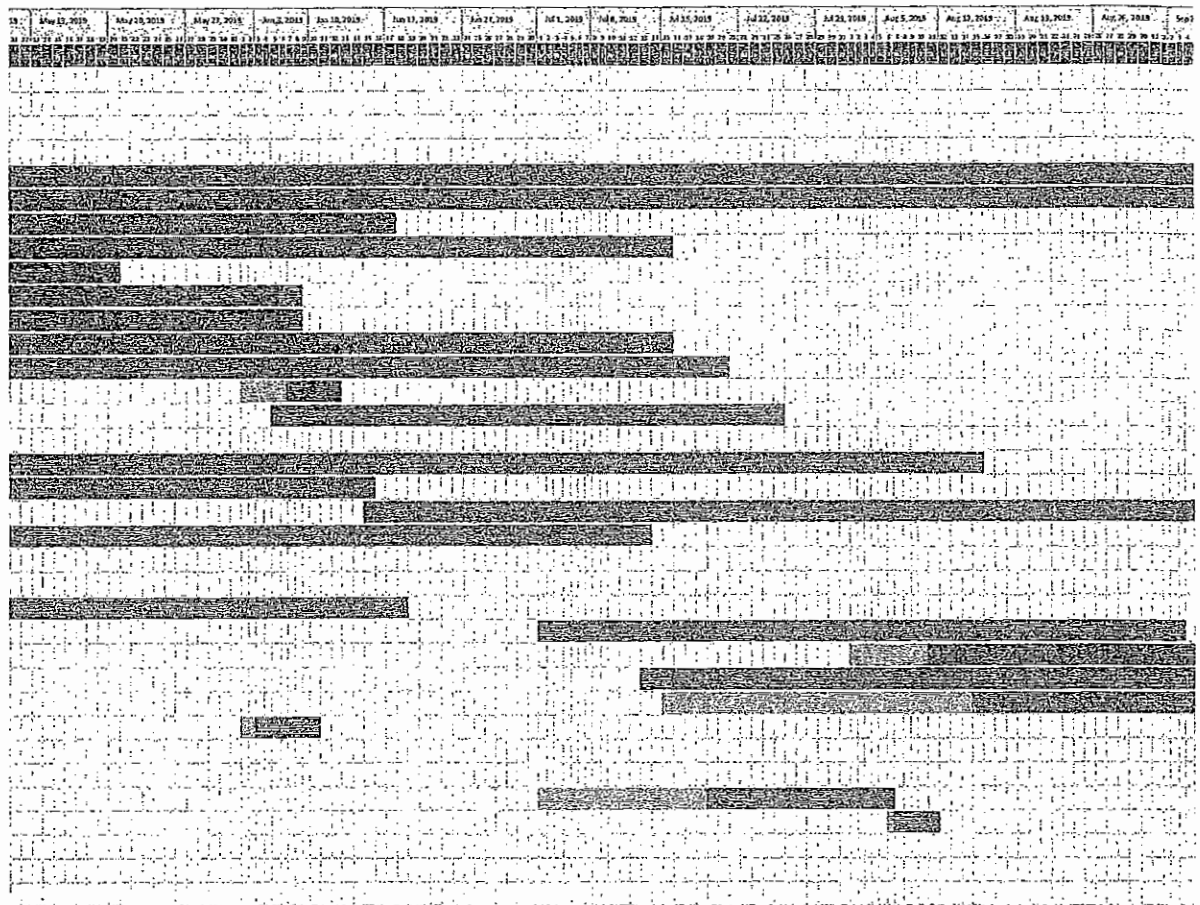
Design Phase Start	<u>DATE:</u> 1/21/19
Design Completion Date	2/28/19
Bid Date	9/1/18 – 1/20/19
Award Bid to General Contractor	1/21/19
Obtain Permits	2/28/19 - 3/31/19
Start Construction	4/1/19
End Construction	12/1/19

Start & End Construction (Each Phase or Component)

	<u>Start Date</u>	<u>End Date</u>
1. Building Acquisitions	2/19/19	3/22/19
2. Demolition of Building and Site Work for parking	4/1/19	10/10/19
3. Framing	4/1/19	5/20/19
4. Drywall	5/2/19	8/15/19
5. Elevator Installation	7/1/19	8/1/19

Joseph Rinkus

(1022) NEW ROWS ABOVE (12) ARE



This image shows a blank, aged, cream-colored page, likely an endpaper or flyleaf from an old book. The paper has a slightly textured appearance with some minor discoloration and faint, illegible markings, possibly from a previous page or a scanning artifact. The left edge of the page shows the binding of the book, with visible stitching and the inner cover material. The overall tone is warm and vintage.

TAB 8B: BID DOCUMENTATION

Bid documentation will be submitted separately after meeting with state consultant

TAB 8C: CONSTRUCTION RELATED DOCUMENTATION

Construction related contracts will be submitted separately upon execution

Project drawings and plans are attached along with a construction schedule.

Date of Forecast: 9/1/18

Source of Funds
RACP Grant
Proceeds from Wayne Bank
Owner Equity
Total Source of Funds

Revenue			Forecasted Revenue													Check Should = 0
RDA-300	Received to	Balance	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Cumulated	
1,000,000		1,000,000					400,000	150,000				300,000		150,000		0
880,726	880,726	0														0
\$500,000	\$500,000	0														0
2,380,726	1,380,726	1,000,000	0	0	0	0	400,000	150,000	0	0	300,000	0	150,000	0	0	0

10 of Funds
 Architectural & Engineering
 Project Management Fee
 Site Work
 Drywall
 Framing
 Permits
 Elevator
 Building Acquisition

Expenditures			Forecasted Expenditures												Check
% RDA-301	Expended	Balance	March Month 1	April Month 2	May Month 3	June Month 4	July Month 5	August Month 6	September Month 7	October Month 8	November Month 9	December Month 10	January Month 11	Cumulated	Should = 0
135,000		135,000		10,000	80,000	0				0		45,000		0	0
184,000		184,000	18,727	18,727	18,727	18,727	18,727	18,727	18,727	18,727	18,727	33,455		0	1
298,839		298,839			80,000	50,000	50,000				148,839			0	0
295,310		295,310				90,000	90,000	90,000	25,310					0	0
159,236		159,236		80,000	79,236									0	0
80,341		80,341	80,341											0	0
180,000		180,000		72,000			90,000					18,000		0	0
1,050,000		1,050,000	1,050,000											0	0
		0	0											0	0
2,380,726	01	2,380,726	1,147,068	178,727	225,963	156,727	246,727	108,727	42,037	18,727	163,566	96,455	0	0	0

Total Use of Funds

Monthly Cash Flow

1,360,726	-1,147,068	-178,727	-225,983	-158,727	153,273	43,273	-42,037	-16,727	136,434	-96,455	150,000	0	0
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lancing:

Cumulative Source of Funds

Cumulative Use of Funds

Cumulative Cash Flow

Line of Credit - Outstanding Balance

Interest estimated at 6.00%

Financing Forecast													
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Cumulated
1,380,726	1,380,726	1,380,726	1,380,726	1,380,726	1,780,726	1,930,726	1,930,726	1,930,726	2,230,726	2,230,726	2,380,726	2,380,726	2,380,726
0	1,147,088	1,325,798	1,551,759	1,708,486	1,955,213	2,081,941	2,103,978	2,120,705	2,284,271	2,380,726	2,380,726	2,380,726	2,380,727
1,380,726	233,655	54,930	-171,033	-327,760	-174,487	-131,215	-173,252	-189,979	-53,545	-150,000	0	0	-1
	0	0	171,033	327,760	174,487	131,215	173,252	189,979	53,545	150,000	0	0	1
	0	0	855	1,639	872	658	866	950	268	750	0	0	0
Total	6,856												

RDA-300		Commonwealth of Pennsylvania REDEVELOPMENT ASSISTANCE CAPITAL PROJECT SOURCES OF FUNDS				Date Received ME No. State Consultant Firm	
The latest status of this project is: <input checked="" type="checkbox"/> Business Plan <input checked="" type="checkbox"/> Application <input type="checkbox"/> Grant Agreement		This RDA filing, as it applies to the project's "status" at left, is a/an: <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> REVISION No. <input type="checkbox"/> AMENDMENT				Version: June 2014	
PROJECT INFORMATION							
PROJECT NAME		Wyoming Avenue Development Project			PROJECT PHASE		I OF I
GRANTEE		City of Scranton					
SUB-GRANTEE(S)		Mini Equities					
		317 Linden Street					
		Scranton, PA 18503					
County	Municipality	Municipal Population	Legislative Districts		RACP Construction Schedule		
Lackawanna	Scranton	76,000	House	Senate	Start Date	End Date	Duration in months
			113	22	9/1/18	12/1/19	15
OFFICIAL CONTACT PERSONS							
Chief Elected Official or Officer of Grantee				Contact Person (normally the person from the entity at left that is most familiar with the project; enter "Same" if same person & provide email address)			
Federal ID No.				Name & Title	Don Mammano		
Name & Title	Mary Pat DeFice, Executive Director			Organization	Mini Equities		
Organization	OFFICE OF ECONOMIC & COMMUNITY DEV			Address	317 Linden St		
Address	MUNICIPAL BLDG 340 North Washington Ave Scranton, PA 18503			Phone	570-241-3687		
Phone	570-348-4216			Email address	ddefice@scrantonpa.gov		
Email address	mdefice@scrantonpa.gov						
FUNDING SOURCES							
Type	Amount	Description			Secured?	Unsecured? or Other?	
REDEVELOPMENT ASSISTANCE FUNDS	\$1,000,000						
MATCHING FUNDS	\$1,380,726						
A. Local Funds							
B. Private Funds		\$880,726	20 year bank financing of \$3,500,000		yes		
		\$500,000	Owner Equity		yes		
C. Land							
Attach Appraisal							
D. Federal Funds							
E. Other							
TOTAL FUNDS	\$2,380,726						
Attach an explanation about any state or federal funds the project has received in the past or will receive in the future that are not being counted as matching funds							
PROJECT ADMINISTRATION							
Will the Applicant administer the project?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Will the Applicant designate a Project Administrator?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Other? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Administrators:		Applicant's Staff		Mary Pat DeFice, Executive Director, OECD City of Scranton			
		Sub-Applicant's Staff		Don Mammano, President			
		Designated Administrator		Mark Amendola, Business Manager			
Are Cooperation Agreements attached?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Status:			
APPLICANT'S AUTHORIZATION							
To the best of my knowledge and belief, data in this application are true and correct and the submission of the application has been duly authorized by the governing body.							
Signature & Title of Authorized Official						Date	

<b style="font-size: 1.2em;">RDA-301		Commonwealth of Pennsylvania REDEVELOPMENT ASSISTANCE CAPITAL PROJECT USES OF FUNDS		Date Received _____ ME No. _____ State Consultant Firm _____	
The latest status of this project is: <input checked="" type="checkbox"/> Business Plan <input checked="" type="checkbox"/> Application <input checked="" type="checkbox"/> Grant Agreement		Version: June 2016 This RDA filing, as it applies to the project's "status" at left, is a/an:		<input checked="" type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> REVISION No. _____ <input checked="" type="checkbox"/> AMENDMENT	
PROJECT NAME Wyoming Avenue Development Project GRANTEE City of Scranton SUB-GRANTEE(S) Mimi Equities 317 Linden Street Scranton, PA 18503		PROJECT PHASE		I	OF
LINE ITEM	BUDGET CATEGORY	RACP REIMBURSEMENT	MATCH ONLY	TOTAL	
1	Operation & Maintenance	typical Match			
2	Administration	typical Match	\$184,000	\$184,000	
3	Legal	typical Match			
4	Financing/Accounting	typical Match			
5	Interest During Construction				
6	Architectural/Engineering	typical Match	\$135,000	\$135,000	
	A. Feasibility Study	typical Match			
	B. Surveys	typical Match			
	C. Design	typical Match			
	D. Inspection Services	typical Match			
	E. Other (Specify)	typical Match			
7	Permits		\$80,341	\$80,341	
8	Land (If used, entries A., B., or C. below should reflect the [planned] ownership <u>at commencement of the RACP project construction</u>)				
	A. Grantee owned (value)				
	B. Sub-Grantee owned (value)	\$400,000	\$650,000	\$1,050,000	
	C. 3rd Party owned (value)				
	D. Easement Cost				
	E. Other Land Costs (Specify & itemize below)				
	i.				
	ii.				
	iii.				
9	Construction (Attach construction cost breakdown)				
	A. Contingency (_____ % of Construction)	typical Match			
10	Other (Specify & itemize below)				
	A. Framing		\$159,236	\$159,236	
	B. Drywall	\$123,161	\$172,149	\$295,310	
	C. Elevator	\$180,000		\$180,000	
	D. Site Work	\$296,839		\$296,839	
TOTAL PROJECT COST		\$1,000,000	\$1,380,726	\$2,380,726	
APPLICANT'S AUTHORIZATION			COMMONWEALTH'S APPROVAL		
Approval of the Project Financing Plan is hereby requested.			The Project Financing Plan is hereby granted.		
SEAL	Applicant	City of Scranton	Commonwealth of Pennsylvania Office of the Budget		
	Signature of Authorized Official		Signature of Authorized Official		
	Title	Executive Director	Title		
	Typed or Printed Name	Mary Pat Deflice	Typed or Printed Name		
	Date		Date		

TAB 11: STATEMENT OF PROJECT COST ESTIMATE

PROJECT NAME	COUNTY	RACP FUNDING ROUND
Wyoming Ave Development	Lackawanna	2018

The cost estimate for the Wyoming Ave Development Project was prepared by Joe Rinkus of LHC Construction Management. LHC Construction Management has been in business for 20 years working in 8 different states as a Construction Management Firm specializing in large scale commercial spaces, apartment buildings, assisted living developments and residential spaces. Their management team works with architects to develop a design developed for the client with a detailed scope or work which include construction costs, timelines and cost measures for their client. LHC uses their experience and skilled builders and employees to assist the client develop and manage a successful project.

Tab 11-A. Construction Cost Breakdown

Version: June 2016

The Applicant should provide a detailed estimate of construction costs. Broad categories should be broken down into phases, components, and contracts whenever possible.

Project Name		County	No. of Phases
Wyoming Avenue Development Project		Lackawanna	1
Phase 1 Description		Phase 1 Cost Total	
		\$931,385	
PHASE 1 of 1	Component or Sub-component/Contract Description	Component Cost Total	Sub-component Cost
Component 1	Framing	\$159,236	
Sub-component/Contract 1-1	Framing		\$159,236
Sub-component/Contract 1-2			
Sub-component/Contract 1-3			
Sub-component/Contract 1-4			
Sub-component/Contract 1-5			
Component 2	site development	\$296,839	
Sub-component/Contract 2-1	site development		\$296,839
Sub-component/Contract 2-2			
Sub-component/Contract 2-3			
Sub-component/Contract 2-4			
Sub-component/Contract 2-5			
Component 3	drywall	\$295,310	
Sub-component/Contract 3-1	drywall		\$295,310
Sub-component/Contract 3-2			
Sub-component/Contract 3-3			
Sub-component/Contract 3-4			
Sub-component/Contract 3-5			
Component 4	elevator	\$180,000	
Sub-component/Contract 4-1	elevator		\$180,000
Sub-component/Contract 4-2			
Sub-component/Contract 4-3			
Sub-component/Contract 4-4			
Sub-component/Contract 4-5			
Component 5		\$0	
Sub-component/Contract 5-1			
Sub-component/Contract 5-2			
Sub-component/Contract 5-3			
Sub-component/Contract 5-4			
Sub-component/Contract 5-5			
Component 6		\$0	
Sub-component/Contract 6-1			
Sub-component/Contract 6-2			
Sub-component/Contract 6-3			
Sub-component/Contract 6-4			
Sub-component/Contract 6-5			
Component 7		\$0	
Sub-component/Contract 7-1			
Sub-component/Contract 7-2			
Sub-component/Contract 7-3			
Sub-component/Contract 7-4			
Sub-component/Contract 7-5			

AGREEMENT FOR THE SALE OF COMMERCIAL REAL ESTATE

A/S-C

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR).

SELLER'S BUSINESS RELATIONSHIP WITH PA LICENSED BROKER	
BROKER (Company) <u>NONE</u>	PHONE _____
ADDRESS _____	FAX _____
LICENSEE(S) _____	Designated Agent? <input type="checkbox"/> Yes <input type="checkbox"/> No
BROKER IS THE AGENT FOR SELLER. OR (if checked below):	
Broker is NOT the Agent for Seller and is a/an: <input type="checkbox"/> AGENT FOR BUYER <input type="checkbox"/> TRANSACTION LICENSEE	

BUYER'S BUSINESS RELATIONSHIP WITH PA LICENSED BROKER	
BROKER (Company) <u>NONE</u>	PHONE _____
ADDRESS _____	FAX _____
LICENSEE(S) _____	Designated Agent? <input type="checkbox"/> Yes <input type="checkbox"/> No
BROKER IS THE AGENT FOR BUYER. OR (if checked below):	
Broker is NOT the Agent for Buyer and is a/an: <input type="checkbox"/> AGENT FOR SELLER <input type="checkbox"/> SUBAGENT FOR SELLER <input type="checkbox"/> TRANSACTION LICENSEE	

When the same Broker is Agent for Seller and Agent for Buyer, Broker is a Dual Agent. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agent(s) for Buyer and Seller. If the same Licensee is designated for Seller and Buyer, the Licensee is a Dual Agent.

1. This Agreement, dated February 13, 2019, is between
2. SELLER(S):
Robert Friedman and Anne Glauber
138 Wyoming Road, Dallas, PA 18612
3. called "Seller," and BUYER(S):
MIMI Equities, LLC
317 Linden Street, Scranton, PA 18503
4. called "Buyer."
5. 2. PROPERTY. Seller hereby agrees to sell and convey to Buyer, who hereby agrees to purchase:
6. ALL THAT CERTAIN lot or piece of ground with buildings and improvements thereon erected, if any, known as:
7. 650 Wyoming Avenue
8. In the City of Scranton County of Lackawanna
9. Commonwealth of Pennsylvania, Identification (e.g., Tax ID#; Parcel #; Lot, Block; Deed Book, Page, Recording Date)
10. PIN No: 14576-020-001 Instrument No. 201112490
11. 3. TERMS (10-06)
12. (A) Purchase Price Six Hundred Seventy-Five Thousand _____, Dollars
13. which will be paid to Seller by Buyer as follows:
14. 1. Cash or check at signing this Agreement: \$ 15,000.00
15. 2. Cash or check within _____ days of the execution of this Agreement: \$ _____
16. 3. _____ \$ _____
17. 4. _____ \$ _____
18. 5. Cash or cashier's check at time of settlement: \$ 660,000.00
19. TOTAL \$ 675,000.00
20. (B) Deposits paid by Buyer within 30 DAYS of settlement will be by cash or cashier's check. Deposits, regardless of the form of
21. payment and the person designated as payee, will be paid in U.S. Dollars to Broker for Seller (unless otherwise stated here),
22. who will retain deposits in an escrow account until consummation or termination of this Agreement in conformity with all applicable
23. laws and regulations. Any check tendered as deposit monies may be held uncashed pending the acceptance of this Agreement.
24. (C) Seller's written approval to be on or before: February 14, 2019
25. (D) Settlement to be on March 29, 2019, or before if Buyer and Seller agree,
26. (E) Conveyance from Seller will be by fee simple deed of special warranty unless otherwise stated here:
27. (F) Payment of transfer taxes will be divided equally between Buyer and Seller unless otherwise stated here:
28. (G) At time of settlement, the following will be adjusted pro-rata on a daily basis between Buyer and Seller, reimbursing where applicable:
29. taxes (see Notices and Information Regarding Real Estate Taxes); rents; interest on mortgage assumptions; condominium fees, if any;
- 30.
- 31.
- 32.

AGREEMENT FOR THE SALE OF COMMERCIAL REAL ESTATE

A/S-C

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR).

SELLER'S BUSINESS RELATIONSHIP WITH PA LICENSED BROKER	
BROKER (Company) <u>NONE</u>	BROKER
ADDRESS _____	PHONE _____
LICENSEE(S) _____	FAX _____
Designated Agent? <input type="checkbox"/> Yes <input type="checkbox"/> No	
BROKER IS THE AGENT FOR SELLER. OR (if checked below): Broker is NOT the Agent for Seller and is a/an: <input type="checkbox"/> AGENT FOR BUYER <input type="checkbox"/> TRANSACTION LICENSEE	

BUYER'S BUSINESS RELATIONSHIP WITH PA LICENSED BROKER	
BROKER (Company) <u>NONE</u>	BROKER
ADDRESS _____	PHONE _____
LICENSEE(S) _____	FAX _____
Designated Agent? <input type="checkbox"/> Yes <input type="checkbox"/> No	
BROKER IS THE AGENT FOR BUYER. OR (if checked below): Broker is NOT the Agent for Buyer and is a/an: <input type="checkbox"/> AGENT FOR SELLER <input type="checkbox"/> SUBAGENT FOR SELLER <input type="checkbox"/> TRANSACTION LICENSEE	

When the same Broker is Agent for Seller and Agent for Buyer, Broker is a Dual Agent. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agent(s) for Buyer and Seller. If the same Licensee is designated for Seller and Buyer, the Licensee is a Dual Agent.

1. This Agreement, dated February 13, 2019, is between
2. SELLER(S):

Fifth Street Realty
Cross Valley Centre, 667 North River Street, Plains, PA 18705

3. called "Seller," and BUYER(S):

MIMI Equities, LLC
317 Linden Street, Scranton, PA 18503

4. called "Buyer."

5. 2. PROPERTY. Seller hereby agrees to sell and convey to Buyer, who hereby agrees to purchase:
6. ALL THAT CERTAIN lot or piece of ground with buildings and improvements thereon erected, if any, known as:
7. 620-624-626 Wyoming Avenue

8. In the City of Scranton County of Lackawanna
9. Commonwealth of Pennsylvania. Identification (e.g., Tax ID#, Parcel #, Lot, Block, Deed Book, Page, Recording Date)
10. PIN: 14576-020-002 Record Book 8, Page 138

11. 3. TERMS (10-06)
12. (A) Purchase Price One Hundred Twenty-Five Thousand Dollars

13. which will be paid to Seller by Buyer as follows:

- | | | |
|--|----|------------------|
| 14. 1. Cash or check at signing this Agreement: | \$ | <u>10,000.00</u> |
| 15. 2. Cash or check within _____ days of the execution of this Agreement: | \$ | _____ |
| 16. 3. _____ | \$ | _____ |
| 17. 4. _____ | \$ | _____ |
| 18. 5. Cash or cashier's check at time of settlement: | \$ | _____ |

TOTAL \$ 115,000.00

19. (B) Deposits paid by Buyer within 30 DAYS of settlement will be by cash or cashier's check. Deposits, regardless of the form of
20. payment and the person designated as payee, will be paid in U.S. Dollars to Broker for Seller (unless otherwise stated here),
21.

22. who will retain deposits in an escrow account until consummation or termination of this Agreement in conformity with all applicable
23. laws and regulations. Any check tendered as deposit monies may be held uncashed pending the acceptance of this Agreement.

24. (C) Seller's written approval to be on or before February 14, 2019

25. (D) Settlement to be on March 29, 2019, or before if Buyer and Seller agree.

26. (E) Conveyance from Seller will be by fee simple deed of special warranty unless otherwise stated here:
27.

28. (F) Payment of transfer taxes will be divided equally between Buyer and Seller unless otherwise stated here:
29.

30. (G) At time of settlement, the following will be adjusted pro-rata on a daily basis between Buyer and Seller, reimbursing where applicable:
31. (taxes (see Notices and Information Regarding Real Estate Taxes); rents; interest on mortgage assumptions; condominium fees, if any;
32.

TAB 11B: SITE CONTROL DOCUMENTATION

PROJECT NAME	COUNTY	RACP FUNDING ROUND
Wyoming Ave Development	Lackawanna	2018

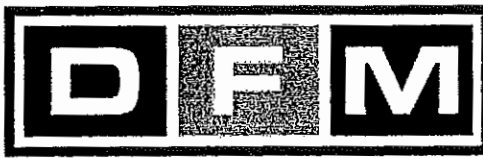
The Sub-Grantee, Mimi Equities LLC, is acquiring the properties at 614, 620, and 650 Wyoming Avenue in the City of Scranton, Lackawanna County, on March 22, 2019. A copy of the Agreement For Sale is attached for reference. A copy of the deeds will be supplied upon filing at Lackawanna County Recorder of Deeds Office.

TAB 12: BUSINESS SCORING SUMMARY

Not Applicable

TAB 13: PLANS AND SPECIFICATIONS

Complete Project plans and specifications are underway and will be completed and submitted in April of 2019. All plans and specifications are compliant with Tab 7 of this application and in accordance with ADA requirements.



REAL ESTATE • CONSTRUCTION • MANAGEMENT

www.dfmproperties.com

info@dfmproperties.com

317 Linden Street Scranton Pa 18503 (570) 344-1750

March 5, 2019

Tom Carter, Assistant Director
Redevelopment Assistance Capital Program
Bureau of Revenue, Capital & Debt
Office of the Budget, Commonwealth of Pennsylvania
18th Floor, Harrisstown 2
333 Market Street
Harrisburg, Pennsylvania 17101-2210

**RE: Wyoming Avenue Development
\$1,000,000 RACP Grant**

Dear Mr. Carter:

In accordance with the procedure for application for the Redevelopment Assistance Capital Program (RACP) Grant, please accept this request for a 10 month drawdown schedule relative to the above referenced RACP Grant award. We are requesting other than the normal 36-month drawdown schedule because the project will be completed in less than 36 months.

Thank you for your attention and consideration in this regard. If I may provide anything further, please don't hesitate to contact me at 570-241-3687 or via email at don@dfmproperties.com.

Sincerely,

Donald Mammano

President

Mimi Equities

TAB 14: FUNDING ACCUMULATION SCHEDULE

DIRECTIONS: Complete the 4 boxes immediately below, then enter amounts in the 3 highlighted cells. The balance of the form will self-calculate.

Applicant:	City of Scranton
Sub-Applicant:	Mimi Equities
Project Name:	Wyoming Avenue Development
Reason if requesting other than a 36-month drawdown schedule:	Project will be completed within 10 months

A. Redevelopment Assistance Grant:	\$1,000,000
B. Total Match (Non-RACP) Amount:	\$1,380,726
C. Total Project Funding (C = A + B):	\$2,380,726

Accumulation Per Month = Redevelopment Assistance Grant divided by 10 Months.

Month	Accumulation per month	Accumulated Amount
1	\$100,000	\$100,000
2	\$100,000	\$200,000
3	\$100,000	\$300,000
4	\$100,000	\$400,000
5	\$100,000	\$500,000
6	\$100,000	\$600,000
7	\$100,000	\$700,000
8	\$100,000	\$800,000
9	\$100,000	\$900,000
10	\$100,000	\$1,000,000
11	\$0	\$1,000,000
12	\$0	\$1,000,000
13	\$0	\$1,000,000
14	\$0	\$1,000,000
15	\$0	\$1,000,000
16	\$0	\$1,000,000
17	\$0	\$1,000,000
18	\$0	\$1,000,000
19	\$0	\$1,000,000
20	\$0	\$1,000,000
21	\$0	\$1,000,000
22	\$0	\$1,000,000
23	\$0	\$1,000,000
24	\$0	\$1,000,000
25	\$0	\$1,000,000
26	\$0	\$1,000,000
27	\$0	\$1,000,000
28	\$0	\$1,000,000
29	\$0	\$1,000,000
30	\$0	\$1,000,000
31	\$0	\$1,000,000
32	\$0	\$1,000,000
33	\$0	\$1,000,000
34	\$0	\$1,000,000
35	\$0	\$1,000,000
36	\$0	\$1,000,000

Tab 15: PERMITS, LIENSING, REGULATORY, AND LEGAL REQUIREMENTS

GENERAL

- Local Building Permits – will be available in March and April of 2019
- Demolition Permit – will be available in March of 2019
- Zoning Hearing Board – Required. The project was granted a variance on 1/9/2019 (Letter from City of Scranton Zoning Hearing Board is attached)
- Occupancy Permits – will be issued upon completion of the project in December 2019
- Utilities – the project property is currently served by water, sewer, electric and gas. See attached letter from Architects

HISTORICAL

- NOT APPLICABLE

ENVIRONMENTAL

- Phase 1 Environmental Assessment Report – See Attached
- Asbestos Abatement – in progress (non-RACP Scope)
- Lead Paint Abatement – lead paint report is in progress (non-RACP Scope)

Ernest J. Gazda, Jr. (Retired)

Law Offices

Ernest J. Gazda, Sr.
1908-1981

Daniel L. Penetar, Jr.

Gazda and Penetar

116 North Washington Avenue, Suite 2A
Scranton, Pennsylvania 18503

Phone 570-343-1141

Fax 570-341-2130

gazdapeneta@verizon.net

January 11, 2019

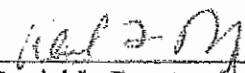
Donald Mammano d/b/a DFM Properties, LLC
317 Linden Street
Scranton, PA 18503

Dear Mr. Mammano:

Please be advised that, as a result of the Hearing held January 9, 2019, by the Scranton Zoning Hearing Board, your Application for a Variance has been granted as follows:

- (a) Property Address: 614 Wyoming Avenue
Scranton, PA
- (b) Variance:
1. Allow thirty-nine (39) off-street parking spots for the thirty-nine (39) apartments;
 2. Allow fifteen (15) of the apartments to be less than six hundred (600) square feet per Plans submitted;
 3. Allow relief from the five hundred (500) square foot per dwelling unit requirement.
- (c) Conditions: None

Very truly yours,


Daniel L. Penetar, Jr., Esquire

DLP/JR/wmb

cc: Jack Sweeney, Scranton Zoning Officer
Patrick J. Lavelle, Esquire



mechanical / electrical / plumbing / fire protection / technology / utility / energy

March 05, 2019

Design Management Group, LLC.
2007 PA Highway 315, Suite #202
Pittston, PA 18640

RE: Utilities for DFM Properties Scranton Apartments
614 Wyoming Avenue
Scranton, PA 18509

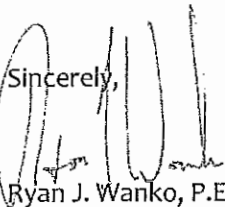
To Whom It May Concern,

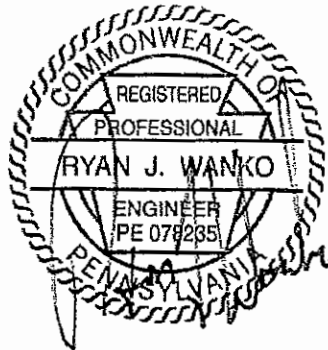
Please note that as the design professional overseeing the mechanical and electrical aspects of this project, our office has determined that the existing utilities are sufficient to support the planned redevelopment of the associated project.

Based on our analysis of the proposed uses, please note the following:

1. The existing 6" incoming water line is adequate to supply the water load of the apartments and retail spaces. The current apartment design as an estimated demand of 315 fixture units. This load is well short of the maximum allowable through the 6" service and provides for additional use of future retail tenants as required.
2. The existing 6" sanitary lateral is of sufficient capacity to allow for the estimated loading of 465 drainage fixture units.
3. The existing 2" gas service is of sufficient capacity to allow for the estimated loading of 1,500 MBH
4. The new electrical service will be 2000-amp, 120/208 V-3 PH-4 W, which is sufficient to facilitate the total load for the new fit-out at 1443 amps. This allows for an additional 557 amps to feed the house panels and commercial spaces.

Should you have any questions or need any additional information, please feel free to contact me at 570-299-7520, or email at ryan@dmgeng.com

Sincerely,

Ryan J. Wanko, P.E. / C.E.M. / LEED AP



ENVIRONMENTAL ASSESSMENT

PHASE I ENVIRONMENTAL SITE ASSESSMENT Of



Former Miller Building
614 Wyoming Avenue
Scranton, Pennsylvania

PREPARED BY:

SCE Environmental Group, Inc
PO Box 9166
Dickson City, PA 18519
570.383.4151
570.383.8225 (fax)
www.scenv.com

SCE CONTACT:

Jody Cordaro
President
570.383.4151 Ext. 104
jcordaro@scenv.com

Date of Report: May 10, 2010
On site Date: April 21, 2010

TABLE OF CONTENTS

SECTION 1	Certification
SECTION 2	Executive Summary
SECTION 3	Scope of Work
SECTION 4	User Provided Information <ul style="list-style-type: none">4.1 Title Records4.2 Environmental Liens or Activity and Use Limitations4.3 Specialized Knowledge4.4 Valuation Reduction for Environmental Liens4.5 Owner, Property Manager, and Occupant Information4.6 Reason for Performing Phase I
SECTION 5	Records Review <ul style="list-style-type: none">5.1 Standard Environmental Record Sources5.2 Additional Environmental Record Sources5.3 Physical Setting Sources5.4 Historical Use Information on the Property5.5 Historical Use Information on Adjoining Properties
SECTION 6	Site Reconnaissance
SECTION 7	Interviews <ul style="list-style-type: none">7.1 Interview with Owner7.2 Interview with Site Manager7.3 Interview with Occupants7.4 Interview with Local Government Officials7.5 Interview with Others
SECTION 8	Findings
SECTION 9	OPINION
SECTION 10	Conclusions
SECTION 11	Signature Page

APPENDICES

- APPENDIX A: Photographic Documentation
- APPENDIX B: EDR Report Radius Map with GeoCheck
- APPENDIX C: Maps and Aerial Photographs
- APPENDIX D: EDR City Abstract Report / Historical Topographic Map
- APPENDIX E: Training Certificate
- APPENDIX F: Supporting Documentation

1. CERTIFICATION

SCE Environmental Group, Inc. completed a Phase I Environmental Site Assessment of the former Miller Building (the "Project"), located at 614 Wyoming Avenue, Pennsylvania, 18503. The assessment was performed at the Client's request using the methods and procedures consistent with good commercial and customary practice designed to conform with acceptable industry standards.

This report is exclusively for the use and benefit of the Client and the client's lender. The purpose for which this report shall be used shall be limited to the use as stated in the contract between the client and SCE.

This report is not for the use or benefit of, nor may it be relied upon by any other person or entity, for any purpose without the advance written consent of SCE. In expressing the opinions stated in this report, SCE has exercised the degree of skill and care ordinarily exercised by a reasonable prudent environmental professional in the same community and in the same time frame given the same or similar facts and circumstances. Documentation and data provided by the Client, designated representatives of the Client or other interested third parties, or from the public domain, and referred to in the preparation of this assessment, have been used and referenced with the understanding that SCE assumes no responsibility or liability for their accuracy.

The independent conclusions represent our professional judgment based on information and data available to us during the course of this assignment. Factual information regarding operations, conditions, and test data provided by the Client or their representative has been assumed to be correct and complete. The conclusions presented are based on the data provided, observations, and conditions that existed on the date of the onsite visit.

If you have any questions regarding this report, please contact the undersigned listed below at 570.383.4151, Ext. 104.

Researched by: Mr. Dale R. Nat, Project Manager

Surveyed by: Mr. Dale R. Nat, Project Manager

Written by: Mr. Dale R. Nat, Project Manager

Reviewed by: Mr. Jody Cordaro, President

2. EXECUTIVE SUMMARY

SCE performed a Phase I Environmental Site Assessment, that included on-site observations of the accessible areas of (the "Project"), located at 614 Wyoming Avenue, Scranton, Pennsylvania, which consists of approximately 10,000 square feet of land containing one building totaling approximately 60,000 square feet. An adjacent lot to the rear of the property totaling approximately 2,000 square feet was included in the assessment.

The following summarizes the independent conclusions representing SCE's best professional judgment based on information and data available to us during the course of this assignment. Factual information regarding operations, conditions, and test data provided by the Client, owner, or their representative has been assumed to be correct and complete. Additionally, the conclusions presented are based on the conditions that existed at the time of the assessment.

The assessment was conducted utilizing generally accepted Phase I industry standards using the American Society for Testing and Materials (ASTM) Standard Practice E 1527-05 Scope of Work.

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527 of the Project. Any exceptions, to or deletions from, this practice are described in the Scope of Work Section.

Based on the results of the assessment, one recognized environmental condition (REC) was identified at the Project as listed below:

- Localized surface staining on the 1st floor garage floor. The dimension is approximately 9 square feet. There are no floor drains in the area and the spill can easily be cleaned up with absorbent material and disposed of accordingly.

In addition to the localized staining, the following non-scope items were noted: Suspect asbestos containing materials in the form of pipe insulation and floor tile. There was approximately 20 LF of pipe insulation and 500 square feet of floor tile.

The Project is not listed in any federal, state, or local regulatory databases as summarized in the Environmental Data Resources (EDR) Radius Map Report. There are no environmental program files at the Pennsylvania Department of Environmental Protection (DEP).

3. SCOPE OF WORK

SCE conducted a Phase I Environmental Site Assessment of the Project that consisted of a walk-through observation of the accessible areas and interviews with facility personnel and local agency representatives.

A Pre-Survey Questionnaire was completed as a part of this assessment which is included in the Appendices. The Questionnaire was completed with Marilee Barone, Realtor, and the Building Site Contact, Ken, for the Project. Information obtained from the Questionnaire has been used in the preparation of this report.

SCE reviewed available federal, state, and local records in an effort to identify sites of known or suspected hazardous waste activity located at or near the Project which could have an adverse impact on the Project. In an attempt to determine whether historical uses of the Project and surrounding area have had an environmental impact on the Project, SCE interviewed individuals knowledgeable about the Project and reviewed available pertinent records and documents. This assessment is based on the evaluation of the information gathered, laboratory analysis of samples collected (when required), and accessibility at the time of the assessment.

The purpose of this report is to provide the Client an assessment concerning environmental conditions (limited to those issues identified in the report) as they existed at the Project. The assessment was conducted utilizing generally accepted Phase I industry standards using the American Society for Testing and Materials (ASTM) Standard Practice E 1527-05 Scope of Work. The scope of work included an evaluation of:

- The Project history in an attempt to identify any possible ownership(s) and/or uses that would suggest an impact to the environmental integrity of the Project as identified through review of reasonably ascertainable standard historical sources.
- Physical characteristics of the Project as identified through review of reasonably ascertainable topographic, wetlands, flood plain, soils, geology, and groundwater data.
- Current Project conditions (as applicable), including compliance with appropriate regulations as they pertain to the presence or absence of:
 - Facility storage tanks, drums, containers (above or below ground), etc.
 - Transformers and other electrical equipment which utilize fluid which may potentially contain PCBs
 - The use of hazardous materials/chemicals and petroleum products, and/or the generation, treatment, storage, or disposal of hazardous, regulated, or medical wastes
- A screening approach for the potential existence of:
 - Asbestos, including the identification of all suspect materials in accessible areas (interior and exterior)

- This screening approach is not a comprehensive (i.e., AHERA-Style) asbestos survey, nor is it intended to fulfill the NESHAP requirements for demolition/renovation purposes, but is intended to identify the potential for an asbestos hazard in accessible areas. This visual screening is not intended to be used for demolition, abatement, renovation, or repair work.

The basis for "suspect" determination is taken from the materials listed in the United States Environmental Protection Agency (USEPA) publication *Managing Asbestos in Place* (the "Green Book"). All materials listed in the Green Book which were installed prior to 1981 are considered suspect with the exception of resilient floor tile, asbestos-cement board (transite), and roofing felt, which are considered suspect regardless of installation date (these materials continue to be manufactured and installed in the United States).

- Radon gas propensity, through the review of the USEPA's Map of Radon Zones and radon gas concentrations through the exposure and analysis of canisters, using the charcoal liquid scintillation method for all residential properties.
- Lead-based paint for properties constructed prior to 1978. The basis for this determination is taken from the Lead Paint Poisoning Act passed by the Congress of the United States that banned the use of lead paint starting January 1, 1978. Therefore, all paint applied prior to 1978 is considered suspect.
- Lead in water, based on information provided by the municipal water provider.
- Mold, including the identification of visible mold growth, conditions conducive for mold growth, and evidence of moisture in accessible areas of the Project. In addition, SCE interviewed Project personnel regarding any known or suspected mold contamination, water intrusion, or mildew like odor problems. Sampling was not being performed as a part of this assessment. SCE notes that this assessment does not constitute a comprehensive mold survey of the Project, and the conclusions made are based solely on observable conditions in readily accessible interior areas of the Project on the assessment date.
- An evaluation of information contained in programs such as the NPL, CERCLIS, SHWS, RCRIS, SWF, LUST, and other governmental information systems within specific search distances of the Project. This evaluation was performed to identify any sites that would have the potential to impact the environmental integrity of the Project.

The regulatory agency report provided is based on an evaluation of the data collected and compiled by a contracted data research company. The report is based on a radius search which focuses on both the Project and neighboring sites that may impact the Project. Neighboring sites listed in governmental environmental records are identified within a specific search distance. The search distance varies depending upon the particular government record being checked. The search is designed to meet the requirements of ASTM Standard E 1527-05. The information provided is assumed to be correct and complete.

- Visual observation of the adjacent properties to identify high-risk neighbors and the potential for known or suspected contamination to migrate onto the Project.

4. USER PROVIDED INFORMATION

4.1 Title Records

Based upon a review of available records and interviews conducted, the subject property at 614 Wyoming Avenue, Scranton, Pennsylvania is currently used for storage. The property is deeded in the name of Angelo Grasso. The deed is dated September 30, 1998. The deed for the property located in Book 1640 Pages 192 and references three parcels.

4.2 Environmental Liens or Activity and Use Limitations

Based upon the interviews conducted and a review of the available information supplied by EDR, there are no environmental liens or activity and use limitations listed against the parcels. A search of the Federal Superfund Liens database also showed there are no environmental liens.

4.3 Specialized Knowledge

All specialized knowledge or experience regarding recognized environmental conditions in connection with this property was listed in this report. No specialized knowledge or experience obtained during the interview or file review process was withheld from this report.

4.4 Valuation Reduction for Environmental Issues

Based upon an interview with the current owners, review of available records and site reconnaissance of the property no visible soil contamination was observed.

4.5 Owner, Property Manager, and Occupant Information

The information obtained from interviews as part of this Phase I environmental site assessment is listed in Section 7 of this report.

4.6 Reason for Performing Phase I

This Phase I Environmental Site Assessment was prepared in accordance with ASTM E1527-05 at the request of Joe Ferrario of Ferrario Insurance Agency for property acquisition purposes. The standard utilized for this project is considered the "industry standard" and demonstrates a reasonable standard of care.

5. RECORDS REVIEW

5.1 Standard Environmental Record Sources

The following standard databases were searched and compiled by Environmental Data Resources, Inc. (EDR), 440 Wheelers Farms Road, Milford, CT 06890. Any sites that fell within the ASTM-defined radii of the subject property are listed below and detailed in EDR's report as listed in Appendix B.

The Project is not listed in any regulatory databases. The adjacent sites are listed below. Detailed information for each site can be found in Appendix B. Based upon operational use, topographic gradient, and distance from the Project, the adjacent sites listed below are not considered a recognized environmental condition for the Project. The orphan sites which were unmappable and summarized in the EDR report were not considered to pose an environmental recognized condition for the Project.

Database Findings:

The subject property was not listed on the UST database searched by EDR. The following adjacent properties within a 1/2 mile radius were listed:

A1 – DG Nicholas Manufacturing

601 Wyoming Ave., Scranton, PA 18509

Distance / Elevation: < 1/8 mile / Equal elevation

Direction: WSW

Databases: RCRA-SQG, FINDS, MANIFEST

Based on review of the USGS Topographic Map, this site is located topographically equal elevation from the Project and estimated groundwater flow in the area of the sites is to the general northwest. Information in the RCRA-SQG, FINDS, MANIFEST databases indicates the site disposed Arsenic. Furthermore, this site was not identified on the any database which reports releases or spills such as the NPL, SHWS, or CERCLIS Listings. Based on regulatory status, distance, and topographic relations this site is not anticipated to have adversely impacted the environmental integrity of the Project.

A2 – DG Nicholas Manufacturing

601 Wyoming Ave., Scranton, PA 18509

Distance / Elevation: < 1/8 mile / Equal elevation

Direction: WSW

Databases: AST

Information in the AST database indicates the site is currently operating an above ground storage tank. Based on regulatory status, distance, and topographic relations this site is not anticipated to have adversely impacted the environmental integrity of the Project.

A3 – PPL Ctl City Substation

Oakford Ct./Olive St., Scranton, PA 18509

Distance / Elevation: < 1/8 mile / Lower elevation

Direction: WNW

Databases: Act 2 DEED/VCP

Information in the Act 2 Deed/VCP database indicates the site cleaned up PCB materials from the substation.. Based on regulatory status, distance, and topographic relations this site is not anticipated to have adversely impacted the environmental integrity of the Project.

A4 – PPL Pole 5729N46144

Penn/Olive St, Scranton, PA 18509

Distance / Elevation: < 1/8 mile / Lower elevation

Direction: WNW

Databases: VCP

Information in the VCP database indicates the site cleaned up PC materials from a pole mounted transformer. Based on regulatory status, distance, and topographic relations this site is not anticipated to have adversely impacted the environmental integrity of the Project.

A5 – Able Brake

510-512 Wyoming Ave., Scranton, PA 18509

Distance / Elevation: < 1/8 mile / Higher elevation

Direction: SW

Databases: RCRA-CESQG, FINDS, MANIFEST

Information in the RCRA-CESQG, FINDS, MANIFEST database indicates the site used and disposed tetrachloroethylene. Based on regulatory status, distance, and topographic relations this site is not anticipated to have adversely impacted the environmental integrity of the Project.

A6 – Dunmore Oil Co.

524 Penn Ave., Scranton, PA 18509

Distance / Elevation: 1/8 – 1/4 mile / Equal elevation

Direction: WSW

Databases: LUST

Information in the LUST database indicates there was a previously leaking underground storage tank. Based on regulatory status (closed), distance, and topographic relations this site is not anticipated to have adversely impacted the environmental integrity of the Project.

REMAINING PLOTTED SITES

Based on regulatory status, distance, and topographic relations this site is not anticipated to have adversely impacted the environmental integrity of the Project.

Federal ASTM Standard Records

NPL	National Priority List
Proposed NPL	Proposed National Priority List Sites
CERCLIS	Comprehensive Environmental Response, Compensation, and Liability Information System
CERCLIS-NFRAP	CERCLIS No Further Remedial Action Planned
CORRACTS	Corrective Action Report
RCRIS	Resource Conservation and Recovery Information System
ERNS	Emergency Response Notification System

State of Pennsylvania ASTM Standard Records

SHWS	Hazardous Sites Cleanup Act Site List
PA SWF/LF	Solid Waste Facility Inventory/Transfer Stations, Operating Facilities, Transfer Stations, Inactive Solid Waste Landfill
LUST	Storage Tank Release Sites
AST	Above Ground Storage Tanks
UST	Listing of Pennsylvania Regulated Underground Storage Tanks
MANIFEST	Hazardous Waste Manifest information
VCP	Voluntary Cleanup Program Sites
ARCHIVE UST	Archived Underground Storage Tank Sites

5.2 Additional Environmental Record Sources

The following supplemental databases were searched and compiled by Environmental Data Resources, Inc. (EDR), 440 Wheelers Farms Road, Milford, Connecticut 06890. A detailed summary of each database is listed in Appendix 1.

Federal ASTM Supplemental Records

BRS	Biennial Reporting System
CONSENT	Superfund (CERCLA) Consent Decrees
ROD	Records of Decision
Delisted NPL	National Priority List Deletions
FINDS	Facility Index System/Facility Identification Initiative Program
HMIRS	Hazardous Materials Information Reporting System
MLTS	Material Licensing Tracking System

MINES	Mines Master index File
NPL Liens	Federal Superfund Liens
PADS	PCB Activity Database System
DOD	Department of Defense Sites
STORMWATER	Storm Water General Permits
US BROWNFIELDS	A Listing of Brownfield Sites
RMP	Risk Management Plans
RAATS	RCRA Administrative Action Tracking System
TRIS	Toxic Chemical Release Inventory System
TSCA	Toxic Substances Control Act
FTTS INSP	FIFRA/TSCA Tracking System
SSTS	Section 7 Tracking Systems
FTTS	FIFRA/TSCA Tracking System
DRYCLEANERS	Drycleaners

State of Pennsylvania ASTM Supplemental Record

AST	Listing of Pennsylvania Regulated Aboveground Storage Tanks
LAST	Storage Tank Release Sites
ACT 2 - DEED	Act 2-Deed Acknowledge Sites
UNREG L Tanks	Unregulated Tank Case
HIST LF	Abandoned Landfill Inventory
ARCHIVE AST	Archived Aboveground Storage Tank Sites

EDR Proprietary Historical Databases

FORMER MANUFACTURED GAS (COAL GAS) SITES

Brownfield Databases

AUL	Engineering and Institutional Controls at Act 2 Sites
VCP	Voluntary Cleanup Program Sites
BROWNFIELDS	Brownfields Sites
US BROWNFIELDS	A listing of Brownfield Sites

Other Databases

Oil/Gas Pipelines
Electric Power Transmission Line Data
Sensitive Receptors
Flood Zone Data
NWI

5.3 Physical Setting Source

A review of the USGS 7.5 minute topographic map of the Physical Setting Source Map – Scranton, PA, as listed in Appendix B was used to determine topographic information, hydrologic information, geologic data, and regional groundwater flow information.

1. Based upon the USGS Topographic Map, 41075-D6, Scranton Quad – PA, the general topographic gradient is to the general west.
2. Based upon the hydrologic data, a National Wetlands Inventory Map is listed as NWI Quad – Scranton.
3. The geologic age identification is of the Stratified Sequence category. The Rock Stratigraphic Unit is the Paleozoic Era, Pennsylvanian System, Des Moines Series, Code PP2. The geologic mapping of the area shows the underlying depth to the bedrock is greater than one hundred and two inches.
4. Based upon EDR's AQUIFLOW Information System, the general direction of the groundwater flow is inferred to be to the west. There were no wells found on the subject property.

5.4 Historical Use Information on the Property

The Project is approximately 100 years old. The current site contained residential dwellings back to the 1919 date as identified on the Sanborn map. The site was undeveloped as indicated on the 1898 Sanborn map.

Deed records for the subject property identify the current owner as Angelo Grasso, as owner. Sanborn fire insurance maps were available for the subject property.

5.5 Historical Use Information on Adjoining Properties

Based upon interviews and a review of available records, the adjoining properties are utilized for commercial purposes. The land in the immediate area has been used for commercial purposes dating back to the late 1880's.

6. SITE RECONNAISSANCE

Property Summary	
Address:	614 Wyoming Avenue Scranton, Pennsylvania
On site Point of Contact (POC)	Marilee Brown, Realtor and Building contact-Ken.
Areas accessed:	Included all interior areas; all common areas; all exterior areas and the Project boundaries.
Inaccessible areas:	Roof.
Weather conditions:	Partly cloudy, with temperatures in the mid 70's (°F).
Current Project use:	The Project is currently used as a commercial building to support a hauling business. The business cleans out estate, attics, basements. Dumpsters are also provided for the sites. Anything of value during the clean-outs is brought back to the building sorted and recycled. The useable items are stored on floors 2-5 and sold to public. There is a garage on 1 st floor used for limited service (oil changes) of the in-house vehicles.
Land area:	Approximately 1 acre.
Construction/renovation date(s):	Approximately 1919
Improvements:	Project improvements consist of one six story building and a one-story garage with minimal landscaping, paved sidewalks and paved parking lot.
Adjacent Property:	North: Commercial building – Car Quest / Lumber Yard East: Commercial Building – Paint Shop South: Residential Apartments (HUD) - unoccupied West: Commercial Building – Apartment Building
Water/sewer service:	The Project is serviced by public water, electrical, gas and sanitary sewer systems.
Mechanical/HVAC systems:	Heat and air-conditioning are supplied to the Project from combination electrically operated and natural gas-fired units.
Topography	Sloped land with a topographical gradient of general west. Source: Topographic Quadrangle, published by the United States Geological Survey (USGS)
Wetlands	A National Wetlands Inventory (NWI) Map for the area of the Project, published by the United States Fish and Wildlife Service, was identified at the local agencies visited as a part of this assessment. A USGS Topographic Map and observations during the on site assessment identified the following: - No surface water features or vegetation indicative of wetland areas (i.e., cattails and sedges) were identified at the Project or adjacent properties.
Floodplain	Review of the Flood Insurance Rate Map, published by the Federal Emergency Management Agency (FEMA) and dated 1999 indicated the following: - The Project is not located within the 100 and 500 year flood plain of the Lackawanna River

Assessment component	Result:
Operational Activities/Noteworthy Tenants	Currently, there are no activities that would result in a recognized environmental condition with the exception of on-site oil changes of fleet trucks. The current oil is labeled in 55 gallon drum. No floor drains were noted in the area.

ENVIRONMENTAL ASSESSMENT

Assessment component	Result:
Hazardous Materials and Petroleum Products Storage/Handling	There were no hazardous materials stored on-site above 5 gallons, with the exception of the 5/30 W oil stored in a 55 gallon manufacturers drum.. Chemicals include routine maintenance and cleaning chemicals No environmental concerns were noted.
Waste Generation, Treatment, Storage, and Disposal	The site maintains over 20 dumpsters as part of its operations. Once waste is segregated and sorted from hauling jobs, the additional waste is trucked to the landfill. No environmental concerns noted.
Polychlorinated Biphenyls (PCBs)	The Project is supplied with underground utilities. No suspect PCBs containing equipment was observed.
Asbestos-Containing Materials (ACM)	Based on the age of the building, the following suspect asbestos-containing materials were observed: <ul style="list-style-type: none"> • 9"x9" floor tile and associated mastic in multiple colors located on second floors. • Linoleum (sheet goods) on 2nd and 3rd floors. • Pipe and pipe fitting insulation on the fourth floor. • Sheetrock and joint compound • Wall and ceiling plaster
Radon Gas	The site is located within EPA Zone 1 with an average indoor level >4 pCi/L. Radon sampling was not performed as a part of this assessment.
Lead-Based Paint (LBP)	Based upon the age of the building, the paint is considered suspect lead-based paint. A lead-based paint survey was not conducted as part of this assessment.
Lead-in-Drinking Water	According to a representative of the local water utility, the water supplied to the Project is within federal, state, and local drinking water quality standards.
Facility Storage Tanks and Pipelines (above or belowground)	No above ground or underground storage tanks were observed at the facility.
Surface Areas	No evidence of spills or staining was observed in the areas of hazardous material/petroleum product or waste generation/pre-disposal storage., with the exception of the one small (3'x3") area of surfacing staining on the garage floor from a parked vehicle. No environmental concerns were noted with surface areas.
Mold	SCE did not observe obvious visual indications of the presence of mold, conditions conducive to mold, or evidence of moisture in readily accessible interior areas of the Project building.

1. INTERVIEWS

7.1 Interviews with Owner

Marilee Barone, Realtor provided background information on the site. The owner was not available for interview, but his Site Contact, Ken, provide information on history of site.

7.2 Interview with Site Manager

The Building Site Contact, Ken, provided access to the site. He is currently assists the owner with the building operations and business. He has been with the owner for 8 years.

He provided access to all accessible areas of the building with exception of the roof. He was unaware of any recognized environmental conditions. He stated the current operations support the hauling and clean-out business. Re-useable items are sold on-site to the public in a flea market setting on floors 2-4.

7.3 Interview with Occupant

There were no occupants in the buildings at the time of the assessment, with the exception of the Building Owners representative and his assistant. The site contact was the only person interviewed during the site assessment.

7.4 Interviews with Local Government Officials

A file review was requested at the PADEP Wilkes-Barre office. Based upon a telephone conversation with Debbie of Records Management, no files for the subject property existed.

7.5 Interviews with Others

No others were interviewed during the site reconnaissance, due to confidentiality of the pending sale.

2. FINDINGS

SUBJECT PROPERTY FINDINGS:

1. The subject property contains one recognized environmental condition (RECs) based upon a review of available records and a site reconnaissance of the property. Localized oil staining related to oil changing of in-house vehicles on the 1st floor garage.
2. Based upon a review of available records, no environmental liens or activity or use limitations were noted for the subject property during the lien search process.
3. No violations or noncompliance issues for the subject property were listed in the federal and state databases, specifically, the EPA Civil Enforcement Docket (DOCKET).
4. Based upon the adjacent sites as plotted within the appropriate radii surrounding the subject property, there were no existing violations or reported releases as listed in Appendix B within EDR's report.
5. Based upon the construction date there are suspect asbestos containing materials. The suspect containing items were in the form of pipe insulation, pipe fitting insulation, floor tile and mastic. The suspect asbestos containing materials must be sampled prior to renovation or demolition.
6. Based on the age of construction suspect lead-based paint was observed. The paint was in fair to poor condition with loose and peeling paint observed in select locations during the assessment. If the suspect lead-based paint is disturbed during future renovation or demolition, they should be sampled.

9. OPINION

Based upon a review of the available information, it is the opinion of Dale R. Nat, Environmental Professional (EP), one recognized environmental condition or historical recognized environmental is currently present: *Localized surface staining on the 1st floor garage floor. The dimension is approximately 9 square feet. There are no floor drains in the area and the spill can easily be cleaned up with absorbent material and disposed of accordingly. They typical cost for this type of clean-up is several hundred dollars.*

Non-scope items in the form of suspect asbestos containing floor tile and pipe insulation are present in limited quantities on the 2nd and 4th floors. An asbestos operations and maintenance program should be implemented to effectively manage asbestos containing materials in place. The typical cost for an asbestos O&M plan is approximately \$800.00

This opinion is based upon documentation and actual knowledge gathered from site reconnaissance, regulatory review, historical documentation review and interviews conducted during the assessment.

10. CONCLUSIONS

This assessment was conducted in accordance with the ASTM standard for Environmental Site Assessments, E1527-05. Any exceptions to, or deletions from, this standard are described in Section 2.2 of this report.

This assessment has revealed evidence of one recognized environmental condition in connection with the subject property that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property listed as follows.

- Localized surface staining on the 1st floor garage floor. The dimension is approximately 9 square feet. There are no floor drains in the area and the spill can easily be cleaned up with absorbent material and disposed of accordingly.

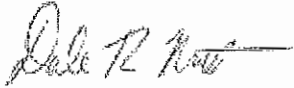
Since Phase I Environmental Site Assessments are static in time, the findings and conclusions summarized within this report are representative of conditions that existed at the time of the assessment.

The findings and conclusions are based upon available information and the visual conditions that existed at the time of this assessment which constitutes "all appropriate inquiry." SCE Environmental Group cannot render any conclusions of the subsurface conditions, since no testing of this type was conducted.

The enclosed findings and conclusions are based upon information gathered between the periods of April 13 and May 4, 2010.

11. SIGNATURE PAGE

This report was prepared in accordance with ASTM E-1527-05, "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process." The site reconnaissance for this assessment was conducted on April 21, 2010.



Signature
Environmental Professional (EP)

May 10, 2010
Date

APPENDICES

- APPENDIX A: Photographic Documentation
- APPENDIX B: EDR Report Radius Map with GeoCheck
- APPENDIX C: Maps and Aerial Photographs
- APPENDIX D: EDR City Abstract Report / Historical Topographic Map
- APPENDIX E: Training Certificate
- APPENDIX F: Supporting Documentation

APPENDIX A:
PHOTOGRAPHIC DOCUMENTATION

ENVIRONMENTAL ASSESSMENT



Photo #1: Front of building looking northwest.



Photo #2: Adjacent property looking north.



Photo #3: Rear of Building.



Photo #4: Rear of property from open rear door.



Photo #5: Side of building.



Photo #6: Side of building looking south.

ENVIRONMENTAL ASSESSMENT

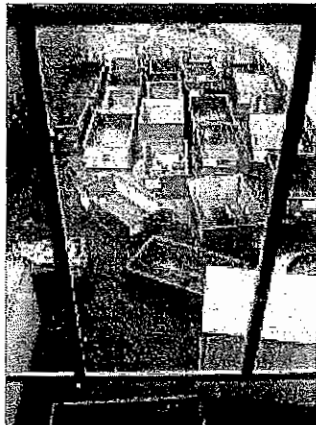


Photo #17: Adjacent parcel to northeast. Used for dumpster storage.



Photo #18: Looking north west from side entrance.

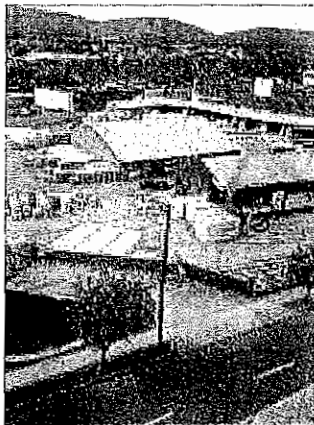


Photo #9: Lumber yard to the north.

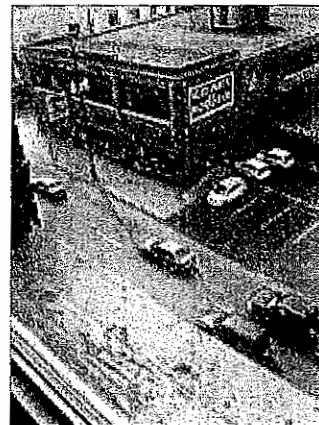


Photo #10: Car quest across the street to north west.

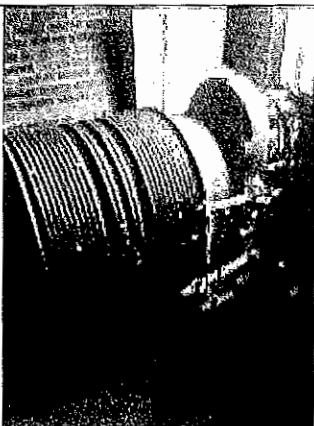


Photo #11: Elevator cable with electric motor. No hydraulic fluid noted.



Photo #12: Localized oil staining seen in garage - REC.

ENVIRONMENTAL ASSESSMENT



Photo #13: Suspect asbestos containing pipe insulation



Photo #14: Suspect asbestos containing floor tile.



Photo #15: Adjacent portal to building used for dumpster storage.



Photo #16: Typical north west front side entrance.



Photo #17: Typical current use of building with contents for sale.



Photo #18: Suspect lead-based paint.

ENVIRONMENTAL ASSESSMENT

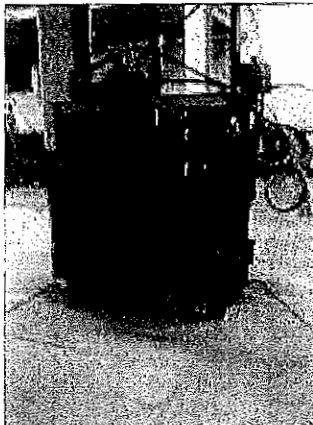


Photo Bailer on 1st floor. No hydraulic fluid.
#19:

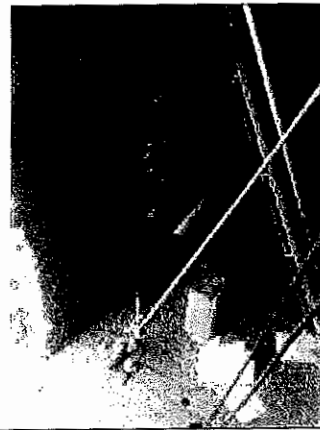


Photo Former heat system piping from old
#20: wall mounted radiators.

ENVIRONMENTAL
ASSESSMENT

APPENDIX B:
EDR REPORT RADIUS MAP WITH GEOCHECK

APPENDIX C:
MAPS AND AERIAL PHOTOGRAPHS

**APPENDIX D:
EDR CITY ABSTRACT REPORT / HISTORICAL
TOPOGRAPHIC MAP**

APPENDIX E:
TRAINING CERTIFICATE

APPENDIX F:
SUPPORTING DOCUMENTATION

ENVIRONMENTAL
ASSESSMENT

TAB 16: FLOOD ZONE REQUIREMENTS

Please find attached a Flood Insurance Rate Map that shows the project at 614 Wyoming Avenue is outside of the flood zone.

ing wall of Conrail

f North Scranton
iver.

34" located in the
inline bridge over

r of the Scranton

all of the Hickory

t of the Conrail

e southeast corner

South Washington

edar Avenue bridge

of bridge carrying

utment of bridge
n Nay Aug Park.

of Myrtle Street

ll of the Ash Street

South Washington
k.

ing wall, northeast
d bridge over Staf-

pet of Remington

et of Cedar Avenue

Brook Street and

Elm Street culvert

of South Webster
k.

of culvert carrying
book under Conrail.

f Stafford Avenue

NATIONAL FLOOD INSURANCE PROGRAM

FIRM FLOOD INSURANCE RATE MAP

CITY OF
SCRANTON,
PENNSYLVANIA
LACKAWANNA COUNTY

PANEL 15 OF 25

(SEE MAP INDEX FOR PANELS NOT PRINTED)

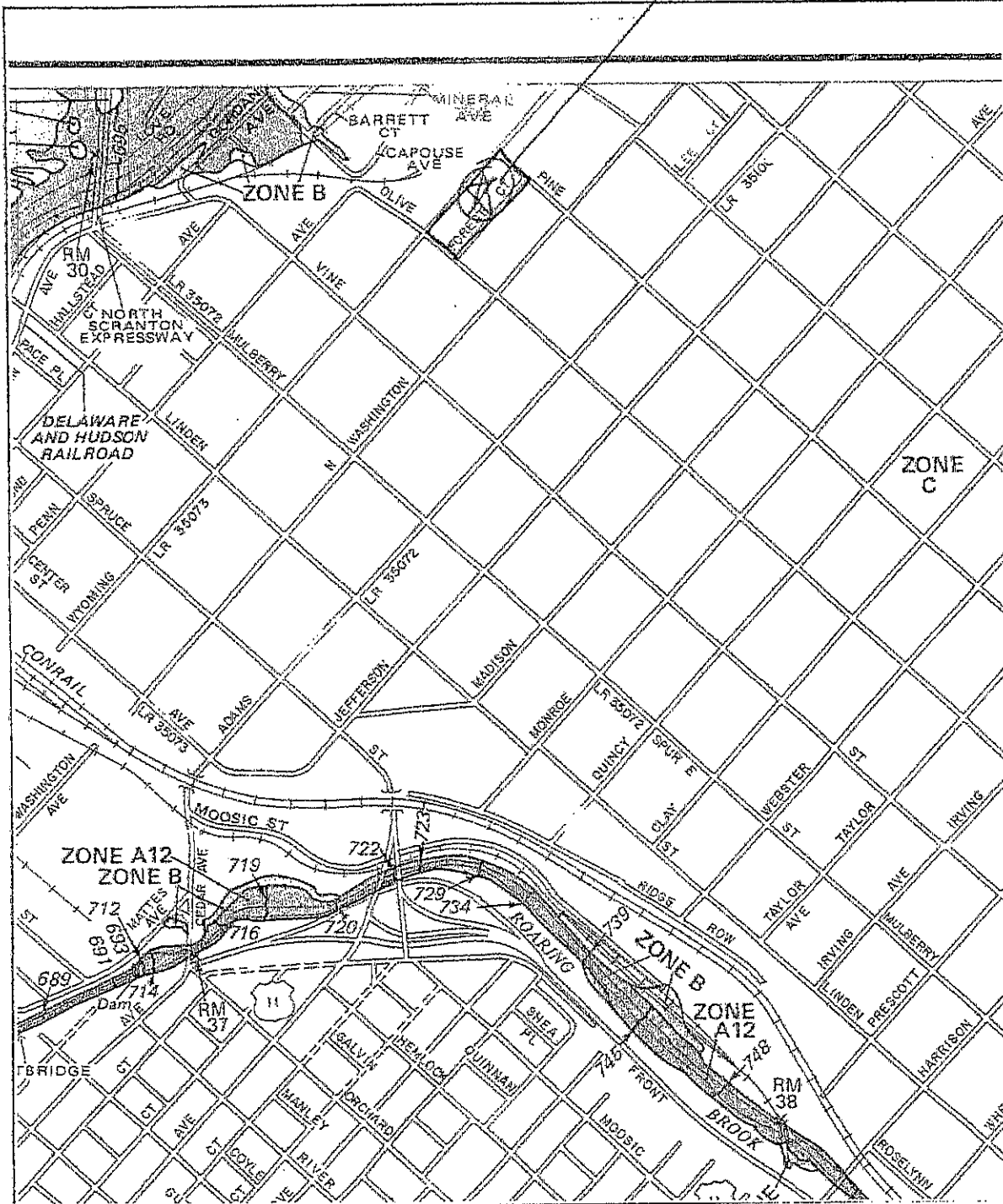
COMMUNITY-PANEL NUMBER
420538 0015 B

EFFECTIVE DATE:
AUGUST 15, 1980



U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
FEDERAL INSURANCE ADMINISTRATION

7614 Wyoming



APPROXIMATE SCALE

800 0 800 FEET

NATIONAL FLOOD INSURANCE PROGRAM

FIRM
FLOOD INSURANCE RATE MAP

CITY OF
SCRANTON,
PENNSYLVANIA
LACKAWANNA COUNTY

PANEL 15 OF 25
(SEE MAP INDEX FOR PANELS NOT PRINTED)

COMMUNITY-PANEL NUMBER
420536 0015 B

EFFECTIVE DATE:
AUGUST 15, 1980



U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
FEDERAL INSURANCE ADMINISTRATION

This is an official copy of a portion of the above referenced flood map. It was extracted using FIRMette - Desktop version 3.0. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. Further information about National Flood Insurance Program flood hazard maps is available at <http://www.fema.gov>

KEY TO MAP

500-Year Flood Boundary	—————
100-Year Flood Boundary	—————
Zone Designations* With Date of Identification e.g., 12/2/74	
100-Year Flood Boundary	—————
500-Year Flood Boundary	—————
Base Flood Elevation Line With Elevation In Feet**	~~~~~ 513 ~~~~~
Base Flood Elevation In Feet Where Uniform Within Zone**	(EL 987)
Elevation Reference Mark	RM7 X
River Mile	• M1.5

**Referenced to the National Geodetic Vertical Datum of 1929

*EXPLANATION OF ZONE DESIGNATIONS

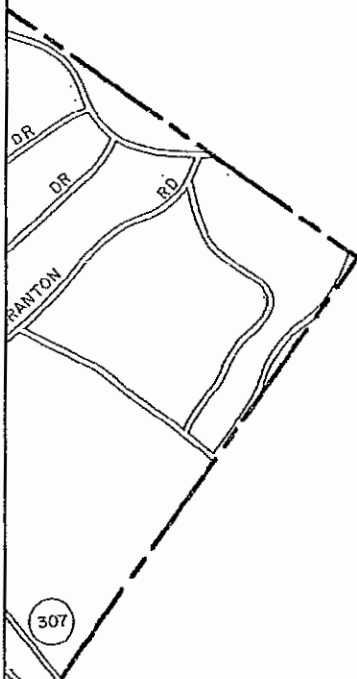
ZONE	EXPLANATION
A	Areas of 100-year flood; base flood elevations and flood hazard factors not determined.
A0	Areas of 100-year shallow flooding where depths are between one (1) and three (3) feet; average depths of inundation are shown, but no flood hazard factors are determined.
AH	Areas of 100-year shallow flooding where depths are between one (1) and three (3) feet; base flood elevations are shown, but no flood hazard factors are determined.
A1-A30	Areas of 100-year flood; base flood elevations and flood hazard factors determined.
A99	Areas of 100-year flood to be protected by flood protection system under construction; base flood elevations and flood hazard factors not determined.
B	Areas between limits of the 100-year flood and 500-year flood; or certain areas subject to 100-year flooding with average depths less than one (1) foot or where the contributing drainage area is less than one square mile; or areas protected by levees from the base flood. (Medium shading)
C	Areas of minimal flooding. (No shading)
D	Areas of undetermined, but possible, flood hazards.
V	Areas of 100-year coastal flood with velocity (wave action); base flood elevations and flood hazard factors not determined.
V1-V30	Areas of 100-year coastal flood with velocity (wave action); base flood elevations and flood hazard factors determined.

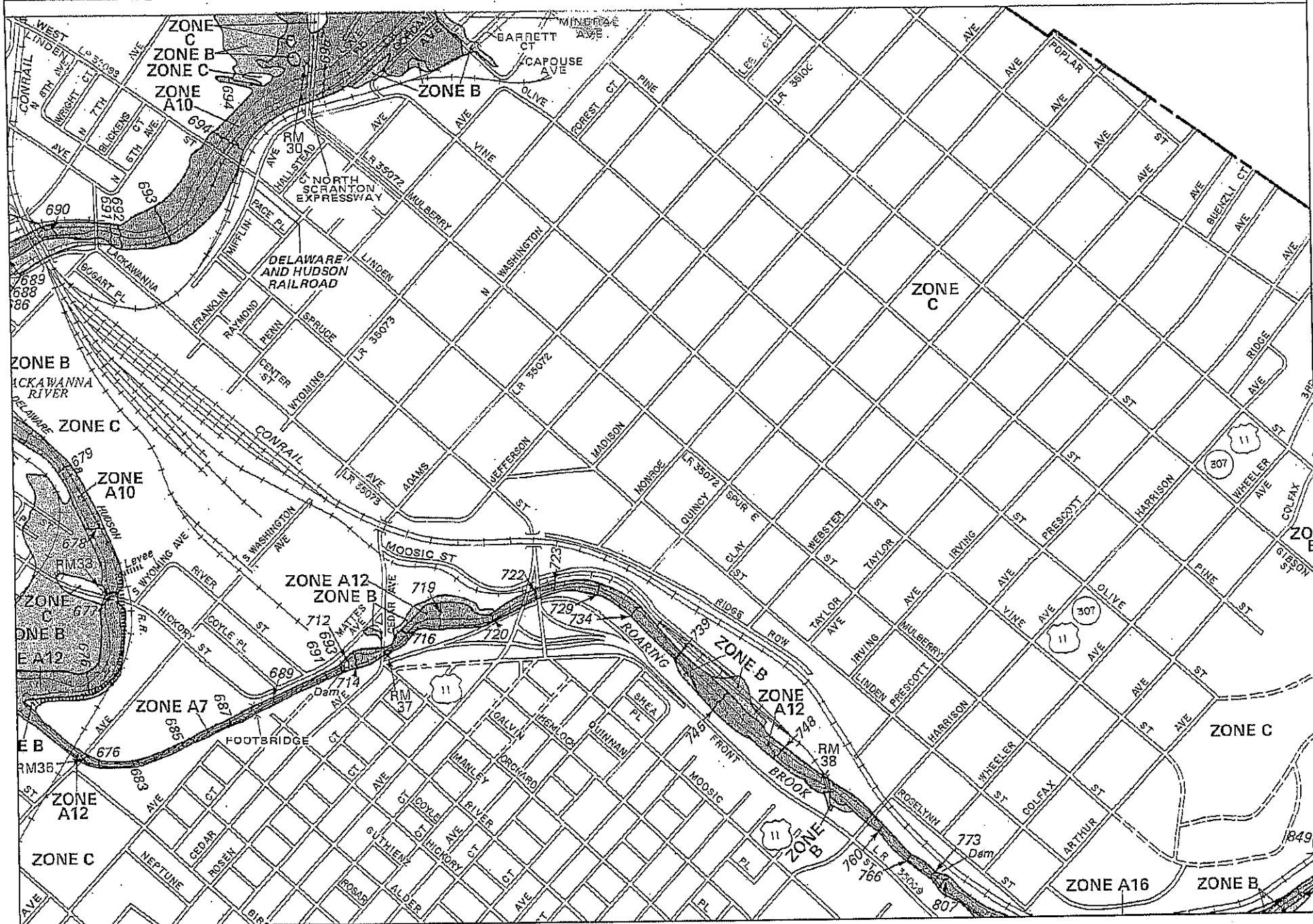
NOTES TO USER

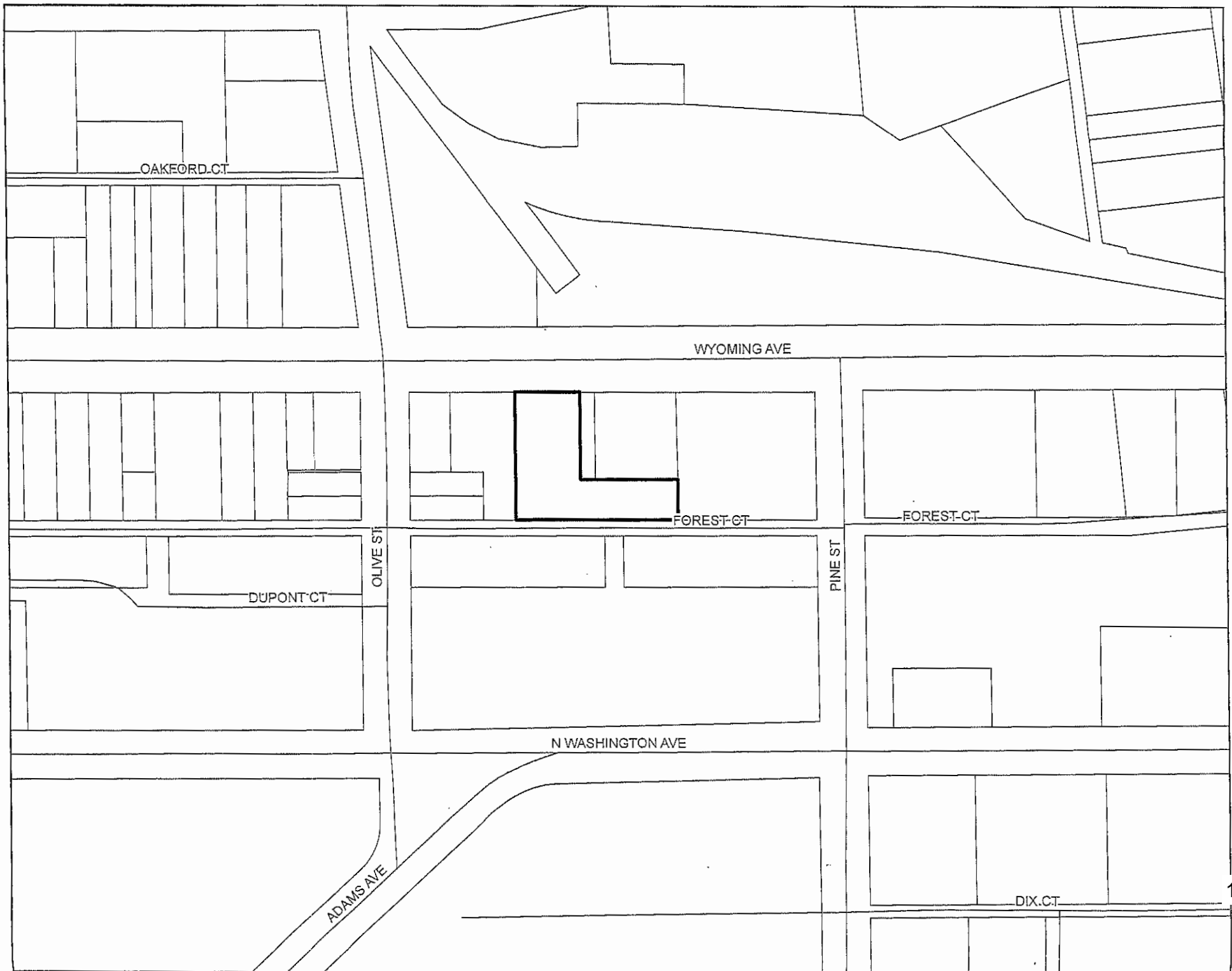
Certain areas not in the special flood hazard areas (zones A and V) may be protected by flood control structures.

This map is for flood insurance purposes only; it does not necessarily show all areas subject to flooding in the community or all planimetric features outside special flood hazard areas.

For adjoining map panels, see separately printed Index To Map Panels.







TAB 17: COMMUNITY PARTICIPATION

Please see attached news articles from the Scranton Times on Scranton City Council supporting grants for Wyoming Ave project.

2019 Grant Money - New Grant Applications

Get Funding Now. Easy Applications. Deadlines are Approaching Fast!
newusafunding.com

OPEN

City seeks grants to fund downtown projects

JIM LOCKWOOD, STAFF WRITER / PUBLISHED: OCTOBER 23, 2018

2019 Grant Money

New Grant Applications

Get Funding Now. Easy Applications.
Deadlines are Approaching Fast!

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2019 Grant Money

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Ultimate Health ...

Gundry MD

The Non-Verbal Signs Your Dog Is
Giving You

Ultimate Pet Nutrition Nutra Thrive Supplement

U.S. Cardiologist: It's Like a Pressure
Wash for Your Insides

Gundry MD Total Restore Supplement

3 Skin Mistakes Women Keep Making

Beverly Hills MD

by Taboola

SCRANTON — The city plans to seek state grants for several projects downtown, including a developer's plan to convert a vacant warehouse at 614 Wyoming Ave. into an office building.

Council voted 4-0 — with President Pat Rogan, Tim Perry, Bill Gaughan and Wayne Evans all in favor, and Kyle Donahue absent — to introduce a resolution authorizing the city to apply for a \$500,000 state gaming grant for developer Don Mammano's warehouse renovation project.

Mammano's plan, which has a total cost of about \$5.8 million, calls for his firm, Electric City Development LLC of 317 Linden St., to buy the former, six-story warehouse and two adjacent properties. He initially would renovate the first two floors of the warehouse into office space, demolish an adjacent building and create a two-tiered parking area for 104 vehicles, according to the gaming grant application.

Mammano, president of DFM Properties and Mimi Equities, also recently received a different state grant of \$1 million, from the

ARTICLE TOOLS

FONT SIZE

— +

SHARE THIS



Rear of former warehouse at 614 Wyoming Ave. in Scranton. JIM LOCKWOOD/STAFF PHOTO



Vines on side and rear of former warehouse at 614 Wyoming Ave. in Scranton. JIM LOCKWOOD/STAFF PHOTO



Are you the Cutest Couple?

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WENDELL DAVIS
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[High School Sports Blog](#)

2019 Grant Money

New Grant Applications

Get Funding Now. Easy Applications.
Deadlines are Approaching Fast!

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OPEN



Redevelopment Assistance Capital Program, or RACP, for the 614 Wyoming Ave. project. This application says the project would renovate all six floors into an office building.

During council's meeting, resident Joan Hodowanitz noted the gaming grant application calls for renovation of two floors only, and asked about the other four floors.

Evans said it appears that the project likely would be done in phases.

Meanwhile, council also voted 4-0 to introduce other resolutions that would authorize the city to apply for the following state grants:

n A \$345,405 gaming grant for repairs and modernization of elevators at the historic Scranton Cultural Center at the Masonic Temple, 420 N. Washington Ave.

n A total of \$112,500 in two separate grants, but for the same purpose — environmental remediation of a vacant, contaminated lot at 248 Wyoming Ave., toward conversion of that site into a pocket park. These include a \$62,500 state gaming grant and a \$50,000 Keystone Communities Program grant.

n A \$78,960 gaming grant for NeighborWorks Northeastern Pennsylvania, for the nonprofit agency's NeighborWorks Homeownership Center, 815 Smith St. in West Side.

Council also voted 4-0 to adopt a resolution authorizing the city to apply for a \$2.5 million state multimodal grant for a South Side sidewalk project. Michele Dempsey of Dx Dempsey Architecture in Scranton explained how new sidewalks would fit into a larger vision of creating an Iron District corridor along Cedar Avenue, from Bogart Court downtown to Birch Street. The stretch of Cedar Avenue in the industrial area of the historic Scranton Iron

Furnaces at 159 Cedar Ave., is particularly "not very inviting" for pedestrians, Dempsey said.

Resident Marie Schumacher, who questioned the sidewalk grant last week, again raised concerns. She said the corridor concept is nice, "if you have a boatload of money," but she also would like sidewalks in her East Mountain neighborhood.

Resident Lenny Srebro, a frequent council speaker about stormwater flooding in the Keyser Valley area, asked why council doesn't seek grants for stormwater maintenance.

2019 Grant Applications

New Grant Applications

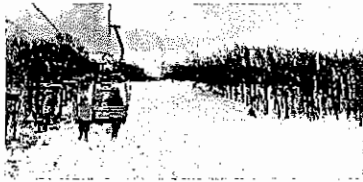
New Funding Released All the Time.
Deadlines Approaching. Apply Now

[newusafunding.com](#)

OPEN



[Image Gallery for City seeks grants to fund downtown projects](#)



Trail Mix: Letting kids explore and the heart attacks that come with it

Hey gang, When this blog first launched, I said we were going to cover a lot of topics related to enjoying the outdoors. We'd focus on hiking and trail running for sure but nothing was going to be out of bounds. (read more)



Hotel guests heard argument between Schuylkill County jeweler and woman before homicide

Newly released court records show that guests at the New Orleans hotel where Schuylkill County jeweler Patrick Murphy was found slain last week heard an argument coming from Murphy's room shortly before suspect Megan Hall walked "briskly" out of the hotel. (read more)



Rogan said one issue has nothing to do with the other. Just because the city has stormwater problems does not mean it should not seek grants for new sidewalks, and there are different pots of state grant money for different purposes, Rogan said.

In another stormwater matter, council noted that Mayor Bill Courtright did not respond directly to council's call last week for the mayor to convene a public forum on stormwater flooding problems throughout the city. Instead, the mayor's solicitor, Jessica Eskra, responded to council in a letter, saying she would meet with Rogan and other unnamed members of Courtright's administration and representatives of Pennsylvania American Water, and "I trust that they will update remaining members of council" afterward. Gaughan said the mayor "needs to do his job, come out of hiding and address the people." Evans also renewed council's call for Courtright to hold a "stormwater summit."

Evans also challenged Courtright in another vein — to earmark \$25,000 in an "Innovation Fund" in the upcoming 2019 city budget. Evans cited as examples of innovation some council initiatives, including going to paperless meeting agendas and trying to get the administration to use the SeeClickFix app to track and resolve problems logged in by citizens. Evans pledged to take a \$5,000 cut in his \$12,500 annual council salary, and have that \$5,000 put into an Innovation Fund.

"Mr. Mayor, the innovation ball is in your court," Evans said.

Contact the writer:

jlockwood@timeshamrock.com;

570-348-9100 x5185;

@jlockwoodTT on Twitter

This Week's Circulars

Hover for Circular

Hover for Circular

Hover for Circular

We welcome user discussion on our site, under the following guidelines:

To comment you must first create a profile and sign-in with a verified DISQUS account or social network ID. Sign up here.

Comments in violation of the rules will be denied, and repeat violators will be banned. Please help police the community by flagging offensive comments for our moderators to review. By posting a comment, you agree to our full terms and conditions. Click here to read terms and conditions.

TAB 18: RESOLUTION TO FILE BY APPLICANT

Mimi Equities is awaiting the resolution by City of Scranton authorizing the filing of a Redevelopment Assistance Capital Program Grant Application.

TAB 19: COOPERATION AGREEMENT OR ORDINANCE BY HOST MUNICIPALITY

Not Applicable

TAB20: Cooperation Agreement with Administrator/Sub Applicant

Pending

Tab 21: Opinion of Counsel

TAB 22: EMINENT DOMAIN

Not Applicable



DEPARTMENT OF LAW

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

April 23, 2019

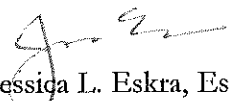
To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED
APR 23 2019
OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPLY FOR AND EXECUTE A GRANT FOR THE REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP) THROUGH THE COMMONWEALTH OF PENNSYLVANIA'S OFFICE OF THE BUDGET IN THE AMOUNT OF ONE MILLION (\$1,000,000.00) DOLLARS; ACCEPTING AND DISBURSING THE GRANT IF THE APPLICATION IS SUCCESSFUL; AND COORDINATE THE USE OF THE GRANT FUNDS WITH "MIMI EQUITIES, FOR THE PROJECT TO BE NAMED THE "WYOMING AVENUE DEVELOPMENT".

Respectfully,


Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

RESOLUTION NO. _____

2019

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH KOHANSKI & COMPANY, PC TO PROVIDE THE CITY OF SCRANTON INDEPENDENT POST AUDIT FOR FISCAL YEARS ENDING DECEMBER 31, 2018, DECEMBER 31, 2019, DECEMBER 31, 2020 AND DECEMBER 31, 2021.

WHEREAS, a request for Proposal was advertised for the City of Scranton Independent Post Audit for fiscal years ending 2018 through 2021, three (3) proposals were submitted for review; and

WHEREAS, after review of the proposals submitted, it was determined that it would be in the best interest of the City to award the contract to Kohanski & Company, PC for the reasons provided in the attached Memorandum from the Business Administrator.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City Officials are authorized to execute and enter into a Contract, substantially in the form attached hereto marked as Exhibit "A" and incorporated herein by reference thereto with Kohanski & Company, PC to provide the City of Scranton Independent Post Audit for Fiscal Years ending December 31, 2018, December 31, 2019, December 31, 2020 and December 31, 2021.

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 intend 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.

CONTRACT

This contract entered into this ____ day of _____ 2019 effective from
upon execution of Contract to Completion of 2021 Audit by and between the City of Scranton,
340 North Washington Avenue, Scranton, PA 18503, herein after called "Scranton" and

KOHANSKI & COMPANY, PC
3939 BIRNEY AVENUE
MOOSIC, PA 18507
PHONE NO. (570) 941-2248.

hereinafter called "Contractor".

WITNESSETH:

WHEREAS, Scranton desires the Contractor to perform certain work and services in
accordance with the terms and conditions hereinafter set forth and the Contractor is ready,
willing and able to perform such work and services.

NOW THEREFORE, in consideration of the promises contained herein and the promises
each to the other made, the parties do agree and intend to be legally bound as follows:

ARTICLE I - CATEGORY OF WORK AND SERVICES

The work and services to be performed by Contractor shall be in the general fields of
providing independent post audits for the years ending December 31, 2018, December 31, 2019,
December 31, 2020 and December 2021. The Contractor hereby covenants, contracts and agrees
to furnish Scranton with:

CITY OF SCRANTON'S INDEPENDENT POST AUDIT
FOR YEARS ENDING 12-31-2018, 12-31-19, 12-31-2020 AND 12-31-21
PER THE ATTACHED BID PROPOSAL AND SCRANTON'S
SPECIFICATIONS AND PER THE FOLLOWING
ALL-INCLUSIVE FEE SCHEDULE

1.	FISCAL YEAR 2018	\$38,500.00
2.	FISCAL YEAR 2019	\$39,750.00
3.	FISCAL YEAR 2020	\$41,000.00
4.	FISCAL YEAR 2021	\$42,500.00

Said services to be furnished and delivered in strict and entire conformity with Scranton's
Specifications marked as Exhibit "A" attached hereto and incorporated herein by reference
thereto and the Bid Proposal submitted by Kohanski & Company, PC dated April 3, 2019
attached hereto marked as Exhibit "B" and incorporated herein by reference thereto. Said Bid
Proposal and Specifications are hereby made part of this Agreement as fully and with the same
effect as if set forth at length herein.

ARTICLE II - GENERAL

(1) In the performance of the work and services hereunder, the Contractor shall act solely
as an independent contractor, and nothing contained or implied shall at any time be so construed
as to create the relationship of employer and employee, partnership, principal/agent, or joint
adventurer as between Scranton and the Contractor.

(2) Failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights, or of any other rights hereunder.

ARTICLE III - FEES

Said services to be furnished and delivered in strict and entire conformity with the Bid Proposal and Specifications attached hereto. Said Bid Proposal and Specifications are incorporated herein by reference as though set forth at length.

Scranton agrees to pay the Contractor for furnishing the above services if said services are provided in full compliance with the terms and conditions of this Contract to the satisfaction and approval of the Business Administrator. Such approval shall not be unreasonably withheld. The terms and conditions of this contract are set forth herein and may be supplemented by any attachments or exhibits incorporated herein by reference.

ARTICLE IV - INDEMNIFICATION

The Contractor shall indemnify, defend, and hold harmless Scranton from and against any and all claims and actions, based upon or arising out of damage to property or injuries to person or other acts caused or contributed to by Contractor or anyone acting under the Contractor's direction or control or on the Contractor's behalf in the course of the Contractor's performance under this contract.

ARTICLE V - INSURANCE

- (1) Contractor represents that it now carries, and agrees it will continue during the term of this Contract to carry, at a minimum: Workers' Compensation, Comprehensive General and Contractual Liability, and Professional Liability Insurance in the following amounts:

<u>TYPE OF INSURANCE</u>	<u>LIMITS OF LIABILITY</u>
Workers' Compensation	Statutory
Employer's Liability	\$ 500,000.00
Professional Liability	\$1,000,000.00 each occurrence \$1,000,000.00 aggregate
Comprehensive General Liability (including Blanket Contractual Liability Insurance)	
Bodily Injury	\$ 1,000,000 each person \$ 1,000,000 each occurrence \$ 1,000,000 aggregate
Property Damage	\$ 500,000 each occurrence
Personal Injury	\$ 500,000
Comprehensive Automobile Liability:	
Bodily Injury	\$ 300,000 each person \$ 500,000 each occurrence
Property Damage	\$ 500,000 each occurrence

- (2) Certificates of all insurance provided by the Contractor shall be available for Scranton's review and will be furnished to Scranton if requested. Such copies of certificates shall include the following:

- (a) Name of insurance company, policy number, and expiration data;
- (b) The coverage required and the limits on each, including the amount of deductibles or self-insured retentions (which shall be for the account of the Contractor);
- (c) A statement indicating Scranton shall receive thirty (30) days notice of cancellation or significant modification of any of the policies which may affect Scranton's interest;
- (d) A statement confirming Scranton has been named an additional insured (except for Worker's Compensation) on all policies; and
- (e) A statement confirming that Scranton, its agents and employees, have been provided a waiver of any rights or subrogation, which the Contractor may have against them.

ARTICLE VI: TERMINATION OF CONTRACT

If through any cause the CONTRACTOR shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or in the event of violation of any of the covenants contained herein, or in the event of violation of the laws applicable to implementation of the project contemplated by this Agreement, or in the event of misuse of funds, mismanagement, criminal activity or malfeasance in the implementation of this Agreement, Scranton shall thereupon have the right to terminate this Agreement by giving written notice to the CONTRACTOR specifying the effective date of termination. Said notice shall be given in writing to the CONTRACTOR and will be effective upon receipt by the CONTRACTOR. In such an event, all project records, unused grant monies, and such amounts as may have been expended contrary to the terms of this Agreement shall be returned to the Scranton.

ARTICLE VII: DEFAULT

In the event of a default by Contractor under this Agreement, the defaulting party then shall reimburse the non defaulting party for all costs and expenses incurred by the non defaulting party in connection with the default, including without limitation, court costs and attorneys fees at the trial level and on appeal.

ARTICLE VIII: JURISDICTION

This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania and all obligations hereunder are to be performed in Lackawanna County, Pennsylvania. Jurisdiction over the subject matter and performance of this Agreement is therefore vested in the Lackawanna County Court of Common Pleas.

ARTICLE IX - ENTIRE AGREEMENT

This contract constitutes the entire agreement between Scranton and Contractor. It supersedes all prior contemporaneous communications, representations, or agreements, whether oral or written, with respect to the subject matter thereof and if it has been induced by no representations, statements, or agreements other than those expressed. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized officer of the party sought to be bound thereby.

IT IS FURTHER UNDERSTOOD AND AGREED that this contract is entered into under and subject to the provisions of the Act of Assembly of the Commonwealth of Pennsylvania, approved March 7, 1901, its supplements and amendments, and the liability of the City of Scranton herein limited to the amount appropriated for the same and subject to the Section 6-13 of the Administrative Code of the City of Scranton which limits payments of money out of the City Treasury to appropriations made by the Council.

IN WITNESS WHEREOF the parties hereto have, in due form of law, caused this agreement to be executed the day and year first above written.

ATTEST:

CITY CLERK

BY: _____
MAYOR

DATE: _____

DATE: _____

COUNTERSIGNED:

CITY CONTROLLER

BUSINESS ADMINISTRATOR

DATE: _____

DATE: _____

APPROVED AS TO FORM:

CITY SOLICITOR

DATE: _____

KOHANSKI & COMPANY, PC

BY:

TITLE: _____

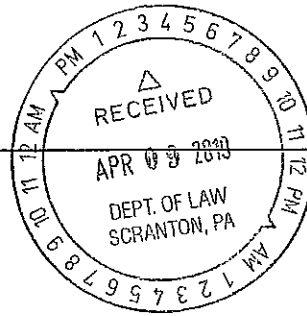
DATE: _____

BUSINESS ADMINISTRATION

City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503
Tel: (570) 348-4118
Fax: (570) 348-4225



SCRANTON



April 9, 2019

Memo

To: William Courtright, Mayor
Jessica Eskra, Solicitor
Lori Reed, City Clerk

From: David Bulzoni, Business Administrator

Re: **City of Scranton Independent Post Audit**

All,

The City of Scranton received three proposals for the Independent Post Audit for the fiscal years 2018 through 2021. The proposals and associated costs are below. The all-inclusive fee will be assessed each year for the duration of the contract as follows:

Jones Kohanski

1. Fiscal Year 2018	\$ 38,500
2. Fiscal Year 2019	\$ 39,750
3. Fiscal Year 2020	\$ 41,000
4. Fiscal Year 2021	\$ 42,500

SB Company

1. Fiscal Year 2018	\$ 44,000
2. Fiscal Year 2019	\$ 46,000
3. Fiscal Year 2020	\$ 48,000
4. Fiscal Year 2021	\$ 50,000

Rossi and Company

1. Fiscal Year 2018	\$ 58,000
2. Fiscal Year 2019	\$ 60,000
3. Fiscal Year 2020	\$ 62,000
4. Fiscal Year 2021	\$ 64,000

Jones Kohanski is based in Moosic. The proposal was submitted by Michael Kohanski. It should be noted that the total cost of the present proposal recommended for approval is less

than the same comparable four year contract of SB Company over the prior four year by \$10,250.00. Also, only one proposal was received for the prior audit contract.

Therefore, Office of the Business Administrator recommends the approval of the proposal submitted by Jones Kohanski, PC and the subsequent independent post audit contract with the firm.

REQUEST FOR PROPOSAL

Separate sealed proposals will be received by the City of Scranton, 340 North Washington Avenue, Scranton, PA 18503 until 10:00 a.m. April 3, 2019 , at which time such proposals will be opened in the City Council Chambers for the following:

CITY OF SCRANTON

INDEPENDENT POST AUDIT FOR THE FOLLOWING YEARS:

FISCAL YEAR ENDING DECEMBER 31, 2018

FISCAL YEAR ENDING DECEMBER 31, 2019

FISCAL YEAR ENDING DECEMBER 31, 2020

FISCAL YEAR ENDING DECEMBER 31, 2021

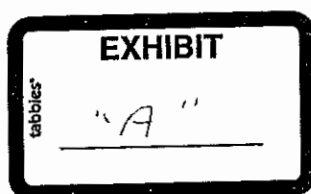
Proposals shall be made in accordance with the specifications to be obtained from the City Purchasing Department, 340 North Washington Avenue, Scranton, PA 18503 and which may be had by interested parties responding to the Request. Copies can be requested by contacting the City of Scranton Purchasing Clerk, at jreed@scrantonpa.gov.

Sealed envelopes containing the proposals will be received and identified as "City of Scranton Independent Post Audit". The envelopes should be delivered or mailed to the **Office of the City Controller, 340 N. Washington Ave., 2nd Floor, Scranton, PA 18503**, so as to arrive by the date and time specified above. The City of Scranton will require five (5) copies of this proposal. If you have any questions, please call David M. Bulzoni, Business Administrator, at (570) 348-4214, or Rebecca McMullen, Finance Manager, at (570) 348-4246.

David M. Bulzoni

Business Administrator

Each proposal must be accompanied by a signed proposal, certificate of insurance, and completed affidavits.



INVITATION FOR REQUEST FOR PROPOSAL

CITY OF SCRANTON

Prospective respondents are invited to submit a proposal for an "Independent Post Audit" of all City revenues and accounts in accordance with the Home Rule Charter, Administrative Code, and Federal Programs (including CDBG funds) under the Single Audit Act of 1984, in accordance with the Request for Proposal.

All proposals must be submitted in five (5) copies to the Office of the City Controller, 2nd Floor, City Hall, 340 North Washington Avenue, Scranton, Pennsylvania, 18503. All proposals must be delivered in a sealed envelope and clearly marked. Late proposals will not be considered regardless of the reason.

I. GENERAL INFORMATION

- 1. PURPOSE:** The Request for Proposal (RFP) provides interested prospective proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Office of the City Clerk of the City of Scranton to select an auditing firm to provide an independent post audit for a four (4) year period.
- 2. ISSUING OFFICE:** This Request for Proposal is issued by the City of Scranton Office of Business Administration Department of Purchasing.
- 3. SCOPE OF SERVICES:** This RFP contains instructions governing proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration, general evaluation criteria, and other requirements to be met by each proposal.
- 4. PROBLEM STATEMENT:** The City of Scranton is presently considered a Distressed City under Act 47. The Pennsylvania Economy League has been chosen by the Department of Community and Economic Development to act as the City's Recovery Plan Coordinator. The City of Scranton is currently working with five (6) different union contracts.
- 5. REJECTION OF PROPOSALS:** The City of Scranton reserves the right to reject any and all proposals received as a result of this request and is not obligated to select the lowest cost proposal.
- 6. INCURRING COSTS:** The City of Scranton is not liable for costs incurred by the prospective proposers prior to the issuance of a contract.
- 7. AMENDMENT TO THE RFP:** The Request for Proposal may be amended by the City. If amended, notification will be provided to the prospective proposers.
- 8. PROPOSALS:** For further consideration, proposers must submit a complete response to the RFP, using the format provided in Part II. Each proposal must be submitted in five (5) copies to the Office of the City Controller. No other distribution of proposals will be required. Proposals must be signed by an authorized official as the contents are binding. The proposal must remain valid for a period of ninety (90) days.

II. REQUIRED INFORMATION AND SCOPE OF SERVICES

Proposals must be submitted in the format outlined below.

1. PRIOR EXPERIENCE: Please document the firm's experience providing auditing services to other municipalities, specifically cities. Describe similar engagements and define the scope of engagement and description of recommendations. Experience shown should be work completed by your firm. Please refer to the audits completed by the firm including the contact information of the municipal representative.

2. SCOPE OF WORK: Pursuant to Section 313 of the Home Rule Charter, the City of Scranton is requesting proposals from independent certified public accounting firms to conduct an independent post audit of the City's revenues and accounts for the fiscal years noted in the introductory page.

The post audit shall include an examination and the expression of an opinion on the financial statements of the City. The prospective service providers will provide professional independent certified public accounting services to conduct an on-site audit of all funds of the City, including Pension Funds, the City's Irrevocable Trust Funds, Federal Programs (including CDBG Funds), under the Single Audit Act of 1984, for fiscal years ending December 31, 2018, December 31, 2019, December 31, 2020, and December 31, 2021.

3. MANAGEMENT LETTER

The Audits for the proposed four (4) years will result in an opinion with an accompanying Financial Management letter, relating to the financial operations of the City of Scranton and complete financial statements reflecting the position of the funds.

4. PERSONNEL: The proposed staff shall have received continuing professional education in governmental accounting during the past two years and shall be familiar with all Government Accounting Standards Board (GASB) policies. The firm shall have a positive peer review within the last three (3) years. Peer review confirmation may be required if requested by the City of Scranton.

5. WORK PLAN: Briefly describe your plan for accomplishing the audits/management letter. Include a proposed time schedule from start to completion. The City of Scranton is subject to debt requirements for audit completion. Specific debt covenants require the completion of the audit by June 30 of the subsequent fiscal year. The City of Scranton recognizes this time schedule may present difficulties due to the scope of the audit responsibilities but the City also expects the firm to dedicate sufficient resources to the completion of the work on a timely basis. If the audit is not completed by **September 30** of the subsequent fiscal year, the City of Scranton may assess a 10% (annual cost) penalty on the contractual cost of the audit for the fiscal year in question if, minimally, a draft audit is not delivered by the **September 30** completion date. The City presently uses an accounting firm to assist with audit preparation duties to prepare information for the auditor.

An exit conference is required no later than 60 days following the completion of the audit. Invitees will include the Mayor, the City Clerk, representatives of City Council, the City Controller, and the Assistant Business Administrator and Business Administrator. The selected firm must place a Summary of Accounts for each audited year in a local newspaper no later than 30 days following the completion of the audit.

6. PUBLICATIONS: Services provided under the scope of this Audit engagement shall be performed in accordance with the most recent adaptations of the following publications:

The City of Scranton Home Rule Charter and Administrative Code;

Governmental Accounting, Auditing and Financial Reporting (National Committee on Governmental Accounting);

Audits of State and Local Governmental Units (American Institute of Certified Public Accountants (Latest Edition);

Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance;

Government Accounting Standards (Yellow Book);

Audits of State and Local Governments and Non-Profit Organizations (Single Audit Act – P.L. 104-156 – Circular Number A-133, as amended;

Commonwealth of Pennsylvania - Municipal Pension Laws, including Municipal Pension Plan Funding – Act 205 of 1985 as amended;

Grants and Agreements with State and Local Governments, Common Rule – 24 CFR Part 85, 2001 Edition (formerly OMB Circular Number A – 102, as amended through August 1997);

Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87, as amended.

7. COMMUNITY DEVELOPMENT BLOCK GRANT/FEDERAL PROGRAMS: This audit is subject to all rules and regulations of the Community Development Block Grant Program. A non-collusion affidavit form must be completed and submitted with the proposal. The successful firm shall be an equal opportunity employer. The City of Scranton encourages minority and women owned businesses to participate in the proposal process. Proposers must submit, along with their proposal, a list of federal programs performed which involved Community Development Block Grant funding, etc. The Office of Community and Economic Development, under the United States Government Department of Housing and Urban Development, will fund this portion of the project through the Community Development Program allocation.

The audit will include, but not be limited to any and all federal funds received under programs managed by the City of Scranton Office of Community and Economic Development and will include any and all federal funds received during the audit period.

8. OTHER RELEVANT DATA:

- a. The Audit for fiscal years 2014-2017 were performed by SB & Company LLC;
- b. The City of Scranton accounting records are maintained, primarily, by the Office of Business Administration;
- c. All real estate and local taxes are billed by the elected Collector of Taxes, with the exception of the City of Scranton Earned Income Tax, which is billed and collected by Berkheimer Associates in conjunction with Act 32 of 2008;
- d. Audit work papers shall remain in the custody of the auditor, as appropriate. However, City personnel, under the supervision of the City Clerk, Finance Manager, Business Administrator, and succeeding auditors, shall be given access to audit work papers and shall have a right to copy such work papers pertaining to the audits for the years delineated in the Request for Proposal for

a period of three (3) years after the delivery of the Final Report for the corresponding calendar years;

e. A Work Progress update will be submitted to the officials in Section 5 on no more than a monthly basis.

9. SUBCONTRACTING: The auditor shall not subcontract any work associated with this contract to any other firm unless first approved by the City of Scranton;

10. RELATIONSHIP TO THE CITY OF SCRANTON: The auditor shall provide the City of Scranton with a clear statement of the relationship of the firm and/or its principals with, or knowledge of, any officials or employees of the City of Scranton and clearly state the nature of the same.

11. AFFIDAVITS TO BE PROVIDED: Proposers shall complete affidavits as part of the Proposal and provide respective forms as appendices, which should include non-collusion, affirmative action, certification of non-segregated facilities, and firm disclosures.

12. INSURANCE: The auditor shall assume the defense of and indemnity and hold harmless the City of Scranton, its officers, agents, and employees from and against any and all claims, demands, actions, suits, and proceedings by others and against all liability, both negligent and non-negligent, arising directly out of the actions of the firm/proposer in their performance of this contract.

By submitting a Proposal, the proposer agrees that it now carries or will carry throughout the term of any Contract generated as a result of this Request for Qualifications, at a minimum, the following types and amounts of insurance:

Workers' Compensation	Statutory
Employer's Liability	\$500,000
Professional Liability	\$1,000,000 each occurrence \$1,000,000 aggregate
Comprehensive General Liability (including Blanket Contractual Liability Insurance)	
Bodily Injury	\$1,000,000 each person \$1,000,000 each occurrence \$1,000,000 aggregate
Property Damage	\$500,000 each occurrence
Personal Injury	\$500,000

Comprehensive Automobile Liability

Bodily Injury	\$300,000 each person \$500,000 each occurrence
Property Damage	\$500,000 each occurrence

Certificates of Insurance shall be furnished to the City of Scranton upon request.

13. MISCELLANEOUS COSTS: All costs such as clerical, copying, travel, bonds, and incidental costs associated with the audit will be responsibility of the firm awarded the contract.

III. CRITERIA FOR SELECTION

- 1. EVALUATION:** All proposals received from prospective firms will be reviewed and evaluated by the Office of Business Administration. A recommendation will be made by the Office of Business Administration to the City Clerk and City Council, which will select the proposal which most closely meets the requirements of the Request for Proposal.

The City of Scranton reserves the right to reject any and all proposals submitted and to request additional information from any Proposer. The City of Scranton reserves the right to waive minor irregularities in the procedures or proposals if it is deemed in the best interests of the City of Scranton. The City may elect, at its sole and absolute discretion, to award a Contract based on the initial proposals, or, to open negotiations, either written or oral, with one or more proposers to address performance, technical, pricing, delivery, or other provisions. If negotiations are opened, the City may elect, at its sole and absolute discretion, to conclude negotiations at any time if it is determined to be in its best interest, or they will be closed upon settlement of all questions and clarifications. Proposals may be rejected and negotiations terminated by the City. The award will be based on the offers submitted, as well as any and all negotiations conducted. The City further reserves the right to reject all proposals and seek new proposals when such procedure is considered to be in the best interest of the City.

The award will be made to that responsive and responsible proposer whose proposal, conforming to requirements of the request, will be most advantageous to the City, price and other factors considered. The award may or may not be made to the firm with the lowest cost.

After notice from the City, the selected proposer will be required to enter into a contract upon receipt of a Notice of Award. If a contract is not executed by the selected proposer, then the City reserves the right to retract the Notice of Award and enter into a contract with another proposer.

Proposals must be in typewritten form. Unsigned proposals will not be accepted. Proposers are expected to examine the content of the request and respond accordingly. Failure to do so will be at the Proposer's risk.

No proposal will be accepted from or contract awarded to any person, firm or corporation that is in arrears to the City in the payment of any fees or is in default to the City upon any contract, or that is a defaulter, as surety or otherwise, upon any obligation to the City or who had failed to faithfully perform any previous contract with the City.

MISCELLANEOUS: OPEN RECORDS LAW/PUBLIC INFORMATION

Under the Pennsylvania Right-to-Know Law (the "Law"), 65 P. S. Section 67.101 et. seq., a record in the possession of the City is presumed to be a public record subject to disclosure to any legal resident of the United States, upon request, unless protected by a statutory exception.

Any contract dealing with the receipt or disbursement of funds by the City or the City's acquisition, use or disposal of services, supplies, materials, equipment or property is subject to disclosure under the Law. The following are not subject to disclosure under an exception in the Law:

1. A proposal pertaining to the City's procurement or disposal of supplies, services or construction prior to the award of a contract or prior to the opening and rejection of all bids; and
2. Financial information of a bidder or proposer requested in an invitation to bid or request for proposals to demonstrate the bidder's or proposers economic capability.

TRANSFERS AND ASSIGNMENTS

1. Consultant shall not, without written consent of the City, assign, hypothecate or mortgage this agreement. Any attempted assignment, hypothecation or mortgage without the consent of the City shall render this agreement null and void.
2. Neither this agreement nor any interest therein shall be transferable in proceedings in attachment or execution against bidder or in voluntary or involuntary proceedings in bankruptcy or insolvency or receivership taken by or against the respondent, or by any process of law including proceedings under Chapter X and XI of the Bankruptcy Act.

IV. SERVICE EVALUATION:

1. **GENERAL:** It is up to the firm submitting the proposal to develop and present a detailed scope of work. The detailed scope of work proposed, at a minimum, should be designed to accomplish the goals of the Request for Proposal and fully address the primary elements identified in the RFP;
2. **BACKGROUND:** Please provide a brief history of your company (and, if applicable, parent company). Include the names of personnel, in short biographical form, who will be engaged in the projected work with the City of Scranton;
3. **SERVICES – GENERAL:** Please provide a brief description of the services provided by your firm to the City of Scranton, if selected;
4. **SERVICES – SPECIFIC:** Please provide a sample report that your firm developed for reporting data that would comprise a representative sample of your firm's work.
5. **COST:** Please specify the assigned costs to the City associated with your proposal.

All responses must be received by 10:00 A.M. Eastern Time April 3, 2019. Questions should be submitted to either jreed@scrantonpa.gov , dbulzoni@scrantonpa.gov or, rncmullen@scrantonpa.gov. Subject line of questions and/or responses should read: "City of Scranton Independent Post Audit."

**ATTACHMENTS
DATA SUBMISSION DOCUMENTS**

Attachment A. Affirmative Action Certification

During the term of this contract, Bidder agrees as follows:

- (1) Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.
- (2) Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.
- (3) Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.
- (4) It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it; such a factor shall be considered in mitigation in determining appropriate sanctions.
- (5) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so bidder will be unable to meet its obligations under this affirmative action certification, bidder

shall then employ and fill vacancies through other affirmative action employment procedures.

- (6) Bidder shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of bidder's noncompliance with affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.
- (7) Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.
- (8) Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.
- (9) Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.
- (10) Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

DATE: _____

(Name of Bidder)

BY _____

TITLE _____

Attachment B. Certificate of Non-Segregated Facilities

The bidder certifies that he does not maintain or provide for his employees and segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term "segregated Facilities," means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certification in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. §1001.

DATE: _____

(Name of Bidder)

BY _____

TITLE _____

Attachment C.
Non-Collusion Affidavit of Prime Bidder

STATE OF _____

COUNTY OF _____

_____, being first
duly sworn, deposes and says that:

1. He is _____
(Owner, partner, officer, representative or agent)

of _____, the Bidder that has submitted the
bid;

2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, Representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, or to Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Scranton (Local Public Agency) or any person interested in the proposed Contract; and;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees or parties in interest, including this affiant.

Non-Collusion Affidavit

Signature Page

Signed _____

(TITLE)

SUBSCRIBED AND SWORN TO BEFORE ME

THIS _____ DAY OF _____
_____, 20_____

(TITLE)

MY COMMISSION EXPIRES _____
_____, 20_____

Attachment D. Disclosures by Firm or Contractor

1. Included in the proposal shall be a provision for the names and titles of all individuals providing professional services to the City of Scranton. After each name, please provide the responsibilities of that person with regard to the professional services provided to the City of Scranton.
 - List the names of any of the above individuals who are current or former officials or employees of the City of Scranton, their position, and dates of employment or public service.
2. Within the past five years, has the firm or contractor made a political contribution to any municipal official or candidate for municipal office in the City of Scranton or to the political party or political committee for whom the solicitation was made.
3. Does the firm or contractor have a direct financial, commercial, or business relationships with any municipal official or employee of the City of Scranton. With regard to every municipal official for which the answer is yes, identify that individual and provide a summary description of that relationship.
4. Within the past five years, has the firm or contractor conferred any gift of more than nominal value to any municipal official or employee of the City of Scranton within their capacity as a municipal official or employee of the City? A gift includes money, services, loans, travel, and entertainment, at value or discounted value.
5. Regarding the provision of professional services to the City of Scranton, are you aware of any conflicts of interest, whether apparent, potential, or actual, with respect to any officer, director, or employee of the firm or contractor and officials or employees of the City of Scranton. If yes, please provide a summary written explanation of the circumstances which you believe provide a basis to conclude that an apparent, potential, or actual conflict of interest may exist.
6. Omission of any responses required in questions one through five may result in the disqualification of the proposal.

VERIFICATION

I, _____, hereby state that I am _____

for _____, and am authorized to make this verification.

**THIS PROPOSAL, WHICH INCLUDES ATTACHMENTS A, B, C AND D
MUST BE RECEIVED IN THE
OFFICE OF THE CITY CONTROLLER IN A SEALED ENVELOPE NO LATER THAN
10:00 a.m.
April 3, 2019**

TO THE ATTENTION OF:

Roseann Novembrino
City Controller
City of Scranton
340 North Washington Avenue
2nd Floor
Scranton, PA 18504

NAME OF FIRM: _____

CONTACT PERSON: _____

STREET ADDRESS: _____

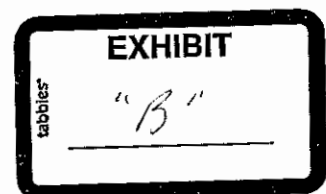
CITY/STATE/ZIP: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

EMAIL ADDRESS: _____

PROPOSAL FOR AUDIT SERVICES
CITY OF SCRANTON



**PROPOSAL FOR AUDIT SERVICES
CITY OF SCRANTON**

Kohanski & Company, PC
Michael W. Kohanski, Principal
3939 Birney Avenue
Moosic, PA 18507
570.941.2248

172,000

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

TABLE OF CONTENTS

	<u>PAGE</u>
LETTER OF TRANSMITTAL	1
PRIOR EXPERIENCE	2
PERSONNEL	3 – 5
WORK PLAN	6 – 8
FIRM PROFILE	9 – 10
COST PROPOSAL	11
ADDITIONAL INFORMATION:	
Attachment A – Affirmative Action Certification	12 – 13
Attachment B – Certificate of Non-Segregated Facilities	14
Attachment C – Non-Collusion Affidavit of Prime Bidder	15 – 16
Attachment D – Disclosures by Current Contractors	17 – 18
Peer Review Report	19
Certificate of Insurance	20

KOHANSKI

Company • P C

April 3, 2019

City Council
City of Scranton
340 N. Washington Street
Scranton, PA 18503

Dear Council Members:

Thank you for the opportunity to submit a proposal for the independent audit of the City of Scranton (the "City") for the years ending December 31, 2018 through 2021.

The enclosed proposal will provide you with a brief history of our firm, a summary of our qualifications and experience, our work plan and a cost proposal.

At different points in this proposal you will see reference to JonesKohanski which provided services to area governments and municipalities for over twenty years. Effective January 1, 2019 the firm separated and Kohanski & Company was created. The audit staff of the former JonesKohanski has been retained by Kohanski & Company and will provide you with the services outlined in this proposal.

This proposal will remain valid for a period of at least 90 days.

If you should need any additional information, please contact me.

Sincerely,

Kohanski & Company, PC



Michael W. Kohanski, CPA

CERTIFIED PUBLIC ACCOUNTANTS

3939 Birney Avenue | T: 570.941.2248
Moosic, PA 18507 | F: 570.941.2236

kohanski.co.com

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

PRIOR EXPERIENCE

Our government experience includes but is not limited to the following:

Engagement	Scope of Services	Contact
Susquehanna County	Audit of the financial statements for the years ended December 31, 2007 – 2018 Audit of Federal programs, in accordance with the Single Audit Act, OMB Circular A-133, and the Uniform Guidance	Mr. Alan M. Hall Commissioner 570.278.4600 ahall@susqco.com
West Hazleton Borough	Audit of the financial statements for the years ended December 31, 2008 – 2018	Ms. Jane Mikulca Borough Manager 570.455.7851 whb1@ptd.net
Luzerne County Office of Community and Economic Development	Audit of the financial statements for the years ended December 31, 2017 – 2018 Audit of Federal programs, in accordance with the Single Audit Act, OMB Circular A-133, and the Uniform Guidance	Ms. Cathy Halter Hilsher Deputy Director 570.824.7214 cathy.hilsher@luzernecounty.org
Luzerne County Flood Protection Authority	Audit of the financial statements for the years ended December 31, 2016 – 2018 Audit of Federal programs, in accordance with the Single Audit Act, OMB Circular A-133, and the Uniform Guidance	Mr. Christopher Belleman Executive Director 570.208.6100 cbelleman@lcfpa.org
Abington Regional Joint Municipal Authority	Audit of the financial statements for the years ended December 31, 2012 – 2018 Audit of Federal programs, in accordance with the Single Audit Act and OMB Circular A-133	Ms. Lauren Elliot Director 570.587.2830 laurene@abingtonwastewater.org
Lackawanna County Performing Arts Authority	Audit of the financial statements for the years ended December 31, 2013 – 2018	Mr. Thomas Durkin Chief Financial Officer 570.963-6822 durkin@lackawannacounty.org

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

PERSONNEL

Michael W. Kohanski, CPA Principal

Michael is a graduate of the Pennsylvania State University and has over 30 years of experience with government accounting and auditing. For the past 20 years, Mike has served as the principal in charge of the audit practice of JonesKohanski. In this roll, Mike has had the primary responsibility for the quality and technical accuracy of hundreds of government audits.

In the past five years, Mike has served as the technical reviewer on the following audit engagements as the audit principal:

- Borough of West Hazleton
- Susquehanna County
- Foster Township
- Freeland Borough
- West Wyoming Borough
- Luzerne County Office of Community and Economic Development
- Luzerne County Flood Protection Authority

Michael has met all continuing professional education requirements required by the state of Pennsylvania and *Government Auditing Standards*. In the past two years, Michael has taken the following continuing professional education courses:

- Government Audit Quality Center Annual Update
- Yellow Book Update
- PICPA Local Government Conference
- Government and Nonprofit Accounting and Auditing Update
- Finding Your Way Through the GASB Codification

Professional Affiliations

- Certified Public Accountant – Pennsylvania
- Pennsylvania Institute of Certified Public Accountants (PICPA)
- American Institute of Certified Public Accountants (AICPA)
- Member of the AICPA Government Audit Quality Center

Community Involvement

- Former board member Greater Northeast Chamber of Commerce
- Former board member Greater Scranton Jaycees
- Former member, board of Trustees of St. Michaels School
- Committee member – MDA Black & Blue Ball

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

PERSONNEL (CONT'D)

Kelley A. Lindsay, CPA Audit Manager

Kelley is a graduate of the Pennsylvania State University with a B.S. degree in Accounting. Kelley has over 21 years of experience in government accounting, auditing and consulting. Kelley currently serves as the firm's audit manager in charge of its government and not-for-profit clients. Prior to joining JonesKohanski, Kelley spent 5 years with McGladrey & Pullen, a national accounting firm where she served as a manager in the firm's public sector and banking industries.

In the past five years, Kelley has completed the following audit engagements as the audit manager:

- Borough of West Hazleton
- Susquehanna County
- Foster Township
- Freeland Borough
- West Wyoming Borough
- Luzerne County Office of Community and Economic Development
- Luzerne County Flood Protection Authority

Kelley has met all continuing professional education requirements required by the state of Pennsylvania and *Government Auditing Standards*. In the past two years, Kelley has taken the following continuing professional education courses:

- Government Audit Quality Center Annual Update
- Yellow Book Update
- PICPA Local Government Conference
- Government and Nonprofit Accounting and Auditing Update
- Finding Your Way Through the GASB Codification

Professional Affiliations

- Certified public accountant – Pennsylvania
- Pennsylvania Institute of Certified Public Accountants (PICPA)
- American Institute of Certified Public Accountants (AICPA)
- Member of the AICPA Government Audit Quality Center

Community Involvement

- 2010 Graduate of Leadership Lackawanna
- 2015 – present, Leadership Lackawanna Board of Directors
- 2018 – present, Treasurer Leadership Lackawanna Board of Directors
- 2017- present, incorporating member of Lackawanna Industrial Fund Enterprise
- 2009 – present, Marley's Mission finance committee

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

PERSONNEL (CONT'D)

Mark Zavislak, MBA
Senior Accountant

Mark holds a B.A. in Accounting from the University of Scranton, an MBA in Accounting from Misericordia University and is actively pursuing a certified public accountant license. For the last five years, Mark has specialized in governmental accounting and auditing, including compliance audits of Federal funds.

In the past five years, Mark has completed the following audit engagements as an audit senior:

- Susquehanna County
- Susquehanna County Conservation District
- Foster Township
- Freeland Borough
- Luzerne County Office of Community and Economic Development
- Luzerne County Flood Protection Authority
- Abington Regional Sewer Authority

Mark has met all continuing professional education requirements required by the state of Pennsylvania and *Government Auditing Standards*. In the past two years, Mark has taken the following continuing professional education courses:

- Single Audit – A Case Study
- Yellow Book Update
- Government and Nonprofit Accounting and Auditing
- Finding Your Way Through the GASB Codification Update
- Reforms for Guidance for Federal Grants

Professional Affiliations

- Pennsylvania Institute of Certified Public Accountants (PICPA)
- Member of the AICPA Government Audit Quality Center

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

WORK PLAN

We will audit the financial statements of the City of Scranton as of and for the years ending December 31, 2018 – 2021.

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion.

Audit services will be provided to you using a team approach. The engagement team will consist of Kelley Lindsay, CPA as the audit manager, Mark Zavislak, MBA as the senior accountant, and staff accountants as needed. Michael Kohanski, CPA will serve as the technical reviewer. The engagement team will work together through all phases of the engagement from planning, to audit fieldwork, wrap-up and report presentation. This approach will provide you with consistent and accessible service.

A summary of our audit process is as follows:

Audit Planning and Internal Control Review

You can expect that the senior accountant will contact you at the beginning of May to begin planning the engagement. This person will be on site for approximately one week to gain a full understanding of the operations and internal control structure of the City.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements.

Operating systems and related controls will be documented through internal control questionnaires, narratives and walkthroughs of system controls.

Planning procedures will also include reviewing written policies, reading board minutes and performing analytical procedures.

The results of this work will allow us to tailor our audit approach to address risk areas of your organization and to plan an efficient and effective audit.

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

WORK PLAN (CONT'D)

Audit Testing

Audit areas which will receive primary emphasis will be determined after we have completed a complete risk assessment of the City during the planning stages of the audit.

Audit procedures will include, but will not be limited to: confirmation of cash balances, confirmation of receivables, analytical procedures and vouching transactions.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of accounting records, and other procedures we consider necessary to enable us to express an opinion and to render the required reports.

In addition, in any year where Federal funds expended by the City (including CDBG funds) exceed \$750,000 an audit in accordance with the Single Audit Act and the Uniform Guidance will be conducted.

You can expect that the in-charge accountant will spend approximately three weeks at the City in June and July for audit field work. The manager will be on site periodically during this time to review progress and answer questions. The manager and the partner will be accessible for consultation at all times by the engagement team and management of the City.

It is expected that your organization's staff will assist in the preparation of some audit schedules, provide copies of reconciliations, pull supporting documentation for audit review and be available to answer questions. A list of information needed for the audit will be provided at least two weeks prior to the start of audit field work.

Report Preparation and Wrap Up

Prior to completing the engagement, the engagement team will provide management with draft financial statements and proposed audit adjustments. In addition, we will discuss with you any audit findings and recommendations.

Presentation of Financial Statements and Findings

Completed financial statements and management letters will be presented to the City. An exit meeting will be scheduled at the discretion of City Council.

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

WORK PLAN (CONT'D)

The activity schedule outlined below is a preliminary estimate of our plan to conduct the audit and is based on the deadlines established by management of the City and the availability of information from the City's business manager, contract accountant and actuary.

Date	Activity
Third week of May	Planning and preliminary field work including updating internal control understanding and preparation of confirmations
June/July	Audit field work
August	Wrap up of audit fieldwork and report drafting
Middle of September	Exit meeting and delivery of draft financial statements and proposed audit adjustments, if any
End of September	<p>Delivery of final financial statements, compliance reports and management letters. Audit exit conference will be scheduled.</p> <p>A summary of accounts will also be delivered for reporting in the local newspaper.</p>

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

FIRM PROFILE

For the last 20 years, Michael Kohanski, CPA has been providing exceptional audit services to local governments in the Scranton and Hazleton areas as the partner in charge of the audit practice of JonesKohanski. Mike's commitment to providing quality audit services continues at Kohanski & Company where he is joined by the audit manager and audit staff of JonesKohanski.

The audit of the City of Scranton will be conducted from our office in Moosic, Pennsylvania. The dedicated staff of professionals at Kohanski & Company consists of:

- 4 Certified Public Accountants
- 2 Staff Accountants
- 1 Paraprofessional
- 1 Support Staff

Kohanski & Company is a full service accounting firm which provides the following services to its government and municipal clients:

- Financial statement audits
- Contract accounting services
- Compliance audits including state grant audits and Single Audits
- Consulting
- Preparation of Department of Community and Economic Development annual reports.

This engagement team has over 50 years of combined industry experience. Recent audit experience of the engagement team includes but is not limited to the following:

- Borough of West Hazleton
- Susquehanna County
- Susquehanna County Conservation District
- Luzerne County Office of Community Development
- Luzerne County Flood Protection Authority
- Abington Regional Sewer Authority

Engagement team members have met the continuing professional education requirements of the state of Pennsylvania and *Government Auditing Standards*. *Government Auditing Standards* require eighty hours every two years of continuing professional education in subjects that enhance the auditor's ability to conduct audits. In addition, the standards require twenty four hours in subjects directly related to auditing in a governmental environment. See the specific continuing professional education obtained by members of the engagement team in the Personnel Section.

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

FIRM PROFILE (CONT'D)

As further evidence of our commitment to quality, Kohanski & Company is a member of the AICPA Governmental Audit Quality Center ("GAQC"). The Governmental Audit Quality Center promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. The GAQC works to create a community of firms that demonstrates a commitment to governmental audit quality. It is a voluntary membership center for CPA firms and state audit organizations that perform government audits.

In addition to our technical expertise and experience, audit services will be provided to you using state of the art technologies. Kohanski & Company utilizes the "paperless" audit software of Workpapers CS, a product of Thomson Reuters. Workpapers CS is an all-inclusive engagement management program that allows us to work in a completely paperless audit environment. In addition, this audit system allows the audit manager and principal to monitor the audit remotely as work progresses.

In addition, we represent that:

- Kohanski & Company, PC is a public accounting firm licensed to practice in the state of Pennsylvania.
- Kohanski & Company meets the independence requirements of the AICPA and *Government Auditing Standards*.
- Kohanski & Company does not have a record of substandard audit work. The quality control procedures of JonesKohanski will remain in place at Kohanski & Company. A copy of the JonesKohanski peer review report is attached. A copy of the Kohanski & Company peer review report will be provided to you upon completion later in the year.

PROPOSAL FOR AUDIT SERVICES

CITY OF SCRANTON

COST PROPOSAL

Our fee proposal for a four-year contract is as follows:

Year Ended December 31,:	2018	2019	2020	2021
Financial statement audits	\$38,500	\$39,750	\$41,000	\$42,500

These quoted amounts are the annual fixed, not-to-exceed, price for the audits and were determined based on our estimate of time requirements to complete the engagement and the assumption that you will provide clerical and accounting support as needed to prepare confirmations, schedules, account analysis, and to pull and/or copy original documents for the audit.

Additional compliance audits which might be required during the contract period will be priced individually after we review the contract and compliance requirements.

Attachment A.

Affirmative Action Certification

During the term of this contract, Bidder agrees as follows:

(1) Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex, or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.

(2) Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.

(3) Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.

(4) It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it; such a factor shall be considered in mitigation in determining appropriate sanctions.

(5) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures.

(6) Bidder shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of bidder's noncompliance with affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

(7) Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.

(8) Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.

(9) Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.

(10) Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

DATE: April 2, 2019

Kohanski & Company, PC

(Name of Bidder)

BY: 

TITLE: Principal

Attachment B.

Certificate of Non-Segregated Facilities

The bidder certifies that he does not maintain or provide for his employees and segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal Opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term "segregated Facilities," means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certification in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. §1001.

DATE: April 2, 2019

Kohanski & Company, PC

(Name of Bidder)

BY: 

TITLE: Principal

Attachment C.
Non-Collusion Affidavit of Prime Bidder

STATE OF Pennsylvania

COUNTY OF Lackawanna

Michael W. Kohanski, CPA

being first duly sworn, deposes and says that:

1. He is Owner
(Owner, partner, officer, representative or agent)

of Kohanski & Company, PC, the Bidder that has
submitted the bid;

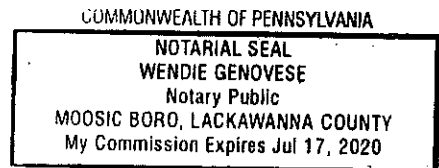
2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, Representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, or to Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Scranton (Local Public Agency) or any person interested in the proposed Contract; and;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees or parties in interest, including this affiant.

Non-Collusion Affidavit
Signature Page

Signed Wendie Genovese

Principal

(TITLE)



SUBSCRIBED AND SWORN TO BEFORE ME

THIS 2nd DAY OF April

, 2019

Wendie Genovese

Notary Public

(TITLE)

MY COMMISSION EXPIRES July

17, 2020

Attachment D. Disclosures by Firm or Contractor

1. Included in the proposal shall be a provision for the names and titles of all individuals providing professional services to the City of Scranton. After each name, please provide the responsibilities of that person with regard to the professional services provided to the City of Scranton.
 - List the names of any of the above individuals who are current or former officials or employees of the City of Scranton, their position, and dates of employment or public service.
2. Within the past five years, has the firm or contractor made a political contribution to any municipal official or candidate for municipal office in the City of Scranton or to the political party or political committee for whom the solicitation was made.
3. Does the firm or contractor have a direct financial, commercial, or business relationships with any municipal official or employee of the City of Scranton. With regard to every municipal official for which the answer is yes, identify that individual and provide a summary description of that relationship.
4. Within the past five years, has the firm or contractor conferred any gift of more than nominal value to any municipal official or employee of the City of Scranton within their capacity as a municipal official or employee of the City? A gift includes money, services, loans, travel, and entertainment, at value or discounted value.
5. Regarding the provision of professional services to the City of Scranton, are you aware of any conflicts of interest, whether apparent, potential, or actual, with respect to any officer, director, or employee of the firm or contractor and officials or employees of the City of Scranton. If yes, please provide a summary written explanation of the circumstances which you believe provide a basis to conclude that an apparent, potential, or actual conflict of interest may exist.
6. Omission of any responses required in questions one through five may result in the disqualification of the proposal.

VERIFICATION

I, Michael W. Kohanski, CPA, hereby state that I am Principal

for Kohanski & Company, PC, and am authorized to make this verification.

Attachment D

Responses to Disclosures by Current Contractors

1. Names of all individuals providing services to the City of Scranton:
 - a. Michael W. Kohanski – Principal
 - b. Kelley A. Lindsay – Manager
 - c. Mark Zavislak – Senior Accountant

None of the professionals listed above have been employed by the City of Scranton.

2. Within the past five years, Kohanski & Company, PC has not made a political contribution to any municipal official or candidate for municipal office in the City of Scranton or to the political party or political committee for whom the solicitation was made.
3. Kohanski & Company, PC has no direct financial, commercial, or business relationships with any municipal official or employee of the City of Scranton.
4. Within the past five years, Kohanski & Company, PC has not conferred any gift of more than nominal value to any municipal official or employee of the City of Scranton within their capacity as a municipal official or employee of the City.
5. Regarding the provision of professional services to the City of Scranton, Kohanski & Company, PC is not aware of any conflicts of interest, whether apparent, potential, or actual, with respect to any officer, director, or employee of Kohanski & Company, PC and officials or employees of the City of Scranton.

Note: Attached is the peer review report from JonesKohanski & Co., PC. All of the quality controls procedures from JonesKohanski remain in place at Kohanski & Company, PC. A copy of the Kohanski & Company peer review report will be provided to you later in the year.



3325 Saw Mill Run Blvd.
Pittsburgh, PA 15227-2736
412/885-5045
Fax 412/885-4870
www.gbaco.com

Certified Public Accountants

SYSTEM REVIEW REPORT

November 9, 2016

To the Shareholders
JonesKohanski & Co., PC
and the Peer Review Committee of the Pennsylvania Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of JonesKohanski & Co., PC (the firm) in effect for the year ended June 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a system review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of JonesKohanski & Co., PC in effect for the year ended June 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. JonesKohanski & Co., PC has received a peer review rating of *pass*.

Goff Backa Alfera & Company, LLC

Goff Backa Alfera & Company, LLC
Pittsburgh, Pennsylvania



KOHAN-1

OP ID: LL

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

01/28/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Chamberlin & Reinheimer Insurers, Inc. 215 Wyoming Avenue Scranton, PA 18503	CONTACT NAME:		
	PHONE (A/C, No, Ext): 570-558-5800	FAX (A/C, No): 570-558-5881	
	E-MAIL ADDRESS:		
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Hartford Casualty Insurance		30104
	INSURER B : Philadelphia Indemnity		18058
	INSURER C :		
	INSURER D :		
	INSURER E :		
	INSURER F :		

COVERAGES	CERTIFICATE NUMBER:	REVISION NUMBER:
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.		

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE \$
	CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
							MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$
	OTHER:						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DED <input type="checkbox"/> RETENTION \$						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			44WEXAX5NDE	01/11/2019	01/11/2020	X PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A				E.L. EACH ACCIDENT \$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 100,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
B	Professional			PHSD1416666	01/28/2019	01/28/2020	Limit 1,000,000
							Aggregate 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

To Provide Proof of Insurance coverage

CERTIFICATE HOLDER

CANCELLATION

PROOF07

"PROOF OF INSURANCE ONLY"

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

164

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DEPARTMENT OF LAW

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

April 10, 2019

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

RECEIVED

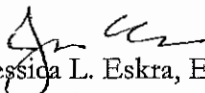
APR 12 2019

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND
OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A
CONTRACT WITH KOHANSKI & COMPANY, PC TO PROVIDE THE CITY OF
SCRANTON INDEPENDENT POST AUDIT FOR FISCAL YEARS ENDING
DECEMBER 31, 2018, DECEMBER 31, 2019, DECEMBER 31, 2020 AND
DECEMBER 31, 2021.

Respectfully,


Jessica L. Eskra, Esquire
City Solicitor

JLE/sl

RESOLUTION NO.

2019

APPROVING THE FINANCING BY THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY OF CERTAIN CAPITAL PROJECTS FOR THE BENEFIT OF MARYWOOD UNIVERSITY, A PENNSYLVANIA NOT-FOR-PROFIT CORPORATION; DECLARING THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY AND WELFARE OF THE PEOPLE OF THE CITY OF SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, AND THE AREA SERVED BY MARYWOOD UNIVERSITY TO HAVE THE PROJECT PROVIDED BY AND FINANCED THROUGH THE AUTHORITY; DESIGNATING THE MAYOR OF THE CITY, OR, IN THE MAYOR'S ABSENCE, THE PRESIDENT OR VICE PRESIDENT OF THE CITY COUNCIL, AS THE PERSON TO ACT ON BEHALF OF THE CITY COUNCIL AS THE "APPLICABLE ELECTED REPRESENTATIVE" WITHIN THE MEANING OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AUTHORIZING SUCH MAYOR OF THE CITY OR THE PRESIDENT OR VICE PRESIDENT OF THE CITY COUNCIL OF THE CITY TO TAKE CERTAIN ACTIONS ON BEHALF OF THE CITY COUNCIL OF THE CITY AS SUCH "APPLICABLE ELECTED REPRESENTATIVE"; AND AUTHORIZING OTHER NECESSARY AND APPROPRIATE ACTION.

WHEREAS, the Scranton-Lackawanna Health and Welfare Authority (the "Authority") is a municipality authority incorporated pursuant to a Resolution of the City of Scranton, Lackawanna County, Pennsylvania (the "City") and a Resolution of the County of Lackawanna, Pennsylvania (the "County"), and is existing under and governed by the provisions of the Municipality Authorities Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. §5601, et. seq., Act 22 of 2001, effective June 19, 2001, which codifies and amends the Municipality Authorities Act of 1945, amended and supplemented (the "Authorities Act"); and

WHEREAS, the Authorities Act permits the Authority to assist in the financing of buildings and facilities for private, nonprofit, nonsectarian colleges which are determined by the Authority to be eligible educational institutions; and

WHEREAS, Marywood University (the "Borrower"), has represented to the Authority that it operates or will operate a private university which provides services on a nonsectarian basis and is a nonprofit corporation existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, the Borrower is requesting that the Authority finance a project (the "2019 Project") consisting of, among other things, all or any of the following: (1) the acquisition, design, construction, renovation, equipping and

furnishing of new facilities and improvements and additions to the existing facilities of the University, including, but not limited to facility upgrades and energy projects consisting of boiler systems replacement, decentralization of the campus steamline and infrastructure improvements and various other capital improvements to the University's existing facilities and the acquisition of capital equipment for use in or in connection with the facilities of the University; (2) funding, if applicable, capitalized interest on the Bonds (hereinafter defined) and/or necessary reserves for the Bonds; and (3) financing contingencies and paying the costs and expenses incident to the issuance of the Bonds.

WHEREAS, in order to finance the Project, the Authority will issue one or more series of its University Bonds or Notes, (Marywood University Project) (the "Bonds"), in an aggregate principal amount not to exceed \$9,000,000 on behalf of the Borrower; and

WHEREAS, the City approves the financing of the 2019 Project for the benefit of the Borrower, and has determined that it is in the best interests of the people in the City and the area served by the Borrower and the 2019 Project, and is desirable for the health, safety and welfare of the people in the City and in the area served by the Borrower and the 2019 Project to have the 2019 Project provided, and undertaken, by the Authority; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), all debt issued by the Authority, such as the Bonds of the Authority to be issued to finance the 2019 Project for the benefit of the Borrower, must be approved by the "applicable elected representative" of the governmental unit in which the 2019 Project is located and of the governmental unit on behalf of which the Authority acts or issues bonds after a public hearing following reasonable public notice; and

WHEREAS, pursuant to the Code, the term "applicable elected representative" means, among other things, the elected legislative body of the governmental unit in which the 2019 Project is located and of the governmental unit on behalf of which the Authority acts or issues bonds or notes; and

WHEREAS, the Mayor of the City or the Council of the City (the "Council") is the applicable elected representative" of the City within the meaning of the Code; and

WHEREAS, the Council desires to authorize the Mayor of the City, or in the Mayor's absence, the President or Vice President of the City Council to act on its behalf as such "applicable elected representative."

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON:

SECTION 1. In connection with the financing of the 2019 Project by the Authority, this Council hereby declares it to be desirable for the health, safety and welfare of the people of the City and in the area served by the Borrower and the 2019 Project, to have the 2019 Project provided by, and financed through, the Authority.

SECTION 2. Council hereby empowers, authorizes and directs the Mayor of the City, or in the Mayor's absence, the President or Vice President of the City Council, to execute and deliver an "approval of applicable representative" in the form attached hereto; provided, that, such approval shall be delivered only following a public hearing, held on behalf of the City by the Authority, which has followed reasonable public notice, with respect to the 2019 Project (described on such approval). The Council intends that this Resolution and the subsequent execution and delivery of the approval of "applicable elected representative" by the Mayor of the City, or in the Mayor's absence, the President or Vice President of the City Council, shall constitute the "approval by a government unit" required by Section 147(f) of the Code.

SECTION 3. The approval granted hereby shall not, in any way, pledge or obligate the credit or taxing power of the City, nor shall the City be liable for the payment of the principal of, or interest on, any obligations issued by the Authority, in connection with the 2019 Project.

SECTION 4. The City acknowledges that the Authority is entitled to rely upon, and will rely upon, the findings and determinations of this Council as set forth in Paragraph 1 above.

SECTION 5. 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 intend of this Resolution and the effective administration thereof.

SECTION 6. This Resolution shall become effective immediately upon approval.

SECTION 7. 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 Commonwealth of Pennsylvania.

SCRANTON/LACKAWANNA HEALTH AND WELFARE AUTHORITY

LACKAWANNA COUNTY GOVT CENTER • P.O Box 860 • 123 WYOMING AVENUE, • SCRANTON, PA 18501-0860

April 11, 2019

(570) 342-2353
FAX (570) 342-4088

Honorable William L. Courtright
Mayor, City of Scranton
340 N. Washington Avenue
Scranton, PA 18503

RE: Health and Welfare Authority Resolution for Marywood University
Tax Free Financing not to exceed \$9,000,000.00

Dear Mayor Courtright:

Enclosed is a proposed resolution approving the financing of certain facilities and declaring that it is desirable for the health, safety and welfare of the people in the area to be served by facilities of Marywood University to have such facilities financed through the Scranton-Lackawanna Health and Welfare Authority for a maximum principal amount not to exceed \$9,000,000.

Also enclosed is an Approval of Applicable Elected Representative document which must be approved. Under the Tax Reform Act of 1986, as amended, the Scranton-Lackawanna Health and Welfare Authority, subsequent to holding a Public Hearing, must receive approval from the chief elected official of each governmental unit having jurisdiction over any Project that the Authority undertakes.

The Authority would appreciate placement of this Resolution on the Agenda for the next scheduled Council Meeting. Also, please keep in mind there is no liability on the City's behalf by approving this Resolution.

On behalf of the representatives of Marywood University and the Authority, we wish to thank you for your participation in this Project. If you have any questions or concerns, please contact our office at any time.

Sincerely,



Mary Ellen Clarke
Asst. Administrator

Encl.

cc: Lori Reed, City Clerk, City of Scranton
Jessica Eskra, Solicitor, City of Scranton
Sally Locker, Law Office, City of Scranton

**APPROVAL OF APPLICABLE ELECTED
REPRESENTATIVE**

I, the undersigned Mayor of the City of Scranton, Lackawanna County, Pennsylvania (the "City"), having been designated and empowered to approve the issuance of bonds or notes to finance the cost of projects of the Scranton-Lackawanna Health and Welfare Authority (the "Authority"), hereby approve the following Project of the Authority:

Scranton-Lackawanna Health and Welfare
Authority/ Marywood University Project

NAME AND ADDRESS OF OWNER AND OPERATOR OF FACILITIES TO
BE FINANCED: Marywood University (the "University"), 2300 Adams Avenue,
Scranton, PA 18509

ADDRESS OF PROJECT: 2300 Adams Avenue, Scranton, PA 18509

TOTAL COST OF PROJECT: Not to Exceed \$9,000,000

MAXIMUM AGGREGATE FACE AMOUNT OF DEBT TO BE ISSUED: Not to
Exceed \$9,000,000

PROJECT DESCRIPTION: The proceeds of the debt to be issued will be used to provide funds to finance all or any of the following: (1) the acquisition, design, construction, renovation, equipping and furnishing of new facilities and improvements and additions to the existing facilities of the University, including, but not limited to facility upgrades and energy projects consisting of boiler systems replacement, decentralization of the campus steamline and infrastructure improvements and various other capital improvements to the University's existing facilities and the acquisition of capital equipment for use in or in connection with the facilities of the University; (2) funding, if applicable, capitalized interest on the debt and/or necessary reserves for the Bonds; and (3) financing contingencies and paying the costs and expenses incident to the issuance of the debt.

TIME AND PLACE PUBLIC HEARING: TIME AND PLACE OF PUBLIC HEARING:
April 11, 2019 at 9:30 a.m. in the Boards and Authorities Conference Room Lackawanna,
County Government Center, 123 Wyoming Avenue, 5th Floor, Scranton, PA 18503.

The approval hereby granted is limited in operation and effect to the Internal Revenue Code of 1986, as amended, and the regulations promulgated with respect thereto, and shall not create any liability or obligation on the part of the City.

CITY OF SCRANTON
Lackawanna County,
Pennsylvania

Date: _____, 2019

By: _____
Mayor

SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY

TRANSCRIPT OF PUBLIC HEARING

of April 11, 2019

The Public Hearing of the Scranton-Lackawanna Health and Welfare Authority (the "Authority") scheduled for 9:30 A.M., local time, on Thursday, April 11, 2019, is hereby called to order. This Public Hearing is being held pursuant to the requirements of Section 147 (f) of the Internal Revenue code of 1986, as amended. Attending the hearing on behalf of Marywood University (the "Borrower") relating to the Authority's proposed issuance of its 2019 Revenue Note in an aggregate principal amount up to but not exceeding \$9,000,000 is Mary Theresa Gardier Paterson, Esq., Secretary of the University and General Counsel; Tammy McHale, Vice President - Business Affairs & Treasurer; Patrick Castellani, Controller and Assistant Treasurer and Wendy Yankelitis, MBA, Assistant Vice President of Buildings and Grounds. Attending the hearing on behalf of the Authority is Vincent O'Bell, Chairman and Mary Ellen Clarke, Assistant Administrator.

The representatives of the Authority and Marywood University attending the Public Hearing have described the nature and the purpose of the project being financed by the issuance of the 2019 Revenue Note in an aggregate amount up to but not exceeding \$9,000,000 for the purpose of financing for the benefit of the Borrower all or any of the following: (1) the acquisition, design, construction, renovation, equipping and furnishing of new facilities and improvements and additions to the existing facilities of the University, including but not limited to facility upgrades and energy projects consisting of boiler systems replacement, decentralization of the campus steamline and infrastructure improvements and various other capital equipment for use in or in connection with the facilities of the University; (2) funding, if applicable, capitalized interest on the debt and/or necessary reserves for the debt; and (3) financing contingencies and paying the costs and expenses incident to the issuance of the debt.

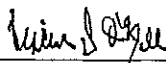
I hereby enter into the Record one copy of an affidavit showing publication in The Scranton Times, a newspaper of general circulation in Lackawanna County, Pennsylvania, on a date at least fourteen (14) days prior hereto, of notice of the public hearing. The affidavit of publication is attached to this transcript.

The Authority is now ready to hear testimony and other comments from the public concerning the issuance by the Authority of the 2019 Revenue Note.

Let the record show that no members of the public have offered testimony or other comments as of 10A.M. this date. Let the record also reflect that written comments have not been received. Accordingly, this public hearing is adjourned.

I, Vincent O'Bell, Chairman of the Scranton-Lackawanna Health and Welfare Authority, do hereby certify that the foregoing is a true and accurate transcript of the Public Hearing held on April 11, 2019, by the Scranton-Lackawanna Health and Welfare Authority.

Date: April 11, 2019



Chairman

Commonwealth of Pennsylvania, County of Lackawanna

KING SPRY HERMAN FREUND

Account # 51874

NOTICE OF PUBLIC HEARING

Ann Marie Fongesen

Being duly sworn according to law deposes and says that (s)he is Billing clerk for The Scranton Times, owner and publisher of The Scranton Times, a newspaper of general circulation, established in 1870, published in the city of Scranton, county and state aforesaid, and that the printed notice or publication hereto attached is exactly as printed in the regular editions of the said newspaper on the following dates:

03/26/2019

Affiant further deposes and says that neither the affiant nor The Scranton Times is interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as time, place and character or publication are true.

Sworn and subscribed to before me
this 26th day of March A.D., 2019

Sharon Vesten
(Notary Public)

Commonwealth of Pennsylvania - Notary Seal
Sharon Venturi, Notary Public
Lackawanna County
My commission expires February 12, 2022
Commission number 1254228
Member, Pennsylvania Association of Notaries

[illegible]



DEPARTMENT OF LAW

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

April 12, 2019

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

RECEIVED

APR 15 2019

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION APPROVING THE FINANCING BY THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY OF CERTAIN CAPITAL PROJECTS FOR THE BENEFIT OF MARYWOOD UNIVERSITY, A PENNSYLVANIA NOT-FOR-PROFIT CORPORATION; DECLARING THAT IT IS DESIRABLE FOR THE HEALTH, SAFETY AND WELFARE OF THE PEOPLE OF THE CITY OF SCRANTON, LACKAWANNA COUNTY, PENNSYLVANIA, AND THE AREA SERVED BY MARYWOOD UNIVERSITY TO HAVE THE PROJECT PROVIDED BY AND FINANCED THROUGH THE AUTHORITY; DESIGNATING THE MAYOR OF THE CITY, OR, IN THE MAYOR'S ABSENCE, THE PRESIDENT OR VICE PRESIDENT OF THE CITY COUNCIL, AS THE PERSON TO ACT ON BEHALF OF THE CITY COUNCIL AS THE "APPLICABLE ELECTED REPRESENTATIVE" WITHIN THE MEANING OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AUTHORIZING SUCH MAYOR OF THE CITY OR THE PRESIDENT OR VICE PRESIDENT OF THE CITY COUNCIL OF THE CITY TO TAKE CERTAIN ACTIONS ON BEHALF OF THE CITY COUNCIL OF THE CITY AS SUCH "APPLICABLE ELECTED REPRESENTATIVE"; AND AUTHORIZING OTHER NECESSARY AND APPROPRIATE ACTION.

Respectfully,

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

JLE/sl