

# Keeping LANCASTER Current

AN HOURGLASS PUBLICATION

**Lancaster County Growth Management Issues**

November 19, 2009

**FYI**

## **READING OFFICIALLY DESIGNATED A DISTRESSED CITY**

– ([Reading Eagle](#)) Facing a \$15 million deficit next year - which could require dozens of police and firefighter layoffs; the final number is still being calculated - and multimillion-dollar shortfalls in future years, the **city applied for acceptance into Act 47 in September**. The program will **give the city new taxing and labor negotiating powers** and provide a state-paid consultant to help it create a recovery plan.

Mayors and financial officials from cities across Pennsylvania, including Reading, have said they **need major changes in state laws governing how cities fund themselves**, as well as what they have to pay for. They've got an ally in [George E. Cornelius](#), the secretary of the state [Department of Community and Economic Development](#). [To read the full article.](#)

## **IS LEBANON HEADED TOWARD BANKRUPTCY? –**

(11/18/09 *Lebanon Daily News*) **Is Lebanon on the way to becoming a bankrupt Act 47 city like Reading?** That is the warning Lebanon Mayor Trish Ward and her predecessor, Bob Anspach, have given to City Council during budget hearings the past several years as the **city's expenditures have continued to outpace its falling revenues**.

Lebanon's financial situation is **similar to that of Reading**, which the state last week designated as a distressed city. Reading applied to be put in the **Municipal Financial Recovery Act program - more commonly called Act 47** - in September because it is facing a \$15 million deficit and layoffs to dozens of police and firefighters.

"It provides **short-term solutions without addressing the long-term problems**; it's a Band-Aid at best. It's a kick-the-can-down-the-alley solution - it might keep cities out of bankruptcy until the Legislature solves the underlying problems in the way the state governs municipal finances. **Act 47 - has failed in its original purpose to restore cities to financial health.**"

George E. Cornelius, Secretary of the Department of Community and Economic Development

**Act 47 was passed in 1987 to enable the state to help economically distressed cities ward off bankruptcy** by establishing a recovery plan and giving them aid in the form of emergency financing, raising taxes beyond state limits and restructuring debt. Since then, **24 municipalities, including Pittsburgh, have been accepted into the program**, according to the state [Department of Community and Economic Development](#) (DCED), which manages the program. So far, **seven of those municipalities have been able to climb back to fiscal stability**. There are **11 criteria** DCED analyzes to determine if a city is eligible for Act 47. Lebanon's three consecutive years of **operating with a revenue deficit is one criteria that would qualify it**, he said, but there are more factors to consider. At this point, the city does not meet criteria like failure to meet payroll or pay creditors. [To read the full article.](#)

## **UPCOMING EVENTS**

**DESIGN MATTERS - Envision Lancaster County Speaker Series – Thursday, December 10, 2009, 6:30 p.m. – Roschel Performing Arts Center at Franklin & Marshall College** – Hear [Alan Greenberger, FAIA](#) nationally renowned architect, leading designer and newly appointed Executive Director of the Philadelphia City Planning Commission explain the benefits of **making good design an important part of building, housing and land plans**. To reserve a seat call Donna Hahn (717)299-8333 or Email: [hahn@co.lancaster.pa.us](mailto:hahn@co.lancaster.pa.us)

### **SAVE THIS DATE**

**Reinventing Older Communities –**  
May 12 – May 14, 2010,  
Hyatt Regency Philadelphia  
at Penn's Landing

### **INTERESTING ARTICLES / REPORTS**

[From Abandoned Brewery to Piazza, Philly-Style](#) - Inga Saffron, the architecture critic for The Philadelphia Inquirer, said that Mr. Blatstein had **managed to do something that had eluded most developers: create a public space that feels authentic**.

[The Smart Growth Manual](#) presents a clear blueprint for developing cities and suburbs in the most user-friendly, cost-efficient, and environmentally sustainable manner. The authors explain how to **create and enhance mixed-use, pedestrian-friendly communities as an alternative to suburban sprawl**.

**Enabling Informed Growth Management  
Decision Making for Lancaster County**

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