

A public hearing was held before the Borough Council of Lewisburg, Union County, Pennsylvania on **Tuesday, March 16, 2021** as a Virtual Zoom Hearing. Present: Council President Sulai; Councilmembers Botelho, Comas, Derman, Farrell, Heayn, Yohn; Mayor Wagner; Manager Lowthert; Solicitor Lyons; Secretary Anders; and Recording Secretary Kathy Wendt. Councilmember Brody was absent. Also present: Mike Matukaitis, Denny Hummer, Ellen Ruby, Attorney Stapleton, Eric Scicchitano.

CALL TO ORDER: Council President Sulai called the public hearing to order at 6:05 PM. The purpose of the hearing is to receive and consider written or oral testimony and comments concerning the request of Iron Front, LLC for the Borough's approval of an economic development liquor license, pursuant to Section 3.102(b)(1) of the Pennsylvania Liquor Code, for its fine dining establishment located at 434 Market Street, Lewisburg, Pennsylvania.

Mike Matukaitis said he is the owner of a wedding and event venue called the Iron Front, LLC located in downtown Lewisburg. Mr. Matukaitis said he is seeking Borough approval to apply for a type of liquor license called an Economic Development liquor license (EDR). Joining him are Denny Hummer, Bucknell SBDC; Ellen Ruby, Lewisburg Downtown Partnership (LDP); and Attorney Patrick Stapleton from Weber Gallagher Simpson, Philadelphia. Mr. Matukaitis stated that the Iron Front is in a 150-year-old building located in downtown Lewisburg. He recently purchased the building in October 2020 but has been a tenant here for the past 6 years where he has been renovating it and building a business that has put approximately 35,000 guests through the space and through the downtown for special events and weddings. He will typically do about 200 private events per year, barring when it is not COVID, and about 40 weddings. He is hoping to apply for an Economic Development license, which would allow Iron Front to offer a catered bar package on the 2nd and 3rd floors for events and weddings. On the first floor he would open an Iron Front kitchen and bar concept, which would allow him to serve the same food items as he would serve at the catered events on the 2nd and 3rd floors. He is hoping that Iron Front would bring a lot of foot traffic downtown and would be able to support a lot of the other downtown businesses.

Attorney Stapleton said that the Pennsylvania Liquor Control Board (PLCB) has approved Economic Development licenses for the past 25 years. Licenses are available depending on the size of the county, which he believes that Lewisburg is a County of the seventh class, so there would be one Economic Development license available per year in Union County and he does not believe anyone has applied for it yet this year. He said that its basically used to help municipalities grow their economy. There are three ways to get a license: one is to apply in a KOZ; another is a Keystone Opportunity Improvement Zone, which these do not exist in Lewisburg Borough so they are applying to the third level which is to say they are asking for Council to agree that this would bring economic development to the Borough and that they bless such an application. Right now there are only 15 liquor licenses in Union County. There are about 8 in Lewisburg Borough; 3 are supermarkets; the rest seem to be restaurants; and one is safe keeping. Attorney Stapleton said they canvased all those licensees to see if anybody is willing to sell. At this point only one person has responded to us and said they are willing to sell. Another prong to this is that you need to show that it is unfeasible from an economic standpoint to buy a license at a certain price. There is one license for sale that they have been able to uncover, and it is at a very high price and they do not believe any restaurateur could afford to operate paying a price of this nature. Licenses have gone up and down because supermarkets have been buying them all and it does not seem to be a barrier for them. They are looking to make an application, with Borough's approval, to the PLCB. It would then be their responsibility to prove to the PLCB that they are a viable entity that falls within the parameters of Economic Development license. Getting the Borough's approval is the first step of the process. If approved, they will then apply to the PLCB and go through their process to make sure the PLCB's criteria are met.

Ellen Ruby, Executive Director, LDP, as well as a resident of Lewisburg Borough, spoke in support of this project and in support of Mr. Matukaitis. She stated that Mr. Matukaitis has been an engaged member of the Lewisburg business community for years and created a strong group of people to review his plans

CALL TO ORDER

MIKE MATUKAITIS

ATTORNEY
STAPLETON

ELLEN RUBY

and hear his ideas and she really appreciated having the opportunity to be part of that group. She had a chance to review the plans and information and fully supports the idea of his proposed business. She can see the necessity for an economic development liquor license. After reaching out to restaurants, it does not appear that it is feasible to purchase a license. Ms. Ruby added that growing the current Iron Front event venue will add jobs and bring additional visitors to downtown Lewisburg which will benefit all businesses and the community including restaurants. Bringing people downtown is a good thing. The more people that are brought to the downtown the more it benefits everybody in the downtown. In addition, there are many benefits to the continued restoration of the historic Chamberlin Building. Restoration of historic buildings connects people with the past and connects people with one another and it helps to keep our communities beautiful, vibrant, and livable. Ms. Ruby said she feels strongly about Mike and the work he has done in this community and this project.

Denny Hummer, Assistant Director of Business Incubation for the Bucknell Small Business Development Center, spoke on behalf of the longevity and the value that Mike Matukaitis brings to economic development in our community. He met Mr. Matukaitis on one the first days that he joined the University 8 years ago and has been blown away ever since with Mike's energy and enthusiasm and the power and love he brings to our community. Mike has always wanted to do something new and try something different. Mr. Hummer is so grateful to the Council for their willingness to hear about this project and being part of making great things happen.

Mayor Wagner said she strongly endorses what Mr. Hummer just said. She said the value that Mr. Matukaitis brings to our downtown cannot be calculated until he is in full progress once again outside of COVID. He brought something unique in our town that we do not have in the surrounding area. She fully supports the progress and hopes we can endorse this project for him.

Councilmember Botelho asked if there were any type of timeframe restrictions for the sale of the license if it is granted. Attorney Stapleton answered that an Economic Development license cannot be sold. He added that there is a one-time fee that is paid to the state for the license, and it is a non-transferable and non-saleable license. The other restriction is that sales need to be 50% food and 50% alcohol with this license. Attorney Stapleton said that these are the major restrictions for the license.

Eric Scicchitano asked if this license is renewed annually or in place indefinitely? Attorney Stapleton replied that the license needs to be applied for every year, but it is called a renewal every second year. Mr. Scicchitano also asked what the food/alcohol split is for the traditional liquor licenses. Attorney Stapleton believes it is a 75%-25% split.

Manager Lowthert asked if there is a need to come back to Council every two years for the renewal process? Attorney Stapleton replied that this is a one-time opportunity.

Councilmember Comas asked how often the state does or does not grant these and how likely is this to happen? Attorney Stapleton said he is the former Chairman of the PLCB, and they yield their discretion quite powerfully. Since he has been in private practice he has gone to court and had their decision reversed and has done so successfully. If the case were to be unsuccessful, then right of appeal would be made to the Union County Court of Commonwealth Pleas. If won there, the PLCB would appeal to the Commonwealth Court. If we win there, then they would appeal to the Supreme Court which is what has been done to him on a couple of occasions and have prevailed there eventually. Attorney Stapleton is hoping this is not going to be the case here. He thinks everybody here would agree that Mike is a successful operator, which is one of PLCB's major concerns. Attorney Stapleton would like to say that this is a slam dunk but knowing the PLCB nothing is a slam dunk. Attorney Stapleton said it usually takes 4 to 18 months for the process.

Councilmember Comas asked if there was anything that Council could do to help Mike with his case. Attorney Stapleton said that the Resolution that the Borough council will consider tonight will lay out

DENNY HUMMER

MAYOR WAGNER

COUNCIL-
MEMBER
BOTELHO

ERIC SCICCHITANO

MANAGER
LOWTHERT

COUNCIL-
MEMBER COMAS

information as to why they think this is a good opportunity. Also, he said it would be great if they could get Letters of Endorsements regarding how strongly they feel about this project, about Mike's abilities to run this operation, and how it would be beneficial to the community. Attorney Stapleton believes with the Resolution and any endorsements in the form of a letters would be helpful.

Council President Sulai said the Resolution is prepared for tonight's Council meeting for a vote. Attorney Stapleton said that the meeting minutes would be a nice attachment as well.

Councilmember Farrell also spoke in favor of endorsing this project. He added that he has been to the Iron Front a couple of times as well as rented the space for an event and has had a positive experience. He again endorsed the project and thinks it will be good for the Lewisburg downtown community.

Councilmember Derman asked where he can send a personal letter of endorsement. Attorney Stapleton said it would be sent to the PLCB, Harrisburg, PA. Manager Lowthert said he will email the address to all Council members.

Council President Sulai asked if it would be a benefit if individual letters from Borough Council members would make a difference beyond the Resolution? Attorney Stapleton replied that it would.

Mr. Matukaitis thanked everyone for their support.

Council President Sulai thanked everyone for being there and hoped that its very successful.

Council President Sulai declared the public hearing closed at 6:25 PM.

Respectfully Submitted,

Kathy Wendt
Recording Secretary

PRESIDENT
SULAI

COUNCIL-
MEMBER
FARRELL

COUNCIL-
MEMBER
DERMAN

PUBLIC HEARING
CLOSED