

LONDONDERRY TOWNSHIP

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October 27, 2017

Dear Resident:

We are sending this letter to update you about the developments involving the Susquehanna River island properties within Londonderry Township's borders, specifically Hill, Beech, Beshore, Shelley and Poplar Islands. As you may have read in the news or heard from friends, the Township is in the process – at the insistence of the Federal Emergency Management Agency (FEMA) – of requiring the owners of the island properties to come into compliance with the Londonderry Township flood plain ordinance.

This has been a difficult process for everyone involved, and it has led to a number of questions from our residents. Unfortunately, it has also led to misunderstandings and misinformation. As a Board of Supervisors, we strive to do the best we can for the Township, keeping you informed about matters before us, and promoting fairness and the best interests of all of our residents. With that goal in mind, we wanted to share with you answers to several frequently asked questions about the situation involving the islands.

What exactly is happening with the islands?

The situation on the islands has developed over a number of decades, with plenty of blame to go around. The simplest explanation is that many of the island properties are in violation of the Township's flood plain ordinance. In 2014, FEMA told the Township that it had to enforce its ordinance in relation to the island properties or else the Township and all of its residents would be excluded from the National Flood Insurance Program (NFIP) and denied access to other federal disaster relief programs. Since then, the Township has held multiple public forums about the issue, conducted an engineering analysis of hundreds of island properties and begun the enforcement process.

Why is this happening now?

In large part, the flooding caused in 2011 by Tropical Storm Lee triggered the events that have led to the current situation. The NFIP is severely in debt as a result of insurance claims tied to floods and other natural disasters across the nation. The millions of dollars in claims paid on the island properties in relation to Tropical Storm Lee, along with the more than \$13 million in NFIP-backed insurance policies currently outstanding on Township properties, placed the island properties' non-compliance on FEMA's radar.

What does it mean to Township residents if we don't comply with FEMA's mandates?

The consequences for our residents of ignoring FEMA are severe. None of our residents or businesses on the mainland could get federally-subsidized flood insurance. Flood insurance outside of the NFIP is extremely expensive, if it is even available. Without insurance, existing owners would likely default on their mortgages and could lose their homes or business properties. Potential new buyers would be unable to purchase the properties. The Township and its residents would also lose access to disaster relief programs. Over the last decade, the Township has received millions of dollars in such funding – which has funded repairs and improvements that would otherwise have required tax increases.

Why are some islands being treated differently than others?

The Township has treated all islands and their owners equally. The difference between the islands involves the owners of the properties. The properties on Hill, Beech, Poplar and the tip of Shelley Islands are held by individuals with ownership rights. For each property on those islands, FEMA has compelled the Township to establish non-compliance and, if that is not cured, enforce the flood plain ordinance. Beshore and the vast majority of Shelley Islands are owned by York Haven Power Company, which entered into an agreement with the Township, approved by FEMA, to bring its properties into compliance by October 2019.

Why can't the renters on Beshore and Shelley Islands be given the chance to come into compliance?

That was a decision made by York Haven Power, as the owner of those properties. It had, over many years, rented the properties to their users on a seasonal basis. In April 2016, however, the Company decided to end its seasonal rental program in order to bring the properties into compliance with the Township's ordinance and FEMA's mandate. The Company allowed people two additional seasons to enjoy the island properties, but ended its program on September 30, 2017. The Township never prevented the renters from coming into compliance; instead, York Haven ended the entire program.

Many people have claimed that York Haven Power has changed its position and would now be willing to allow its renters to try to achieve compliance. York Haven has never confirmed this change to the Township. We have sent a letter to the Company asking it to make its intentions clear in writing. Any written proposal submitted to us by York Haven will be promptly submitted to FEMA for review and given full and fair consideration by the Township.

Can't the renters on Beshore and Shelley Islands be given more time?

That is a decision to be made by FEMA and, to date, it has not agreed to an extension of the Township's compliance obligations. In addition, York Haven, as the owner of the properties, would need to commit to allowing for compliance.

Didn't the Township already reject a plan to save the rented properties on Beshore and Shelley Islands?

No. A presentation was made to Township staff about a concept to create an "eco-tourism" destination on the islands. The concept was very preliminary and had no funding. The Township was asked to extend York Haven's September 30 compliance deadline by two years, which it could not do because FEMA did not support that extension. The Township will accept and process applications for new development on the islands consistent with its ordinances.

Won't the Township lose substantial tax revenue if the seasonal rental program ends?

No. From all of the properties on all of the islands (including land and buildings), the Township receives only \$32,690 in taxes per year. From the York Haven Power islands, the Township receives only \$11,270 per year. Regardless, tax revenues could not compensate for the costs of refusing to comply with FEMA's demands.

How is all of this impacting taxpayers?

FEMA's mandates have imposed tremendous burdens on the Township's budget, and unfortunately we taxpayers will be the ones to bear those burdens. The Township has been required to incur major, unanticipated costs as a result of having to deal with the 480 properties on the islands, including having to inventory hundreds of properties, having our engineers conduct detailed compliance studies of them, and incurring substantial legal fees to address these issues and begin enforcement. The Township has also been

inundated with Right to Know Law requests by seasonal renters angry about the situation, costing tens of thousands of dollars in legal fees and forcing the Township to hire temporary employees just to handle the many, many requests.

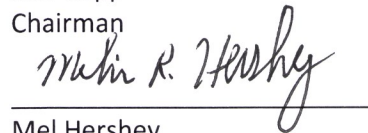
As you can see, this is a difficult situation with no easy answers. We feel deeply for everyone and all the families who have been impacted. As always, though, we will continue to place the interests of our residents first and do what is best for the whole Township.

Thank you.

Sincerely,



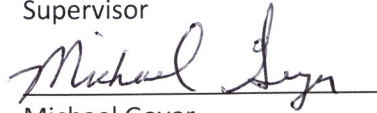
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