



Commonwealth Financing Authority
Harrisburg PA, 17120

Board Meeting Minutes

January 13, 2011

The Commonwealth Financing Authority (CFA) board meeting was held on January 13, 2011. Proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"). The meeting was held at the Dixon University Center, 2986 North Second Street, Harrisburg, Pennsylvania.

In addition to Chairman Burke the following Board members were present: Phil Condrón and Steven Kniley designee of the Honorable Mary Soderberg. The following Board members participated via telephone: Barbara McNees, Jerry Pappert, and Michael Karp.

DCED staff members present were: Scott Dunkelberger, Brian Eckert, Matt Conlin, Ryan Emerson, Laurie Henry, Sherée Jacobs, Matthew Karnell, and Chief Counsel Steven Fishman.

Members of the public in attendance were: David Atkinson, Lisa Taglang, Randy Albright, Tony Moscato, Dave Washburn, Cathy Washburn, Peggy Montgomery, Colleen DeFrank, David Harris, John Troutman, John Nikoloff, Brad Jones, Neal West, Rouletta D. Blowers, Jon Cox, Robert Taylor, Rob Loughery, Dale Witmer, Dave Butcher, and Tom Hardy.

Chairman Burke called the meeting to order at 10:33 a.m.

Chairman Burke acknowledged the presence of a quorum of the Board and welcomed the guests.

On a motion by Mr. Karp and seconded by Mr. Pappert, the Board unanimously approved the November 16, 2010 minutes.

On a motion by Mr. Karp and seconded by Mr. Condrón, the Board unanimously approved payment of CFA expenses in the amount of \$574,487.44.

Mr. Dunkelberger presented the following for the Board's consideration:

Building PA Program:

Project Recommendations

Rob Loughery made a brief presentation in regards to the Campus Drive Group, LP project. On a motion by Mr. Karp and seconded by Mr. Condrón, the Board unanimously approved a loan in the amount of \$350,000 for the Campus Drive Group, LP project on behalf of Keystone Redevelopment Group.

Dave Butcher made a brief presentation in regards to the Second & State Street Partners, LLC project. On a motion by Ms. McNees and seconded by Mr. Pappert, the Board unanimously approved a loan in the amount of \$2,000,000 for the Second & State Street Partners, LLC project on behalf of South Third Development Corporation.

Renewable Energy Projects:

Geothermal Energy Projects

On a motion by Mr. Condrón and seconded by Mr. Kniley, the following Geothermal Energy Projects were unanimously approved:

<u>Applicant</u>	<u>Project</u>	<u>Loan Amount</u>
Ambar Falcon Property LP	Geothermal System Installation	\$234,000
Jody and James Rule	Geothermal System Installation	\$11,760

Wind Energy Project:

On a motion by Mr. Kniley and seconded by Mr. Condrón, the Board unanimously approved an Alternative and Clean Energy grant in the amount of \$6,000,000 for Highland North LLC.

Alternative and Clean Energy Program:

Energy Production Projects

On a motion by Mr. Pappert and seconded by Mr. Condrón, the Board unanimously approved a loan in the amount of \$2,000,000 for KGRA Energy Corporation.

On a motion by Mr. Condrón and seconded by Mr. Kniley, the Board unanimously approved a loan in the amount of \$635,000 for The Reading Hospital and Medical Center.

On a motion by Mr. Pappert and seconded by Ms. McNees, the Board unanimously approved a loan in the amount of \$2,000,000 for Lancaster General Hospital.

On a motion by Mr. Kniley and seconded by Mr. Condrón, the Board unanimously approved a loan in the amount of \$5,000,000 for EnergyWorks BioPower, LLC.

Energy Efficiency Projects

On a motion by Mr. Pappert and seconded by Ms. McNees, the Board unanimously approved a loan in the amount of \$2,750,000 for Lancaster General Hospital.

On a motion by Mr. Kniley and seconded by Mr. Condrón, the Board unanimously approved a loan in the amount of \$200,867 for The City of Harrisburg.

On a motion by Mr. Pappert and seconded by Ms. McNees, the Board unanimously approved a loan in the amount of \$1,948,000 for Monongahela Valley Hospital.

Biofuels Projects

On a motion by Mr. Condrion and seconded by Mr. Pappert, the Board unanimously approved a grant in the amount of \$180,000 for Postlewait Logging Company.

On a motion by Mr. Kniley and seconded by Ms. McNees, the Board unanimously approved a grant in the amount of \$70,000 for Roaring Spring Blank Book Company.

Tax Increment Financing Guarantee Payment:

On a motion by Mr. Karp and seconded by Ms. McNees, the following TIF Guarantee Payments were unanimously approved:

A TIF Guarantee Payment to M&T Investment Group in the amount of \$254,508.18 for The City of Butler (West-End Revitalization Area) TIF project.

A TIF Guarantee Payment to M&T Investment Group in the amount of \$196,580.74 for Longvue Development (North Versailles) TIF project.

Ratifications:

On a motion by Mr. Condrion and seconded by Mr. Kniley, the following special requests and First Industries loans and loan guarantees were ratified:

First Industries

First Industries Loan Guarantee

<u>Applicant</u>	<u>Project</u>	<u>Loan Guarantee</u>
Dollar Bank, FSB	Cranberry Woods Hotel Associates, L.P.	\$2,500,000
Metro Bank	Pennsylvania Classics AC	\$275,000
Centric Bank	VR Hospitality, LLC	\$2,500,000

Small Business First Loan

<u>Applicant</u>	<u>Project</u>	<u>Loan</u>
EDC Finance Corporation	Matthew K. Wiker	\$190,000
EDC Finance Corporation	J. Kenneth & Lisa M. Wiker	\$190,000
Cumberland Area Economic Development Corporation	Aric T. Clevenger, Angela R. Clevenger, Heidi J. Clevenger, John E. Clevenger, and Carol L. Clevenger	\$190,000
Lebanon Valley Economic Development Corporation	Dale and Kristine Weiler	\$200,000
The Progress Fund	C & R O'Driscoll Inc.	\$200,000
EDA Council of Governments	Mark H. Rohrbach and Ashley M. Rohrbach	\$161,000
Northern Tier Regional Planning and Development Commission	Maple Knoll Farm	\$125,000

Special Requests

Eighteen special requests for the following entities (details attached):

Applicant

Brent King
Brook Run Farms
Brubaker and Kuhn, Inc.
Ideal Family Farms, LLC
Kevin J. Bower
Shawn and Jennifer Arbogast
The New A-Ville Inn
Uptown Worthington
Antrim Restaurants, Inc.
Greater Johnstown Regional Technology Complex
OmniWind Energy Systems, LLC
Pittsburgh Life Sciences Greenhouse Accelerator Fund
Trinity Point
Big Beaver Water Expansion
Columbia County Business Park
Joshua Reiff
Pocono Mountains Industries
Positive Energy Pennsylvania 2, LLC

Program

First Industries SBF
Building PA
First Industries SBF
Business In Our Sites
Renewable Energy Program
Technology Investment
Business In Our Sites
PennWorks
PennWorks
First Industries SBF
Building PA
Solar Energy

Other Business:

Chairman Burke announced that due to the new Administration, this would be his last CFA Board Meeting as the Chairman and that he would be returning as a CFA Board Member appointed by the Senate Democratic Caucus. Chairman Burke thanked CFA Board Member, Phil Condron, for serving on the Board for the past several months.

There being no further business to come before the Board, the meeting was adjourned at 11:03 a.m.

DATE: November 4, 2010
SUBJECT: Special Request -- CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared A. Lucas, Director
Small Business First Division

SPECIAL REQUESTS -- BOARD ACTION REQUIRED

Brent King
Mifflin County

Approved: 04/07/2008
\$160,000 (Loan)

Requested Change:

On April 7, 2008, the CFA Board approved a First Industries SBF loan to Brent King for the construction of a poultry house in Belleville, Mifflin County. Brent King is expanding his farm by constructing a second poultry house, and AgChoice has approved a new loan in the amount of \$314,000 for the project. AgChoice Farm Credit is requesting that the First Industries SBF loan subordinate from a second to a third mortgage position on the project property. A new appraisal values the farm as-proposed at \$1,250,000. Due to the construction of the second poultry house, the new loan to value increases from 62% to 71%.

Previous Collateral:

A second mortgage on the real estate located at 219 Pebley Lane, Belleville, Mifflin County, Pennsylvania, subject to a first mortgage in favor of AgChoice Farm Credit in an amount not to exceed \$435,000.

Proposed Collateral:

A third mortgage on the real estate located at 219 Pebley Lane, Belleville, Mifflin County, Pennsylvania, subject to a first and second mortgage in favor of AgChoice Farm Credit in an aggregate amount not to exceed \$749,000.

Staff Recommendation: Approval

DATE: November 1, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

**Brook Run Farms
York County**

Approved: 8/21/2006
\$200,000 (Loan)

Requested Change:

On August 21, 2006, the CFA Board approved a First Industries Agriculture SBF loan to Brook Run Farms for the acquisition of a 130-acre farm in Brogue, York County. The Borrower is requesting additional loan funds from Fulton Bank in the amount of \$787,000 in order to complete the construction of a second chicken house on their farm property. Fulton Bank has requested that the existing First Industries Ag loan subordinate to the new financing. The resulting change would decrease the LTV from 86% to 73% since the project property's value will increase from \$1,535,000 to \$2,905,000.

Original Collateral:

A second mortgage on the real estate located at 1599 Furnace Road, Brogue, York County, Pennsylvania, subject to a first mortgage in favor of Fulton Bank in an amount not to exceed \$1,159,900.

Proposed Collateral:

A third mortgage on the real estate located at 1599 Furnace Road, Brogue, York County, Pennsylvania, subject to a first and second mortgage in favor of Fulton Bank in an amount not to exceed \$1,159,900 and \$787,000 respectively.

Staff Recommendation: Approval

DATE: November 4, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared A. Lucas, Director
Small Business First Division

SPECIAL REQUESTS -- BOARD ACTION REQUIRED

Brubaker and Kuhn, Inc.
Lebanon County

Approved: 07/09/2010
\$200,000 (Loan)

Requested Change:

On July 9, 2010, the CFA Board approved a First Industries SBF loan to Brubaker and Kuhn, Inc. for the construction of a new 20,600 square foot facility for a farmer's market and live auction in Lebanon, Lebanon County. The financing structure has changed on the project. Gene Mease will no longer provide financing in the amount of \$300,000. Jonestown Bank will now provide a loan of \$450,000 for the project. Previously, the First Industries SBF loan shared a first mortgage position with Gene Mease on the property located at 237 Freeport Road, but now Jonestown Bank is requesting that the First Industries SBF loan subordinate to a second mortgage position on the property. The increase in funds will be used to pay off a private lender and are not related to the project. The SBF First Industries loan will no longer be secured by the second property located at 241 Freeport Road. Due to these changes, the loan to value increases from 58% to 66%.

Previous Collateral:

A first mortgage on the real estate located at 237 Freeport Road, Lebanon, Lebanon County, Pennsylvania, shared pro rata with Gene Mease in an amount not to exceed \$300,000.

A first mortgage on the real estate located at 241 Freeport Road, Lebanon, Lebanon County, Pennsylvania, shared pro rata with Ben Schreiber in an amount not to exceed \$270,000.

Proposed Collateral:

A second mortgage on the real estate located at 237 Freeport Road, Lebanon, Lebanon County, Pennsylvania, subject to a first mortgage in favor of Jonestown Bank in an amount not to exceed \$450,000.

Staff Recommendation: Approval

DATE: November 1, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Ideal Family Farms, LLC
Snyder County

Approved: 8/8/2007
\$200,000 (Loan)

Requested Change:

On August 8, 2007, the CFA Board approved a First Industries Agriculture SBF loan to Ideal Family Farms, LLC for the purchase of an existing 15,000 head hog facility in Beavertown, Snyder County. The Borrower is requesting additional loan funds from AgChoice Farm Credit in the amount of \$462,890 in order to complete the construction of a methane digester on their farm property. AgChoice Farm Credit has requested that the existing First Industries Ag loan be subordinated to the new financing. The existing AgChoice loan balance of \$741,417 will have a first lien mortgage on the farm property, while the existing FIF Agriculture loan balance of \$152,997 will share a second mortgage (pro-rata) with the \$462,890 of new financing by AgChoice Farm Credit. A new appraisal of the farm property puts the property value at \$2,600,000. The resulting change would decrease the LTV from 54% to 52% since the project property's value will increase from \$2,075,000 to \$2,600,000.

Original Collateral:

A first mortgage on the real estate located at 89 BP Finishing Lane, Beavertown, Snyder County, Pennsylvania, shared pro rata with AgChoice Farm Credit in an amount not to exceed \$1,213,350.

Proposed Collateral:

A second mortgage on the real estate located at 89 BP Finishing Lane, Beavertown, Snyder County, Pennsylvania, shared pro rata with AgChoice Farm Credit in an amount not to exceed \$462,890, subject to a first mortgage in favor of AgChoice Farm Credit in an amount not to exceed \$741,417 (current balance).

Staff Recommendation: Approval

DATE: November 4, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared A. Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Kevin J. Bower
Lycoming County

Approved: 03/24/2008
\$200,000 (Loan)

Requested Change:

On March 24, 2008, the CFA Board approved a First Industries SBF loan to Kevin J. Bower for the construction of two broiler houses in Allenwood, Lycoming County. The borrower wishes to refinance loans he has with Susquehanna Bank, Turbotville National Bank, Swineford National Bank and a credit card balance with a new loan from Turbotville National Bank in the amount of \$527,238. The refinancing will save Kevin Bower approximately \$1,200 in monthly debt obligations. Turbotville National Bank is requesting that the First Industries SBF loan subordinate to a second mortgage position on the real estate, which is comprised of two separate parcels. The SBF First Industries loan is also secured by a third property, in which the loan will assume a first mortgage position. The new loan to value increases from 63% to 71%.

Previous Collateral:

A fourth mortgage on the real estate located at 241 Kevin Road, Allenwood, Lycoming County, Pennsylvania (117 acres), subject to a first and second mortgage in favor of Turbotville National Bank in an aggregate amount not to exceed \$173,584, and a third mortgage in favor of Susquehanna Bank in an amount not to exceed \$340,000.

A third mortgage on the real estate located at 115 Kevin Road, Allenwood, Lycoming County, Pennsylvania (1.11 acres), subject to a first mortgage in favor of Swineford National Bank in an amount not to exceed \$36,764, and a second mortgage in favor of Susquehanna Bank in an amount not to exceed \$340,000.

A third mortgage on the real estate located at 15974 South S.R. #44, Allenwood, Lycoming County, Pennsylvania (.9 acres),

subject to a first mortgage in favor of Swineford National Bank in an amount not to exceed \$30,000, and a second mortgage in favor of Susquehanna Bank in an amount not to exceed \$340,000.

Proposed Collateral:

A second mortgage on the real estate located at 241 Kevin Road, Allenwood, Lycoming County, Pennsylvania (117 acres), subject to a first mortgage in favor of Turbotville National Bank in an amount not to exceed \$527,238.

A second mortgage on the real estate located at 115 Kevin Road, Allenwood, Lycoming County, Pennsylvania (1.11 acres), subject to a first mortgage in favor of Turbotville National Bank in an amount not to exceed \$527,238.

A first mortgage on the real estate located at 15974 South S.R. #44, Allenwood, Lycoming County, Pennsylvania (.9 acres).

Staff Recommendation:

Approval

DATE: November 2, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Shawn and Jennifer Arbogast
Snyder County

Approved: 11/10/2008
\$200,000 (Loan)

Requested Change:

On November 10, 2008, the CFA Board approved a \$200,000 First Industries Agriculture SBF loan for Shawn and Jennifer Arbogast to construct a turkey house on Shawn's parents 17-acre tract of farmland located in an Agriculture Security Area at 520 Hollenbach Road, Middleburg, Snyder County, Pennsylvania. The turkey house holds up to 13,600 turkeys at a time and is contracted with BJE Farm Contract Production, an associated company of Kreamer Feed. On average, the Arbogasts produce 2.25 turns of anabolic-free organic turkeys and generate \$91,000 in revenue per year. However, due to a switch from organic to ABF birds by the integrator, the borrower's poultry house was left unoccupied for nine weeks before they received their next flock. Consequently, the downtime caused a severe strain on the farm's cash flow. Borrower is therefore requesting a three month principal moratorium starting from October 1, 2010 and ending December 31, 2010. Thereafter, the accrued principal payment will be paid back within four months. They believe that interest only payments will give them relief until their cash flow stabilizes.

Staff Recommendation: Approval

DATE: November 2, 2010
SUBJECT: Special Request -- CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared Lucas, Director
Small Business First Division

SPECIAL REQUESTS -- BOARD ACTION REQUIRED

The New A-Ville Inn
Adams County

Approved: 5/10/2006
\$120,000 (Loan)

Requested Change:

On May 10, 2006, the CFA Board approved a First Industries Tourism SBF loan to The New A-Ville Inn for the acquisition and renovation of an existing inn at Arendtsville, Adams County. The Borrower is requesting the CFA allow Adams County Economic Development Corporation (ACEDC) to release its mortgage on the Car Hill Road property. The property has been sold and the money is in escrow as the new owner requires a clear title and ACEDC has a lien on it. The Borrower is willing to replace the collateral with a mortgage on her residence located at 310 Knox Road, Gettysburg. An appraisal has been completed and valued the property at \$595,000. The Knox Road property currently has a first mortgage in the amount of \$192,213 in favor of Susquehanna Bank. ACEDC would be in a second mortgage position on this property. The resulting change would increase the LTV from 54% to 56%.

Original Collateral:

A second mortgage on the real estate located at L7-8 Car Hill Road, Arendtsville, Adams County, Pennsylvania, subject to a first mortgage in favor of Susquehanna Bank in an amount not to exceed \$180,000.

Proposed Collateral:

A second mortgage on the real estate located at 310 Knox Road, Gettysburg, Adams County, Pennsylvania, subject to a first mortgage in favor of Susquehanna Bank in an amount not to exceed \$192,213.

Staff Recommendation: Approval

DATE: October 15, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director
FROM: Brian Eckert
Director, Site Development Division

SPECIAL REQUEST – BOARD ACTION REQUIRED

Chester County Economic Development Council
Uptown Worthington

Approved: 12/9/2008
Approved Amount: \$20,000,000

Requested Change:

On December 9, 2008, the CFA Board approved a Chester County Economic Development Council (CCEDC) Building PA project application for Uptown Worthington in the amount of \$20,000,000. At that time, the project outlined a financing strategy whereby the developer would separately finance five projects within the Uptown Worthington development. The project financed by the Building PA funding is the combination of one office building (M-6/R-6) and three retail buildings (R-2, R-3, R-9) which total 368,093 sq. ft. This project does not include the office building, C-10. The original commitment required evidence for all other sources of financing by June 17, 2009 and an approved amendment extended that requirement to October 13, 2010. CCEDC is requesting a 120 day extension of this requirement to February 11, 2011.

Collateral Value: \$149,000,000

Staff Recommendation: Approval of extension to provide evidence of all other funding sources by February 11, 2011.

DATE: November 23, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared A. Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Antrim Restaurants, Inc.
Franklin County

Approved: 01/02/2008
\$150,000 (Loan)

Requested Change:

On January 2, 2008, the CFA Board approved a First Industries SBF loan to Antrim Restaurants, Inc. for renovations and for the purchase of new equipment in Greencastle, Franklin County. The current balance of the SBF First Industries loan is approximately \$137,930. The borrower has defaulted on the SBF First Industries loan by being in default of its rental payment obligations at the project site. John Allison Public House Ltd. has entered into an agreement to acquire the collateral of Antrim Restaurants, Inc. for the sum of \$68,591, and would like to assume that amount of the SBF First Industries loan. That balance will be amortized over 120 months at an interest rate of 5%, commencing March 1, 2011, with a balloon payment due on the 60th month (February 29, 2016). Mark and Dawn Duriak, the current principals of Antrim Restaurants, Inc., will be responsible for \$49,339.90 of the remaining \$69,339.90, which will be amortized over 180 months at an interest rate of 5%, commencing on or around January 1, 2011, with a balloon payment due on or before the 84th month (December 31, 2017). Mark and Dawn Duriak will enter into a note agreement and guarantee the loan. Larry and Shannon Yoder, former principals and guarantors of the SBF First Industries loan, are expected to pay \$20,000 on the SBF First Industries loan at settlement. The Yoders have not been involved with the business since 2008 and will be released of all liability associated with the loan upon receipt of the \$20,000 payment. If such payment does not occur, Larry and Shannon Yoder will be responsible for the \$69,339 portion of the outstanding loan balance.

Previous Collateral:

A blanket first lien security interest in the business assets of the company located at 104 East Baltimore Street, Greencastle, Franklin County, Pennsylvania.

Proposed Collateral:

The \$68,591 assumed by John Allison Public House Ltd. will be secured by a blanket first lien security interest in the business assets of the company located at 104 East Baltimore Street, Greencastle, Franklin County, Pennsylvania, as well as the guarantees of John and Allison Flannery.

The balance of \$49,339.90 assumed by Mark and Dawn Duriak will be guaranteed by Mark and Dawn Duriak.

Staff Recommendation:

Approval

DATE: November 19, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Matthew J. Karnell
Director, CFA Programs Division

SPECIAL REQUEST #3 – BOARD ACTION REQUIRED

Johnstown Redevelopment Authority
Greater Johnstown Regional
Technology Complex
(Cambria County)

Approved: 07/06/06

\$2,000,000 (Loan)
\$2,000,000 (Grant)

Requested Change: On July 6, 2006, the CFA Board approved a \$2 million Business in Our Sites Loan to Johnstown Redevelopment Authority. Funding was used in the assembly of property and site development improvements for the Greater Johnstown Regional Technology Complex which is now complete. On November 19, 2009 the CFA agreed to subordinate the \$2.0 million BIOS Loan to a first mortgage in favor of 1st Commonwealth Bank in the amount of \$8,000,000 and a second mortgage of \$1,200,000 from Conemaugh Valley Memorial. Since the time of the CFA's approval and execution of the proposed subordination, Johnstown Redevelopment Authority sold a small parcel of land located in the southeastern part of the business park to Sheetz Inc for \$298,792. The proceeds from the sale were applied to the principal balance of the BIOS loan and repayment as outlined in the loan agreement was to begin immediately. JRA is requesting that interest continue to accrue and for repayment of principal and interest on the BIOS loan not be due until the next land sale.

Recommendation: Denial: Loan to begin amortizing and borrower to make principal and interest payments beginning January 01, 2011 as scheduled. The developer of the property, Conemaugh Health System has substantial means in which to begin repaying the loan.

DATE: November 24, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director
FROM: Matthew Karnell
Director, CFA Programs Division

SPECIAL REQUEST – BOARD ACTION REQUIRED

OmniWind Energy Systems, LLC
Wind Energy Manufacturing Project

Approved: 5/11/2009
Approved Amount: \$300,000.

Requested Change:

On May 11, 2010 the CFA Board approved a \$300,000 Renewable Energy Program (REP) loan to OmniWind Energy Systems, LLC, a for-profit wind turbine manufacturing company located in Dublin, PA. OmniWind is manufacturing production-level tooling and equipment to produce wind turbines. The REP loan was originally approved to be secured by a lien subordinate to \$725,068 in favor of Bucks County Bank and \$200,000 lien in favor of TD Bank on a tract of land owned by DTEC, LP. Additionally, the loan is secured by the personal guarantee of Loren A. Schultz. OmniWind is requesting a modification of the collateral position that would allow the REP loan to be subordinate to \$890,000 in favor of Bucks County Bank and \$200,000 in favor of TD Bank.

Collateral Value:

\$1,540,000

Staff Recommendation:

Approval

DATE: November 22, 2010
SUBJECT: Special Request
TO: Scott Dunkelberger
Executive Director
FROM: Debbie Nifong
Technology Investment Office

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Staff has received a formal request from the Pittsburgh Life Sciences Greenhouse Accelerator Fund (PLSGAF) to alter the fundraising milestone related to the CFA's commitment to their project. On May 14th, 2009 the CFA authorized a \$2 million commitment to the PLSGAF requiring a \$6 million match, 3:1, for a total fund size of \$8 million. The CFA then approved a Special Request to release \$500,000 of this \$2 million commitment in a first close upon PLSGAF securing the first \$3.5 million of match commitments.

At this time, PLSGAF requests that the CFA alter this first close milestone to release \$1 million of the CFA commitment upon their securing the first \$3 million of match commitment. All other terms of the commitment would remain the same.

PLSGAF continues their earlier concern that they need to lock in their current investors to a first close due to the very tenuous fundraising environment that has persisted into and throughout 2010. The strong support they have enlisted from the community to this point is very delicately balanced against investors' patience in holding their verbal commitments for an extended fundraising cycle.

In addition to formalizing the fund in a first close to occur before the end of this year and converting verbal commitments to cash, PLSGAF intends to call capital quickly, by the end of first quarter 2011, making two to three investments almost immediately. The first close and the company investments will strengthen their fundraising momentum giving the fund a more solid path to at least an \$8 million fund. In contrast, if PLSGAF continues to be stalled at \$3 million without a first close, they are concerned the fund's support will collapse.

Staff's initial reluctance to approve this request is mitigated by understanding of current fundraising realities as well as the current positive deal flow environment for investable life sciences companies in the Pittsburgh area. Staff believes PLSGAF's plan to achieve a fund of \$5 million - \$8 million is achievable and will meet the terms of the original approval. Allowing a closing on \$1 million of the CFA's commitment in a \$4 million first close still preserves the current 3:1 match required by the program, boosts the fundraising potential of the fund by securing a close, and will put CFA money immediately to work in two to three promising life sciences start-ups in Pittsburgh.

Staff Recommendation: Approval

DATE: November 22, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Matthew J. Karnell
Director, CFA Programs Division

SPECIAL REQUEST #3 – BOARD ACTION REQUIRED

Clarion Trinity Development Corp.
Trinity Point
(Clarion County)

Approved: 05/25/05
\$875,000 (Loan)
\$474,313 (Grant)

Requested Change: On May 25, 2005, the CFA Board approved an \$875,000 Business in Our Sites Loan to Clarion Trinity Development Corp. BIOS funds were used for infrastructure development of Trinity Point. The BIOS loan is secured by a second mortgage lien on 83 acres subject to a lien of \$2,000,000 in favor of PNC Bank formerly National City Bank. Currently, there is also a third mortgage lien in favor of PNC Bank consisting of a Line of Credit in the amount of \$150,000 secured by the same parcel of land. The LOC was established in July of 2006 for the completion of additional various sections of the park. PNC Bank is now requiring Clarion Trinity to refinance and consolidate its debt with PNC Bank into one lien in the amount of \$1,319,173 that will be senior to the BIOS loan. In order to complete the refinance, Clarion Trinity is requesting approval of the subordination. The BOS loan balance is \$681,000.

Collateral: Second Mortgage lien on 83 acres.

Collateral Value: \$3,000,000

Recommendation: Approval of the request.

DATE: December 16, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Matt Karnell
Director, CFA Programs Division

SPECIAL REQUEST – BOARD ACTION REQUIRED

Beaver Falls Municipal Authority
Big Beaver Water Expansion
(Cambria County)

Approved: January 25, 2006
\$2,031,525 (Loan)
\$1,146,123 (Grant)

Requested Change: On January 25, 2006, the CFA Board approved a \$1,146,123 PennWorks grant and a \$2,031,525 PennWorks loan to Beaver Falls Municipal Authority. Funding was used for the construction of a water booster station, an elevated water storage tank and the extension of a water line along the Route 18 corridor in Big Beaver Borough. On August 18, 2006 the CFA agreed to be in a third lien position behind a Series 2002A bond of \$4,340,000 and a Series 2006 bond of \$11,495,000. Beaver Falls Municipal Authority is refinancing some of their debt and is requesting that the CFA take a parity pro-rata first lien on the receipts and revenues of the Authority with \$17,000,000 for PNC and \$10,000,000 for PENNVEST.

Recommendation: Approved

DATE: December 15, 2010
SUBJECT: Special Request – CFA Board Meeting
TO: Scott Dunkelberger
Executive Director
FROM: Matt Karnell
Director, CFA Programs Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Columbia Alliance for Economic Growth
Columbia County Business Park
(Columbia County)

Approved: 1/30/07
\$289,970 (Loan)

Requested Change:

On January 30, 2007, the CFA Board approved a PennWorks loan to the Columbia Alliance for Economic Growth (CAEG) to extend water and sewer service to support the development of the Columbia County Business Park in Scott Township, Columbia County. The CAEG is getting ready to close on a Pennsylvania Industrial Development Authority (PIDA) loan to build the business park and CAEG is requesting the CFA to take a third lien position behind a first lien of \$507,320 in favor of PIDA and a second lien of \$750,000 in favor of First Columbia Bank.

Staff Recommendation: Approval

DATE: December 1, 2010
SUBJECT: Special Request -- CFA Board Meeting
TO: Scott Dunkelberger, Executive Director
Commonwealth Financing Authority
FROM: Jared Lucas, Director
Small Business First Division

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Joshua Reiff
Northumberland County

Approved: 5/20/08
\$160,000 (Loan).

Requested Change:

On May 2, 2008, the CFA Board approved a First Industries Agriculture SBF loan to Joshua Reiff for the construction of a second turkey barn in Milton, Northumberland County. Joshua Reiff is requesting a loan restructuring from AgChoice Farm Credit and SEDA-COG / First Industries Ag SBF to accommodate the disruption in cash flow. The borrower's July 2010 settlement check from the integrator was significantly less as only one of the two barns was settled due to the loss of 6,000 birds in March 2010. Additionally, the borrower lost the contract with the integrator (Koch) for future flocks. The borrower has been able to obtain a one flock turkey contract with a new integrator (Kreamer) in August 2010. If this flock does well with Kreamer they indicated that they would be willing to put him on a longer contract. AgChoice has given the borrower until February 2011 to find a contract that will fulfill cash flow, find additional family funds or sell the farm. AgChoice has also approved interest only payments on their debt through February 2011 when the Kreamer flock is due to settle. The borrower, which currently makes quarterly payments for the First Industries SBF loan, is requesting 3-quarter interest only payments from September 2010 through March 2011, with the deferred principal to be re-amortized and paid back over the remaining term of the loan following the last interest only payment on March 1, 2011.

Staff Recommendation: Approval

DATE: December 6, 2010

SUBJECT: Special Request -- CFA Board

TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority

FROM: Brian Eckert
Director, Site Development Division

SPECIAL REQUEST -- BOARD ACTION REQUIRED

Pocono Mountains Industries

Approved: 06/25/08
Approved Amount: \$5,000,000

Requested Change:

On November 10, 2009, the CFA Board approved a Building PA loan in the amount of \$2,000,000, with a rate of 3.25% and 25-year amortization with a 10-year balloon for the development of the East Stroudsburg University (ESU) Research and Technology Park located in Smithfield Township, Monroe County.

The ESU Research and Technology Park will provide expanded business accelerator space within the Pocono Mountains Keystone Innovation Zone. Due to design and management delays, Pocono Mountains Industries is requesting the loan closing deadline be extended until March 23, 2011.

Staff Recommendation: Approval of an extension until March 23, 2011.

DATE: December 3, 2010
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director
FROM: Lynne Ruby
Director, Grants Office

SPECIAL REQUEST – BOARD ACTION REQUIRED

Positive Energy Pennsylvania 2, LLC
Northampton County

Approved: 05/11/2010
Approved Amount: \$966,000

Requested Change: On May 11, 2010 the CFA Board approved a \$966,000 Solar Energy grant to Positive Energy Pennsylvania 2, LLC for the installation of a 599.94 kW ground-mounted solar photovoltaic system at the Lower Nazareth Elementary School in the Nazareth School District at 4422 Newburg Highway in Lower Nazareth Township, Northampton County. Due to unforeseen complications that have arisen with the proposed ground-mounted PV system at the elementary school, Positive Energy is requesting the project site location be changed to the rooftop of the Nazareth Middle School in the Nazareth School District at 94 Friedenstahl Avenue in Upper Nazareth Township, Northampton County. The proposed rooftop system at the middle school would increase in size from the originally approved 599.94 kW to 601.92 kW.

Staff Recommendation: Approval