



Commonwealth Financing Authority
Harrisburg PA, 17120

Board Meeting Minutes

July 3, 2012

The Commonwealth Financing Authority (CFA) board meeting was held on July 3, 2012. Proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"). The meeting was held in PUC Hearing Room 1, Commonwealth Keystone Building, 400 North Street, Second Floor, Harrisburg, Pennsylvania.

In addition to Chairman Walker, the following Board members were present: Austin Burke, Barbara McNees, The Honorable Glenn Moyer and John Callahan, designee of The Honorable Charles Zogby. Michael Karp and Gerald Pappert participated via teleconference.

Members of the public in attendance were: Randy Albright, Dean Anthon, Drew Anthon, Dave Atkinson, Mandy Book, Kathy Bruder, Paul Carter, Jay Caymen, Sheri Collins, Colleen DeFrank, Scott Dunkelberger, Brian Eckert, Ryan Emerson, Mark Fennell, Steve Fishman, Ted Ginsberg, Malcolm Haynes, Laurie Henry, Lisa Hughes, Ron Jumper, Matthew Karnell, Jay Katarincic, Steven Kratz, Jennifer Leinbach, Greg Mahon, David Mayernik, Bonnie Meck, Walter Meck, August Memmi, Jeff Mills, Michael O'Rourke, Tim Rodrigo, Kevin Rowland, Kara Ruby, Lynne Ruby, Tigh Savercool, Peggy Schaeffer-Montgomery, Chris Stets, Lisa Taglang, Barry Wickes, Kevin Zwick and Chief Counsel Houston.

Chairman Walker called the meeting to order at 10:44 A.M.

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

On a motion by Mr. Burke and seconded by Ms. McNees, the Board unanimously approved payment of CFA expenses in the amount of \$613,585.24.

On a motion by Ms. McNees and seconded by Mr. Callahan, the Board unanimously approved the Memorandum of Understanding between the Department of Community and Economic Development and the Authority.

On a motion by Ms. McNees and seconded by Mr. Pappert, the Board unanimously approved the Memorandum of Understanding between the Department of Environmental Protection and the Authority.

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

Allegheny County Gaming Economic Development & Tourism Fund:

On a motion by Ms. McNees and seconded by Mr. Burke, the following projects were unanimously approved:

<u>Applicant</u>	<u>Sub-grantee</u>	<u>Funds</u>
Redevelopment Authority of Allegheny County	The Elmhurst Group	\$500,000
Redevelopment Authority of Allegheny County	Urban Redevelopment Authority	\$500,000
Redevelopment Authority of Allegheny County	Landmarks Development Corporation	\$500,000
Redevelopment Authority of Allegheny County	Allegheny Airport Authority	\$500,000
Redevelopment Authority of Allegheny County	Redevelopment Authority of Allegheny County	\$500,000

Venture Capital Investment Program:

Investment Recommendation

On a motion by Ms. McNees and seconded by Mr. Burke, the Board unanimously approved an investment request in the amount of \$4,000,000 for Draper Triangle Partners III, LLC.

On a motion by Mr. Burke and seconded by Ms. McNees , the Board unanimously approved an investment request in the amount of \$1,500,000 for NextStage Capital II, L.P.

Alternative and Clean Energy Program:

Energy Efficiency Projects

After a brief summary of the projects by Mr. Dunkelberger, upon motion by Ms. McNees and seconded by Mr. Moyer, the Board unanimously approved a \$1,214,161 loan to Pittsburgh Symphony, Inc, for the Heinz Hall Alternative and Clean Energy Capital project located in Allegheny County.

Upon motion by Ms. McNees and seconded by Mr. Burke, the Board unanimously approved a \$67,005 loan to Tyrone Hospital for the Energy Efficiency project located in Blair County.

Upon motion by Mr. Burke and seconded by Mr. Moyer, the Board unanimously approved a \$39,523 loan to The Borough of Mt. Oliver for the Energy Efficiency Street Lighting project located in Allegheny County.

Renewable Energy Program:

On a motion by Mr. Burke and seconded by Mr. Callahan, the Board unanimously approved a \$16,856 loan to Trevor S. and Hannah R. Martin for the purchase and installation of a geothermal system for their residence in Berks County.

Danville Borough Flood Control Project Request for Additional Funds:

After a brief overview by Mr. Dunkelberger regarding the project request, upon motion by Ms. McNees and seconded by Mr. Callahan, the Board unanimously approved a request to allocate an additional \$607,590 to Danville Borough for their previously approved Flood Control project located in Montour County.

Meck Solar Special Request:

Mr. Dunkelberger briefly explained the request from Meck Energy Partners to assign their SREC's (Solar Renewable Energy Credits) to the CFA to satisfy the remaining debt payments on their \$815,360 loan. Upon motion by Mr. Callahan and seconded by Ms. McNees, the Board unanimously approved the request. Mr. Moyer abstained.

TIF Guarantee Program:

TIF Guarantee Payments

On a motion by Mr. Moyer and seconded by Mr. Pappert, the following TIF Guarantee Payments were unanimously approved:

A TIF Guarantee Payment to M & T Investment Group in the amount of \$70,056.95 for the City of Butler's West End Revitalization TIF project in Butler County.

A TIF Guarantee Payment to M & T Investment Group in the amount of \$86,117.90 for North Versailles's Longvue Development TIF project in Allegheny County.

A TIF Guarantee Payment to M & T Investment Group in the amount of \$23,645.04 for the City of Lockhaven's Painter Stadium TIF project in Clinton County.

TIF Guarantee Project Approval

Mr. Dunkelberger summarized a TIF project request from Mercer County Industrial Development Authority for the LRC Hermitage PA, LLC project located in Mercer County. He explained that this guarantee would assist in financing infrastructure, including roads, water, sewer, excavating, installation of traffic lights and signage, and related costs. He added that multiple companies have already signed leases or are anticipated to do so. Mr. Dunkelberger explained the guarantee would be subject to the following conditions: 1) No more than 2 percent of the proceeds of the TIF debt, up to a maximum of \$100,000, may be used to pay soft costs; 2) the Authority must receive a second mortgage on the retail center project located in the Shanango Valley Freeway and Rt. 18 in Hermitage; and 3) That there be an as completed appraisal before closing, showing a loan to value of no higher than 70 percent.

Mr. Moyer stated that he thinks the project warrants moving forward but would like the Authority to verify the developer's financial strength. He also requested that a financial analysis be reviewed and prepared by CFA staff and circulated to the board member's for their review and approval. Mr. Moyer also stated he would like to add the stipulation that if the Board finds the developer's financial strength is not satisfactory, then the guarantee is subject to an 80 percent guarantee by the developer's parent company until such time that the project is finalized and occupied at a minimum of 80 percent based on current lease payments.

On a motion by Mr. Moyer, and seconded by Mr. Callahan, the board unanimously approved a guarantee in the amount not to exceed \$5,000,000 to the Mercer County Industrial Development Authority for the LRC Heritage PA, LLC project, subject to the terms and conditions set forth above.

Ratifications of Loans, Guarantees, Enrollments and Special Requests:

Upon motion by Ms. McNees and seconded by Mr. Burke, the following special requests were ratified:

Special Requests

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

Applicant

Dupont Borough
Edwin M. Martin
Forty Fort Borough

Program

Local Share Account – Luzerne County
FIF Agriculture SBF
Local Share Account – Luzerne County

Resolution

Upon motion by Ms. McNees and seconded by Mr. Burke, the Authority agrees to transfer \$ 5.5 million of interest earnings on bond proceeds to be used in Fiscal Year 2012-2013 to pay debt service on CFA bonds.

There being no further business to come before the Board, the meeting was adjourned at 11:05 A.M.