



Commonwealth Financing Authority
Harrisburg PA, 17120

Board Meeting Minutes

November 21, 2013

The Commonwealth Financing Authority (CFA) board meeting was held on November 21, 2013. 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, 400 North Street, 2nd Floor, Harrisburg, Pennsylvania.

In addition to Chairman Walker, the following Board members were present: The Honorable Glenn E. Moyer, Peter Tartline, designee of The Honorable Charles Zogby, Mary A. Soderberg, Austin Burke and John Verbanac. Michael Karp participated via teleconference.

CFA staff in attendance: Scott Dunkelberger, Executive Director and Christopher Houston, Chief Counsel.

Members of the public in attendance were: Randy Albright, Richard Allen, Dean Anthon, Mandy Book, Carolyn Boser Newhouse, Sean Brandon, Jason Brehouse, Kathy Bruder, Angela Clough, Mike Cortez, Shelly Corwell, Kristin Crawford, Brian Eckert, Ryan Emerson, Josh Funk, Scott Gebhardt, Ryan Glenn, Robert Grabus, Chelsea Guzowski, Rachel Govelovich, Laurie Henry, Tad Imbrie, Ron Jumper, Matthew Karnell, Amy Kauffman, Steve Kratz, Mike Krempaky, Carmen La Rosa, Greg Mahon, Lou Martin, Sam Meckley, Joe Murzyn, John Nikoloff, Michael O'Rourke, Crystal Quentin, Nancy Rowe, Kevin Rowland, Lynne Ruby, Bryan Salzman, Peggy Schaeffer-Montgomery, Scott Shepler, Joe Sherrick, Leah Shiley, Charlotte Sprenkle, Mark Stein, Lisa Taglang and Colleen Terry.

Chairman Walker called the meeting to order at 10:45 A.M.

On a motion by Ms. Soderberg and seconded by Mr. Verbanac, the Board unanimously approved the September 17, 2013 board meeting minutes.

On a motion by Mr. Moyer and seconded by Mr. Burke, the Board unanimously approved payment of CFA expenses in the amount of \$518,974.63.

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

Montgomery County Local Share Account Proposed Guidelines:

Mr. Dunkelberger briefly explained the program. Upon motion by Mr. Verbanac and seconded by Mr. Moyer, the Board unanimously approved the proposed guidelines for the Montgomery County Local Share Account program.

Fiscal Year 2014-2015 Operating Budget:

Upon motion by Ms. Soderberg and seconded by Mr. Verbanac, the Board unanimously approved the proposed Fiscal Year 2014-2015 Operating Budget for the Authority.

Business in Our Sites – Purchase of Senior Debt Discussion:

Mr. Dunkelberger opened a discussion regarding a request from the Cumberland Valley Regional Development Corporation for the United Business Park. He stated it was not a voting item. He explained there is a troubled Business in Our Sites loan located in Franklin County that may need action in the near future. He stated that the issues were outlined in detail for the board members within the board book. He stated that DCED staff would be engaging the senior lender on the project and the intention is to return to the Board with a formal request, via the special request vehicle, as soon as the timing is correct. Mr. Moyer urged that other board members be willing to consider this through a special request in a timely manner, by calendar year end. Mr. Karp requested an updated appraisal for the property.

Pennworks and H2O PA Project Recommendations:

Upon motion by Mr. Burke and seconded by Mr. Verbanac, the Board unanimously approved the following Pennworks and H2O PA projects:

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
Municipal Authority of Buffalo Township	Utility Extension to CID Associates	\$279,100
Philadelphia City Treasurer Water Department	Philadelphia Gateway Marriott Infrastructure Project	\$250,000
Johnstown Redevelopment Authority	Honerstown & Industrial Park Interceptor	\$2,750,000
Southwestern PA Water Authority	SPWA Morris Township Water System Extension	\$2,500,000
Greater Hazleton Joint Sewer Authority	Button Buck CSO Separation Project: Area 1A	\$2,250,000
Berwick Area Joint Sewer Authority	Mercer Street - South of Orange Street	\$1,000,000
Brookville Municipal Authority	Wastewater Infrastructure Improvements	\$2,269,167
Findlay Township Municipal Authority	Findlay Township Waterline Phase III	\$1,500,000
Mid Mon Valley Water Pollution Control Authority	Pump Station #5	\$588,436
Borough of Brackenridge	Brackenridge Water Filtration Plant Aeration System	\$150,000
South Strabane Township Sanitary Authority	South Strabane Old Mill Redevelopment	\$74,062
Gregg Township Municipal Authority	GTMA - Wastewater Treatment Plant Upgrade	\$1,250,000
Montgomery Water and Sewer Authority	Water System Improvements Project	\$3,000,000
Suburban Lock Haven Water Authority	Salona Transmission Main Improvements Project	\$1,128,908
Altoona Water Authority	AWA Pleasant Valley Boulevard Interceptor Sewer Replacement	\$2,000,000
Erie County General Authority	Grand River Ironsands - Water Supply System	\$3,000,000
Howe Township Municipal Authority	Howe Township Sanitary Sewer Extension	\$2,849,257
Westmoreland County	Westinghouse - Waltz Mill Rail Park	\$2,215,925
Gregg Township Municipal Authority	GTMA - Wastewater Treatment Plant Upgrade	\$1,250,000

City of Bethlehem	Biosolids Dewatering Facility and Effluent Pump Station Improvements	\$1,250,000
New Freedom Borough	New Freedom Borough Sewer Repair	\$100,000
Schuylkill Haven Borough	State Route 61 Widening Project	\$75,000
South Strabane Township Sanitary Auth.	South Strabane Old Mill Redevelopment	\$74,062
Shamokin Coal-Township Joint Sewer Auth.	Long Term Control Plan	\$250,000
Pocono Mountains Industrial Park Authority	Pocono Jackson Joint Water Authority Acq. & Improvements	\$400,000
Borough of Bristol	BBWSA Capital Program PennWorks Grant	\$450,525
County of Bucks	Bristol Pike Revitalization Area	\$400,000
Wampum Borough	Public Water Storage Tank	\$506,651
Portage Borough Municipal Authority	Mountain Avenue Improvement Project	\$37,500
Jessup Borough	Valley View Business Park Professional Plaza	\$72,510
Mount Joy Borough Authority	Water Main Relocation & Booster Station Upgrade	\$700,000
Reynoldsville Sewage Authority	Reynoldsville Sewage Auth. Sewage Treatment Plant Upgrade	\$1,000,000
Schuylkill County Municipal Authority	Schuylkill County Municipal Authority-Mahanoy Bus. Park	\$1,147,928
Perry Township Municipal Authority	Bellevue Avenue Sewer Extension	\$800,000
Borough of Chambersburg	Chambers 5 Business Park - Sanitary Sewer Upgrade Project	\$265,814
Lycoming County Water and Sewer Auth.	LCWSA Water Storage Tanks	\$750,000
The Central Indiana County Water Auth.	CICWA Center Township Water System Extension	\$750,000
Southern Delaware County Authority	SDCA Commercial Sanitary Sewer Improvements	\$500,000
North Wales Water Authority	Sewer Lateral Rehab Program	\$433,430
Pittsburgh City	LTC PennWorks Project	\$802,990

Mr. Burke recused himself on the vote pertaining to Jessup Borough.

Building PA Project Recommendation and Additional Allocation:

Mr. Dunkelberger briefly outlined the request. Upon motion by Mr. Verbanac and seconded by Ms. Soderberg, the Board unanimously approved a \$4,890,000 additional allocation to Development Capital Investors, Inc.

Upon motion by Mr. Verbanac and seconded by Ms. Soderberg, the board unanimously approved a \$4,890,000 loan to Smallman Street Hotel Associates, LP for construction costs related to the development of the Homewood Suites hotel in the City of Pittsburgh, Allegheny County.

Alternative and Clean Energy Program:

Alternative Energy Production Projects

Upon motion by Mr. Moyer and seconded by Mr. Tartline, the Board unanimously approved the following Alternative and Clean Energy projects:

<u>Applicant</u>	<u>Project</u>	<u>Loan</u>	<u>Grant</u>
Lancaster Resort Limited Partnership	Eden CHP		\$338,511
Indian Spring Sawmill	Wood Biomass Boiler	\$49,861	\$74,791

CNG/LNG Projects

Upon motion by Mr. Burke and seconded by MS. Soderberg, the Board unanimously approved the following Alternative and Clean Energy projects:

<u>Applicant</u>	<u>Project</u>	<u>Loan</u>	<u>Grant</u>
Aqua Pennsylvania, Inc.	West Chester ACE Grant		\$34,100
Aqua Pennsylvania, Inc.	Willow Grove ACE Grant		\$35,295
Clean Energy dba Clean Energy Inc.	Allentown LNG Public-Access Fueling Station		\$502,297
REV LNG, LLC	REV LNG Small Scale Liquefaction Project	\$2,300,000	

High Performance Building Projects

Upon motion by Mr. Tartline and seconded by Mr. Burke, the Board unanimously approved the following Alternative and Clean Energy projects:

<u>Applicant</u>	<u>Project</u>	<u>Loan</u>	<u>Grant</u>
Bethlehem Area School District	LEED-certified middle school		\$2,000,000
Greencastle-Antrim School District	Renovation of middle and high schools		\$2,000,000
The Lehigh Valley Charter High School for the Arts	High Performance Building project	\$2,000,000	

Act 13 Project Recommendations:

Upon motion by Mr. Verbanac and seconded by Ms. Soderberg, the Board unanimously approved the following Act 13 program projects:

Abandoned Mine Drainage Abatement and Treatment Program

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
Somerset County Conservation District	Rock Tunnel	\$215,141
Toby Creek Watershed Association, Inc.	Blue Valley Acid Mine Drainage Treatment Plant	\$183,829
Trout Unlimited, Inc.	Kettle Creek AMD Treatment System Operation and Maintenance	\$304,240
Stream Restoration Incorporated	Slippery Rock Creek Watershed Renaissance	\$204,000
Western Pennsylvania Conservancy	Sewickley Creek Acid Mine Treatment	\$225,026
Northumberland County Anthracite Outdoor Adventure Area Authority	Carbon Run AMD Remediation Projects	\$353,252
Keystone Potato Products	Mine Pool Treatment System Expansion	\$274,347

Headwaters Charitable Trust	Protecting Investment for AMD Remediation	\$251,692
Winner Water Services	Implementation of an AMD Treatment Process for Source Water	\$495,000
Jefferson County Conservation District	Sugar Camp Run AMD Treatment System	\$916,167
Keystone Anthracite Co., Inc.	Weston Tunnel Water Treatment/Lost Creek Restoration	\$850,000
Susquehanna Mining Solutions LLC	Susquehanna Mining Solutions Proposed AMD Treatment Facility	\$1,000,000

Baseline Water Quality Program

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
County of Lycoming	Lycoming County Groundwater Quality Monitoring Program	\$250,000
Wayne Conservation District	Wayne County Baseline Water Quality	\$250,000

Flood Mitigation Program

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
Sunbury Municipal Authority	Closure #7 Rehabilitation	\$155,418
Borough Of Duncansville	Gillans Run Streambank Stabilization	\$160,000
Borough of Mayfield	Borough of Mayfield Levee Restoration	\$85,000
Middletown Township	Big Oak Road Drainage Improvements	\$309,867

Greenways, Trails and Recreation Program

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
Montour Trail Council, Inc.	Montour Junction Trail Extension	\$194,359
2414 Morgan Development, LLC	Indigo Plaza	\$250,000
Keystone College	Keystone Woodlands Campus Trail Project	\$15,000
Cokeburg Borough	Cokeburg Water Reservoir Dam Rehabilitation Project	\$200,000
Dauphin County	Fort Hunter Greenbelt Trail	\$230,000
Bensalem Township	Bensalem Greenway	\$250,000
Borough of Crafton	Crafton Borough Pool Rehabilitation	\$250,000
Delaware River Waterfront Corporation	Pier 68 Park Development Project	\$250,000
East Marlborough Township	Unionville Community Park - Phase 2	\$162,000
Keystone Elk Country Alliance	Outdoor Educational Classroom	\$165,000
Natural Lands Trust, Inc.	Awbury Arboretum Conservation Easement	\$250,000
Schubert Development Co., LLC.	The Dwelling Place Community Park	\$223,544
West Pikeland Township	Opperman's Corner Acquisition	\$246,000
Worcester Township	Zacharias Creek Trail Extension	\$202,428
Boy Scouts of America	Heritage Reservation	\$204,120
East Broad Top Railroad Preservation	EBTPA Greenway & Trail Enhancement Project	\$225,000
Fort Armstrong Horsemens Association	FAHA Revitalization Project	\$123,460
Hawk Mountain Sanctuary Association	Hawk Mountain	\$100,000
Keystone Conservation Trust	Leckonby Farm	\$125,000
Northumberland County Anthracite Outdoor Adventure Area Authority	Anthracite Outdoor Adventure Area Mountain Bike Trails	\$222,100

Orwigsburg Borough	Community Memorial Hall Renovations	\$200,000
Point Marion Borough	Capturing Outdoor Recreation	\$120,000
Wampum Community Revitalization	Wampum Station Junction a Cultural & Recreation Center	\$150,000
Allegheny River Towns Enterprise Zone	Etna Riverfront Park and Trail Construction	\$250,000
Borough of Mechanicsburg	Mechanicsburg Memorial Park	\$81,601
Brooks & Blair Waterfront Properties, LP	Allegheny Riverfront Park at River's Edge of Oakmont	\$250,000
Dillsburg Borough	Dillsburg Community Park	\$193,566
East Side Borough	East Side Park Improvements	\$48,000
Kennett Township	Kennett Pike Greenway Landscape Project	\$50,000
Millcreek Youth Athletic Association	15th Street MYAA Sports Complex	\$77,698
Montgomery Township	Accessible Playground and Spray Park	\$250,000
Stewartstown Borough	Restoration of Stewartstown Borough Fairgrounds	\$30,400
Upper Merion Township	Upper Merion Township Park and Recreation Master Plan	\$40,000
Borough of Stockertown	Stockertown Recreation Trail	\$123,835
Douglass Township	Municipal Park Walking Trail Completion	\$11,360
Factoryville Borough	Joint Municipal Park Facilities and Playgrounds Project	\$226,997
Mount Aloysius College	Community Nature Trail and Outdoor Recreation Project	\$246,396
Buckingham Township	Holicong Park Expansion	\$250,000
CJR Memorial Foundation	CJR Memorial Foundation - All Inclusive Playground	\$225,167
Community Carepoint, Inc.	Adventure Fitness Trail & Park	\$12,509
County of Greene	Mon View Pool Rehabilitation	\$101,214
Dublin Borough	Supplee Park Improvement Project - Phase 2	\$250,000
Pittsburgh Botanic Garden	The Forest Stories Trail	\$214,635
Berks County	Angora Fruit Farm	\$207,839
Buhl Park Corporation	Shelter Project	\$35,000
Glenburn Township	Glenburn Township AAJRB Joint Application Park Renovations	\$125,000
Lackawanna Heritage Valley Authority	Lackawanna River Heritage Trail - Carbondale Riverwalk	\$214,585
Salem Township	Salem Township Municipal Park Improvements	\$200,000
Delaware River City Corporation	Baxter Trail	\$250,000
Doylestown Township	Doylestown Township Sensory Trail	\$221,190
Fox Chapel Borough	Fox Chapel Trail	\$56,850
Gibson Township	Gibson Township Community Park	\$62,804
Lower Frederick Township	Smith Parcel Acquisition	\$30,985
Paupack Township	Paupack Township Park Enhancement Project	\$97,243
Wilmerding Borough	Airbrake Avenue Walking Trail Phase 2	\$35,480
Longswamp Township	Soccer Field	\$75,308
Derry Township	Kish Dog Park	\$50,000
Carnegie Museums of Pittsburgh	Powdermill Nature Reserve Education Trail	\$67,324
City of Beaver Falls	Beaver Falls Riverfront Development	\$6,000
French and Pickering Creeks Conservation Trust, Inc.	Tri-Town ADA Fishing Park	\$53,000
Friends of the Wissahickon	Wissahickon Trail Signage	\$250,000
Montgomery County	Fern Avenue Trail Bridge Project	\$250,000
Rail-Trail Council of Northeastern Pennsylvania, Inc.	D&H Rail-Trail Bridge Project	\$56,646
Schuylkill River Development Corporation	Schuylkill River Trail South Street to Christian Street	\$225,000

Borough of East Brady	East Brady Riverfront Park Development	\$221,815
East Stroudsburg Borough	Gregory Pond Natural Area Trail Development	\$20,000
Ellwood City Main Street Project Revitalization, Inc.	Community Plaza Comfort Station	\$60,000
Hazleton Little League Association	Hazleton Little League Improvements	\$21,500
Hellertown Borough	Water Street Park Improvements	\$193,000
Upper Macungie Township	Breinigsville Park Waterline Extension	\$45,487
Bakery Square 2 Agent, LP	Bakery Square 2.0	\$250,000
Blairsville Borough	Blairsville Armory	\$44,600
Borough of Coraopolis	Ohio River Trail South Shore - Phase 1	\$200,000
Highwoods Properties	Urban Plaza Revitalization Project	\$125,000
Historic Philadelphia, Inc.	Franklin Square Improvements 2013-14	\$25,000
Natural Lands Trust, Inc.	Sheet Metal Workers Property	\$250,000
Righters Ferry Associates, L.P.	The River Trail at 600 Righters Ferry Road	\$250,000
Township of Springfield	Peppermint Road Park	\$111,323
Wilkesburg Borough	Ferguson Park	\$89,000
Bethlehem City	Bethlehem Trail System Feasibility Study	\$31,520
Chester Economic Development Authority	Highland Gardens Playground	\$106,275
City of Pittston	Pittston Riverfront Park Gateway	\$224,700
Lehighon Borough	Colonel Jacob Weiss Park Improvements	\$250,000
West Hazleton Borough	5th Street Park Rehabilitation	\$79,000
Berwick Borough	Phase II of Test Track Trail	\$105,000
Columbia County Conservation District	Kocher Nature Park Land Acquisition	\$65,660
Lower Paxton Township	Heroes Grove Memorial Amphitheater - Phase 1	\$200,000
Pocopson Township	Pocopson Township Trail Related Support Facilities	\$250,000
Riverlife	Allegheny Landing - Phase I and Dock	\$100,000
Ross Township	Evergreen Trail Rehabilitation	\$72,350
Schuylkill River Development Corporation	Schuylkill Crossing at Grays Ferry	\$175,000
Armstrong County Commissioners	Belmont Complex Upgrades Phase IV	\$72,000
City of New Castle	Downtown Pedestrian River Walk	\$15,000
Washington Township	Washington Township Pennsylvania Park Development	\$237,731
West Pittston Borough	West Side Trail Phase 1C	\$239,998
Borough of Plum	Plum Playground/Ball Fields	\$51,500
Borough of Trafford	Westmoreland Park, Borough of Trafford	\$215,120
Borough of Whitaker	Borough of Whitaker - Walking Trail	\$10,560
Chalfont Borough	Chalfont Borough Park and Trail Connector Project	\$150,000
Natural Lands Trust, Inc.	Public Access Improvements - Sadsbury Woods Nature Preserve	\$49,987
Natural Lands Trust, Inc.	Schuylkill Highlands Big Woods Trail	\$193,700
North Fayette Township	North Fayette Township Community Center Construction	\$164,000
Plymouth Township	Harriet Wetherill Park Improvements	\$250,000
Quakertown Borough	Quakertown Krupp Site Park Development	\$225,000
Towamencin Township	Fischer's Park - Phase 2 Improvements	\$170,000
Township of Collier	Collier Discovery Path	\$169,711
Waterford Borough	South Hazel Street Bridge Replacement	\$108,000
Western Pennsylvania Conservancy	Control of Invasive Species in the Lake Erie Watershed	\$61,160
Westpointe Corporate Center Four, LP	Moon Township Recreational Trail Project	\$127,024

Bucks County Commissioners	Lower Neshaminy Creek Greenway Trail Feasibility Study	\$8,885
Snyder County Conservation District	Selinsgrove Center Nature Trail	\$16,089
Township of Middletown	Middletown Community Center Adventure Garden	\$53,500
Upper St. Clair Township	Wiltshire Park - Park Equipment Renovation	\$245,279
Urban Redevelopment Authority of Pittsburgh	East Liberty Bicycle Path	\$25,823
Franconia Township	Franconia Community Park Rain Garden Project	\$22,593
New Britain Borough	Station to Town Center Connector Trail	\$150,000

Mr. Dunkelberger disclosed that he is an unpaid board member for the Keystone Elk County Alliance and he had no involvement in the application process.

Orphan or Abandoned Well Plugging Program

Charleroi Borough	Charleroi Borough Well Site Preparation and Capping	\$147,000
Allegheny County Airport Authority	Abandoned Oil Well Removal, Site 9	\$78,000

Watershed Restoration and Protection Program

Bethlehem Township	Monocacy Creek Spillway Replacement and BMP Retrofit	\$300,000
Westmoreland Conservation District	McGee Run Watershed Best Management Practices	\$300,000
Wildlands Conservancy Inc.	Jordan Creek Restoration Project, Phase II	\$90,000
Brandywine Conservancy Inc.	Implementing Water Quality Improvement Projects	\$225,000
Headwaters Charitable Trust	Bear Creek Acid Rain Amelioration	\$227,185
Darby Borough	Darby Creek W-Weir Maintenance Project	\$71,500
Western Pennsylvania Conservancy	Yellow Creek Impaired Stream Restoration	\$112,540
Friends of the Wissahickon Inc.	Wissahickon-Mt. Airy Avenue Streambank Stabilization	\$100,000
Friends of the Wissahickon Inc.	Wissahickon Tributary and Stormwater Channel Remediation	\$271,000
Western Pennsylvania Conservancy	Sewickley Creek Through D&G Road BMP's	\$71,250
Stoudt's Ferry Preparation Company, Inc.	Schuylkill River Channel Restoration	\$55,685
Chester County Conservation District	Construct Ag BMPs on Two Farms	\$107,120
City of Coatesville	Coatesville BMP Infrastructure Improvements	\$127,500
Dauphin County Conservation District	Dauphin County Stream Assessment Program	\$232,480
Penns Valley Conservation Association	Upper Penns Creek Restoration and Protection	\$250,000
Western Pennsylvania Conservancy	Impaired Whiteley Creek Streambank Stabilization	\$54,060
Chester County Conservation District	Construct Ag BMPs at Oakshire Mushrooms	\$200,000
Chester County Conservation District	Construct BMPs on Mushroom Farms in New Garden Township	\$100,000
Westtown Township	Tyson Park Constructed Wetlands Project	\$96,703
Union County Conservation District	Union County Agricultural Restoration project - Brown	\$77,000
Centre County Conservation District	Centre County Watershed Restoration and Protection Program	\$289,226
Lititz Borough	Lititz Borough Watershed Restoration and Protection Program	\$300,000
Western Pennsylvania Conservancy	Allegheny River Headwaters Impaired Stream Restoration	\$164,000
Cheltenham Township	Tookany Creek Streambank Restoration/Central Ave-Ashmead Rd	\$300,000
Upper Macungie Township	Dam Breach of the Fogelsville Dam and Stream Restoration	\$34,100

Susquehanna River Basin Commission	Cedar Run Stormwater Restoration Project	\$259,000
Aston Township	Weir Park Streambank Stabilization	\$175,000
National Audubon Society	East Park Leadership & Conservation Center	\$300,000
Hatboro Borough	Pennypack Creek Channel Modification Maintenance	\$195,001
Upper Moreland Township	Phase II - Veteran's Memorial Park Streambank Enhancement	\$188,000
Whitemarsh Township	Andorra Creek Restoration Project	\$300,000
Western Pennsylvania Conservancy	Upper Chest Creek Impaired Stream Restoration	\$112,698

Ratifications of Loans, Guarantees, Enrollments and Special Requests:

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

Applicant

City of Hazleton
Cozen O'Connor

Program

Local Share Account – Luzerne County
Waiver Request

There being no further business to come before the Board, the meeting was adjourned at 11:04 A.M.

DATE: September 4, 2013
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
LSA Program Manager

SPECIAL REQUEST – BOARD ACTION REQUIRED

**City of Hazleton
Downtown Hazleton Development Project
(Luzerne County)**

Approved: 03/20/13
\$1,000,000 (Grant)

Requested Change: On March 20, 2013, the CFA Board approved a \$1,000,000 Local Share Account – Luzerne County Grant to the City of Hazleton, on behalf of DHD Realty Holding LLC. Funding was for construction, engineering, and administrative costs associated with the Downtown Hazleton Development project. This project will rehabilitate two underutilized structures, the Trader’s Bank (2 East Broad Street) and HNB Buildings (101 West Broad Street), to house the relocated world headquarters of DBI Services and lease space to other tenants.

The City of Hazleton, on behalf of DHD Realty Holding LLC, is requesting to modify the use of funds from construction and engineering to the purchase of machinery and equipment. The major building equipment to be purchased with these funds includes doors, windows, elevator equipment, HVAC equipment, plumbing infrastructure, etc. The company has determined that the pre-order of all major building equipment will accomplish the following: allow DHD to meet the anchor tenant’s move in date, eliminate contractor markups, and receive full value on the KOZ tax exemption. With approval of this request, LSA funds will be used for the purchase of machinery and equipment and administrative costs.

Recommendation: Approval.



TO Scott Dunkelberger, Executive Director
Commonwealth Financing Authority

FROM Christopher C. Houston, Chief Counsel *CCA*

DATE 10/11/2013

RE Conflict of Interest Waiver – Cozen O'Connor

MESSAGE:

Attached please find a revised request submitted by the law firm of Cozen O'Connor (Cozen) requesting a conflict of interest waiver from the Commonwealth Financing Authority (CFA) in connection with a current transaction.

Our opinion with respect to the request is that the CFA could grant a conflict of interest waiver with respect to Cozen's representation of Carlino Development, Chadds Ford Investors, LP, and their constituent entities (collectively, "Carlino") in connection with a Business in Our Sites loan, as long as the following occurs:

- (1) Cozen makes Carlino aware of the fact that Cozen participates in the Commonwealth's pool of firms qualified to serve as bond counsel to the CFA and that Cozen may from time to time serve as bond counsel to the CFA; and
- (2) Carlino consents and waives all conflicts in writing to Cozen's role as bond counsel, as aforesaid, and further agrees and consents that Cozen will not be requested to represent them against CFA or its interests in any litigation, arbitration, or a similar formal dispute; and
- (3) If the relationship between the CFA and Carlino moves into litigation, arbitration, or a similar formal dispute with respect to Carlino, Cozen would not represent either party.

This waiver request should be brought before the board for approval. Let me know if you have any questions.



Office of
Chief Counsel

Commonwealth
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Pennsylvania
17120-0225

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October 2, 2013

Suzanne S. Mayes
Direct Phone 215.665.6922
Direct Fax 215.701.2107
smayes@cozen.com

VIA E-MAIL

Christopher C. Houston, Esquire
Chief Counsel
PA Department of Community & Economic Development
Office of Chief Counsel
Commonwealth Keystone Building
400 North Street, Plaza Level
Harrisburg, PA 17120-0225

Re: Conflict Waiver

Dear Chris:

Cozen O'Connor (the "Firm") has been asked to serve as counsel to Carlino Development, Chadds Ford Investors, L.P., and their constituent entities (collectively, "Carlino") in connection with a loan from the Commonwealth Financing Authority ("CFA").

From time to time we represent CFA as bond counsel in bond financings of the CFA and hope to do so in the future. This letter will confirm your agreement that any conflict of interest posed by Cozen O'Connor's representation of Carlino, as outlined above, and CFA is hereby waived.

We understand that the waiver granted by CFA is subject to the following:

(1) The Firm makes Carlino aware of the fact that the Firm participates in the Commonwealth of Pennsylvania's pool of firms qualified to serve as bond counsel to the CFA and that the Firm may from time to time serve as bond counsel to the CFA; and

(2) Carlino consents and waives all conflicts in writing to the Firm's role as bond counsel, as aforesaid, and further agrees and consents that the Firm will not be requested to represent them against CFA or its interests in any litigation, arbitration, or a similar formal dispute; and

(3) If the relationship between the CFA and Carlino moves into litigation, arbitration, or a similar formal dispute with respect to Carlino, the Firm would not represent either party.

If the terms of this waiver letter are acceptable, please acknowledge your acceptance by executing this letter on the signature line on the left hand side of the next page and returning it to me for my files.

1900 Market Street Philadelphia, PA 19103

215.665.2000 800.523.2900 215.665.2013 Fax cozen.com

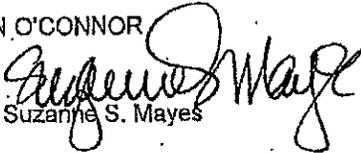
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Christopher C. Houston, Esquire
October 2, 2013
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Thank you for your anticipated cooperation.

Very truly yours,

COZEN O'CONNOR

By: 
Suzanne S. Mayes

SSM/brg

Approved and agreed this 20th day of October, 2013.

COMMONWEALTH FINANCING AUTHORITY

By: 

Authorized Representative