



Commonwealth Financing Authority
Harrisburg PA, 17120

Board Meeting Minutes

March 20, 2014

The Commonwealth Financing Authority (CFA) board meeting was held on March 20, 2014. Proper notice was given pursuant to the terms of the Act of July 3, 1986 (the "Sunshine Act"). The meeting was held in Conference Rooms A/B at the Dixon University Center located at 2986 North Second Street in 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, Marc Little and Austin Burke. John Verbanac and 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, Mandy Book, Ron Boston, Dave Brattina, Shelly Corwell, Carolyn Boser Newhouse, Jason Brehouse, Kathy Bruder, Mike Cortez, Kristin Crawford, Brian Eckert, Ryan Emerson, Mark Fennel, Josh Funk, Danielle Guyer, Laurie Henry, Rich Hudic, Ron Jumper, Matthew Karnell, Steve Kratz, Greg Mahon, Crystal Quintin, Peggy Schaeffer-Montgomery, and Chris Stets.

Chairman Walker called the meeting to order at 10:35 A.M. He introduced and welcomed new board member, Marc Little. Mr. Little gave a brief background on himself and his experience.

On a motion by Mr. Burke and seconded by Mr. Little, the Board unanimously approved payment of CFA expenses in the amount of \$552,659.24.

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

Proposed Multimodal Transportation Program Guidelines:

Mr. Dunkelberger explained the application deadline would be June 20, 2014 for consideration at the September 9, 2014 CFA board meeting. He asked for questions on the program guidelines that were proposed before the Board. There were no questions.

On a motion by Mr. Tartline and seconded by Mr. Verbanac, the Board unanimously approved guidelines for the Multimodal Transportation Program.

Proposed Act 13 Program Guidelines:

Mr. Dunkelberger explained the application deadline would be July 21, 2014 for consideration at the November 20, 2014 CFA board meeting. He asked for questions on the 7 program guidelines that were proposed before the Board. There were no questions.

Upon motion by Mr. Moyer and seconded by Mr. Burke, the Board unanimously approved guidelines for the following seven programs: Abandoned Mine Drainage Abatement and Treatment, Baseline Water Quality Data, Flood Mitigation, Greenways, Trails and Recreation (GTRP), Orphaned or Abandoned Well Plugging, Sewage Facilities, and Watershed Restoration and Protection.

Proposed PA Small Water and Sewer Projects Program:

Mr. Dunkelberger explained the application deadline would be May 16, 2014 for consideration at the July 8, 2014 CFA board meeting. He asked for questions on the guidelines that were proposed before the Board. There were no questions.

Upon motion by Mr. Karp and seconded by Mr. Tartline, the Board unanimously approved guidelines for the PA Small Water and Sewer Projects Program.

Alternative and Clean Energy Program:

CNG/LNG Projects

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

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
Clean Energy dba Clean Energy Inc.	Pittston Public-Access LCNG Fueling Station	\$1,172,080
Clean Energy dba Clean Energy Inc.	Pottsville Public-Access LCNG Fueling Station	\$1,172,080
Clean Energy Trache A LNG Plant, LLC	PA LNG Facility	\$2,000,000
Constructional Dynamics, Inc.	Natural Gas Station	\$484,471

High Performance Building Projects

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

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
Pottsgrove School District	Pottsgrove High School Modernization Project	\$2,000,000

High Performance Building Program:

Upon motion by Mr. Little and seconded by Mr. Burke, the Board unanimously approved the following High Performance Building project:

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
Dr. Ahmed Gomaa	High Performance Building Renovation	\$29,000

Local Share Account Programs:

Monroe County Local Share Account Program Recommendations

On a motion by Mr. Moyer and seconded by Mr. Little, the following projects were unanimously approved:

<u>Applicant</u>	<u>Project</u>	<u>Grant</u>
MCIDA	VALOR Clinic Foundation Veteran's Homeless Shelter	\$193,893
Coolbaugh Township	Coolbaugh Township VFD Paving Project	\$164,400
MCIDA	Monroe Co. Historical Association - New Slate Roof	\$70,385
MCIDA	EthosGen-JA Reinhardt Alternative Energy Manufacturing Partnership	\$300,000
East Stroudsburg Borough	Middle Dam D45-003 Rehabilitation	\$822,000
Chestnuthill Township	McIlhaney Road Stream Crossing	\$32,880
MCIDA	New Municipal Building for Ross Township	\$369,900
Stroud Township	SR 611/2009 Right Turn Lane Widening/Signal Improvement	\$205,500
Tobyhanna Township	Old Route 940 Bridge Rehabilitation Project	\$213,720
MCIDA	Mount Pocono Borough - Left Turn Lane - SR940 at Knox St.	\$205,116
Delaware Water Gap Borough	Well No. 4 - Building and Equipment	\$323,498
MCIDA	Stroud Area Regional Police Department - New Police Vehicles	\$86,310
MCIDA	MCTI Water System Improvements	\$539,649
MCIDA	PMRPD New Police Vehicles	\$126,332
MCIDA	Monroe County Municipal Waste Management Authority Vehicles	\$67,322
Barrett Township	Barrett Township Police Vehicles	\$79,094

Counties Contiguous to Monroe County Local Share Account Program Recommendations

On a motion by Mr. Tartline and seconded by Mr. Moyer, the following projects were unanimously approved:

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>Grant</u>
Nesquehoning Borough	Nesquehoning Conservation Club Nature Park	Carbon	\$50,000
Lackawanna County	West Side Hyde Park Community Center	Lackawanna	\$163,000
Newton Township	Marley's Mission Phase 2 Campus Development Project	Lackawanna	\$140,000
Northampton Borough	Uptown Business District Park - Phase 2	Northampton	\$65,000
Jim Thorpe Borough	D&L Trail Connectivity Project	Carbon	\$223,671
Covington Township	Covington Township Moffat Park Pavilion Phase 2	Lackawanna	\$190,000
Lackawanna County	Catlin House Electrical and HVAC Upgrades	Lackawanna	\$118,750
Hellertown Borough	Water Street Park Improvements	Northampton	\$200,000
Olyphant Borough	Olyphant Municipal Building Elevator Project	Lackawanna	\$200,000

Taylor Borough	Taylor Splash Park	Lackawanna	\$40,000
Throop Borough	Throop Borough Little League Field Renovations	Lackawanna	\$100,000
Waymart Borough	Building to Upgrade Public Services	Wayne	\$87,588
Bushkill Township	Bushkill Township Municipal Building Expansion	Northampton	\$210,000
Delaware Township	Akenac Park Upgrade - Phase 1	Pike	\$200,000
Jessup Borough	Kitchen Renovation	Lackawanna	\$15,000
Lackawanna County	St. Anthony's Memorial Park - Facility Renovation	Lackawanna	\$90,000
Lehigh Township	Delps Park Development Project	Northampton	\$100,000
Paupack Township	Municipal Complex Improvement Project	Wayne	\$90,000
Williams Township	Raubsville Park Concession Stand	Northampton	\$125,000
Greater Easton Development Partnership	Easton Public Market	Northampton	\$270,000
Jessup Borough	Valley View Business Park Professional Plaza	Lackawanna	\$452,400
Lackawanna County	Materials Salvage Operation, "A Job Development Initiative"	Lackawanna	\$150,000
Lackawanna County	Center for Rehabilitation Education Equipment	Lackawanna	\$225,000
Carbondale Technology Transfer Center	CTTC Facility Improvements & Upgrades	Lackawanna	\$200,000
Dyberry Township	Watts Hill Road Update	Wayne	\$95,000
Hawley Borough	Hawley Borough Stormwater Management Project	Wayne	\$228,069
Roaring Brook Township	Golf Club Road Improvement Project	Lackawanna	\$240,000
Waverly Township	Stevenson Road Restoration	Lackawanna	\$100,000
Jefferson Township	Pump Station Sanitary Sewer Pump Replacement	Lackawanna	\$50,000
Upper Nazareth Township	191 Traffic Signal	Northampton	\$500,000
Allen Township	Allen Township Fire Protection Equipment	Northampton	\$25,000
Archbald Borough	Phase I - Peggy Drive Reconstruction Project	Lackawanna	\$261,250
Lehigh Township	Gouldsboro Sidewalk	Wayne	\$88,000
Milford Borough	Safe Haven of Pike County	Pike	\$87,000
Canaan Township	Wastewater Treatment Plant Upgrades	Wayne	\$275,000
Scranton City	Scranton Sewer Authority - Street Sweeper Project	Lackawanna	\$100,000
Scranton City	Community Surveillance Network	Lackawanna	\$112,500
Sterling Township	Sterling Township Recycling Building	Wayne	\$65,503
Clinton Township	Route 247 Sidewalks Browndale to Forest City	Wayne	\$300,000
Lackawaxen Township	Lackawaxen Township Salt Shed Construction Project	Pike	\$33,840
Lansford Borough	Lansford Downtown Streetscape Improvement Project	Carbon	\$275,000
Matamoras Borough	Pennsylvania Avenue Curbs and Sidewalks Revitalization	Pike	\$300,000
Mount Pleasant Township	Fire Station Access	Wayne	\$60,000
Blakely Borough	Blakely Borough Protective Services Building	Lackawanna	\$50,000
Franklin Township	Brush Truck Replacement	Carbon	\$100,000
Greenfield Township	Township Parking Lot Paving	Lackawanna	\$25,000
Lackawanna County	NE Regional Cancer Institute Comm. Based Health Care Training	Lackawanna	\$125,000
Pen Argyl Borough	Lookout Fire Company No 32 Fire Station	Northampton	\$500,000
Shohola Township	Shohola Township Salt Shed	Pike	\$65,000
Taylor Borough	Public Safety Enhancement and Replacement Project	Lackawanna	\$25,000
Moscow Borough	New Municipal Dump Truck	Lackawanna	\$100,000
Tatamy Borough	Police Vehicle and Marathon Sealer	Northampton	\$38,000
Archbald Borough	American Legion Post #869 Renovations	Lackawanna	\$20,829

Mr. Burke recused himself on the votes pertaining to Lackawanna County projects.

Ratifications of Loans, Guarantees, Enrollments and Special Requests:

Upon motion by Mr. Verbanac and seconded by Mr. Moyer, the following eight special requests were ratified (information attached):

Applicant

Development Capital Investors, Inc.
Eastside III
Ronald R. & Janet S. Troyer
Vineyard on the Knoll, LLC
Chris Hoffman dba Lazy Hog Farm
MCIDA
Stoehr Development, Inc.
Redevelopment Authority of Allegheny County

Program

Building PA
Business in Our Sites
First Industries Ag SBF
First Industries Ag SBF
First Industries Ag ABF
LSA – Monroe County
Business in Our Sites
Allegheny County GEDTF

There being no further business to come before the Board, the meeting was adjourned at 10:47 A.M.

DATE: January 27, 2014
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
 Executive Director
FROM: Brian Eckert
 Director, Site Development Division

SPECIAL REQUEST – BOARD ACTION REQUIRED

**Development Capital Investors, Inc.
 Homewood Suites by Hilton**

Approved: 11/21/13
 Approved Amount: \$4,890,000

Requested Change: On November 21, 2013, the CFA Board approved a Building PA loan in the amount of \$4,890,000 to Development Capital Investors, Inc. (DCI) on behalf of Smallman Street Hotel Associates, LP. The Building PA loan will be used for construction costs related to the development of the Homewood Suites by Hilton hotel in the City of Pittsburgh, Allegheny County. Subsequent to the CFA’s approval, construction costs for the project have increased by \$1,030,000. The developer (a partnership of Walnut Capital and Concord Hospitality) has addressed the cost increase by committing to invest an additional \$610,000 of equity. Fifth Third Bank has agreed to fund the remaining \$420,000 pending CFA approval. DCI is requesting consent from the CFA to the increase of \$420,000 in the first mortgage loan from Fifth Third Bank. No additional BPA funding are being requested.

The approved and revised sources of financing are proposed as follows:

	<u>Approved</u>	<u>%</u>	<u>Revised</u>	<u>%</u>
Fifth Third Bank 1 st	\$22,820,000	70%	\$23,240,000	69%
Building PA 2 nd	\$ 4,890,000	15%	\$ 4,890,000	15%
Equity	\$ 4,890,000	15%	\$ 5,500,000	16%
Total	\$32,600,000	100%	\$33,630,000	100%

Collateral Value: \$35,000,000

Staff Recommendation: Approval of the increase of first mortgage lien to \$23,240,000.

DATE: January 8, 2014
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

Urban Redevelopment Authority of Pittsburgh	Approved: 11/16/2005
Eastside IIB & III & Highland Hotel & Supporting Parking	\$5,100,000 (Loan)
(Allegheny County)	\$2,900,000 (Grant)

Requested Change: On November 16, 2005, the CFA Board approved a BOS grant and loan to the Urban Redevelopment Authority of Pittsburgh. Because of the unique development structure, the loan was allocated to three different entities as follows: \$1,000,000 to Eastside II Investment Fund, LLC; \$2,600,000 to Eastside III Limited Partnership (ESIII); and \$1,500,000 to Highland Hotel. Funds were used for acquisition, site preparation, demolition, environmental remediation and improvements including roads, water, and sewer to develop three distinct areas in the East Liberty neighborhood in the City of Pittsburgh, Allegheny County. The mixed-use urban revitalization project is anchored by Whole Foods Market grocer and Walgreens drug store and includes office and retail space, subsurface public parking, and Highland Hotel. Currently, all funds have been disbursed. The Highland Hotel loan is paid in full. The Eastside II and ESIII loans are currently being repaid.

ESIII is nearing the end of pre-development phase with completion of site assembly in preparation for the East Liberty Transit Center Site Project. To prepare for the next phase in development and the implementation of New Market Tax Credits (NMTC), ESIII wishes to restructure the existing BOS loan. ESIII requests to recast the BOS loan as a NMTC leveraged loan in a permanent financing structure, which will reduce the term on the original loan from 20 years (January 1, 2027) to 14 years (January 31, 2022) with the new Maturity Date eight years from the permanent financing closing projected to occur on January 31, 2014. In order to be in compliance with NMTC requirements, ESIII also requests to modify the repayment terms to be interest only for the term of the loan with a balloon payment of principal due at maturity.

Current Collateral: 4 acres in the East Liberty neighborhood in the City of Pittsburgh, Allegheny County; second lien subordinate to \$831,033 in favor of PNC Bank

Collateral Value: \$28,300,000

Proposed Collateral: First priority assignment of the Fund Lender security for the Fund Loan. The Fund Loan is secured by an assignment of Eastside III Investment Fund's interest in the NMTC CDE entities through the NMTC structure. The CDEs hold all notes and mortgages secured by the project.

Staff Recommendation: Approval of the following loan modifications:

1. Loan will have an eight year term
 - a. 3% interest rate
 - b. Interest only for eight years with a balloon payment due at maturity date
2. Collateral: First priority assignment of the Fund Lender security for the Fund Loan

DATE: January 6, 2014
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

Ronald R. & Janet S. Troyer
Crawford County

Approved: 6/5/2008
\$199,856 (Loan)
\$147,405 (Principal Balance)

Requested Change:

On June 5, 2008, the CFA Board approved a First Industries Agriculture SBF loan in the amount of \$199,856, at a term of 180 months and a fixed interest rate of 3.0% to Ronald R. and Janet S. Troyer, whose farm is located in Centerville, Crawford County. The primary operation of the business is a dairy farm. The First Industries (FIF) loan funds were used to construct a 100 foot x 216 foot barn to expand their herd to 175 adult dairy cows. The business is current with its monthly payments.

Ronald and Janet Troyer have owned and operated a 270 acre dairy farm since 2000 and now plan to sell 1.36 acres of the farm to their son and daughter-in-law, Jonathan and Stephanie Troyer for \$1 to build a house. The parcel to be sold is vacant and an unproductive part of the farm's operation. In February 2012, the CFA approved a refinancing of the senior debt on the property by Mercer County State Bank. There was an appraisal completed on December 27, 2011 that valued the farm at \$800,000 as part of that refinancing that brought the project loan to value to 61.4%, based solely on the real estate. Mercer County State Bank has reviewed and approved the release of the collateral as part of this transaction as the impact on the collateral is insignificant. Ronald and Janet Troyer are requesting the CFA release its mortgage on Parcel #1104-21-23 (1.36 acres): The current loan to value is 51.9% (Based on the December 27, 2011 appraisal).

Project Collateral:

A second mortgage on the real estate owned by Ronald and Janet Troyer and located at 18660 Drake Hill Road, Centerville, Crawford County, Pennsylvania, subject to a first mortgage in favor of Mercer County State Bank in the original filing amount of \$291,000 (current balance December 2013 - \$267,808). [Appraised value as of 12/27/11 was \$800,000]

A blanket subordinate lien security interest in all business assets of Ronald R. and Janet S. Troyer.

Guarantees of Ronald R. Troyer and Janet S. Troyer.

Staff Recommendation:

Staff recommends the CFA approve the sale of 1.36 acres of land (Parcel 1104-21-23) to Jonathan S. and Stephanie M. Troyer and release its mortgage on the land as the effect on the project collateral is minimal and the land is not a productive portion of the farm.

DATE: January 10, 2014
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

**Vineyard on the Knoll, LLC and
William P. Jr. and Debra A. Macecevic (Co-Borrowers)**
Erie County

Approved: May 4, 2009
\$120,000 (Loan)
\$79,453.24 (Principal Balance)

Requested Change:

On May 4, 2009, the CFA Board approved a First Industries Agriculture SBF loan in the amount of \$120,000, at a term of 142 months and a fixed interest rate of 2.00% to Vineyard on the Knoll, LLC and William P. Jr. and Debra A. Macecevic, whose operation is located at 11798 East Main Road (Parcel #37-017-039.0-019.00), North East, Erie County, Pennsylvania. The primary operation of the business is a wine vineyard. The First Industries (FIF) loan funds were used to finance the acquisition of a 39 acre vineyard and to purchase machinery and equipment. The equipment purchased included a 30-50 HP tractor, a Brush Hog cutter/mower, an auger, a fertilizer spreader, and other miscellaneous vineyard equipment (i.e. pruning shears, sprayers, wire tools, etc). The business is current with its monthly payments.

In November 2012, the borrowers requested and received approval from the CFA to release its mortgage on a 1.85-acre parcel of the farm (Parcel #37-017-039.0-019.01) in order to build a personal residence financed by Marquette Savings Bank. The borrowers are now refinancing the mortgages on both properties through a new Marquette Savings Bank loan of \$662,000 and are requesting the CFA approve the subordination of its loan to this new loan. The FIF loan would be additionally secured by a second mortgage on the personal residence. The FIF loan is also secured by pledged Fidelity mutual funds that were valued at \$155,643 in November 2013 and no withdrawal of assets from the account can be done without prior CFA approval. The updated LTV will be 66.8% and the borrowers will realize savings in excess of \$400 on their monthly debt payments.

Existing Project Collateral:

A second mortgage on the real property owned by William P. Jr & Debra A. Macecevic and located at 11798 East Main Road (Parcel #37-017-039.0-019.00), North East, Erie County, Pennsylvania, subject to a first mortgage in favor of Marquette Savings Bank in an amount not to exceed \$138,000.

A first lien security interest in the project equipment owned by Vineyard on the Knoll, LLC, wherever located.

A first lien security interest in the mutual fund account held with Fidelity.

Guarantees of William P. Macecevic, Jr. and Debra A. Macecevic.

Proposed Collateral if Special Request is Approved:

A second mortgage on the real property owned by William P. Jr & Debra A. Macecevic and located on East Main Road (Parcels #37-017-039.0-019.01 & #37-017-039.0-019.00), North East, Erie County, Pennsylvania, subject to a first mortgage in favor of Marquette Savings Bank in the original filing amount of \$662,000. (Appraised value of Parcel #37-017-039.0-019.01 is \$710,000 on October 11, 2013 and Parcel #37-017-039.0-019.00 is \$245,000 on January 8, 2014)

A first lien security interest in the project equipment owned by Vineyard on the Knoll, LLC, wherever located.

A first lien security interest in the mutual fund account held with Fidelity. (Value as of November 2013 = \$155,643)

Guarantees of William P. Macecevic, Jr. and Debra A. Macecevic.

Staff Recommendation:

Staff recommends that the CFA approve the subordination to the \$662,000 loan from Marquette Savings Bank as there is adequate collateral for the project and the increasing value of the Fidelity mutual fund only strengthens the collateral further. After releasing the mortgage on the parcel in November 2012, we're now receiving a 2nd mortgage on a much more valuable piece of real estate with the personal residence upon it.

DATE: December 17, 2013
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

Chris Hoffman dba Lazy Hog Farm
Mifflin County

Approved: 6/5/2009
\$200,000 (Loan)
\$151,563 (Principal Balance)

Requested Change:

On June 5, 2009, the CFA Board approved a First Industries Agriculture SBF loan in the amount of \$200,000, at a term of 180 months and a fixed interest rate of 2.0% to Chris Hoffman dba Lazy Hog Farm, which is located in an Agriculture Security Area in Lewistown, Mifflin County. The primary operation of the business is a hog finishing operation. The First Industries (FIF) loan funds were used to finance the acquisition of a 94.42-acre farm property including two hog finishing barns. Each barn holds a maximum of 2,180 hogs. The business is current with its monthly payments.

The CFA is being asked to release its mortgage on non-project real estate that was taken as additional collateral. In addition to the CFA request to release the mortgage, Mr. Hoffman will be receiving a new loan from Susquehanna Bank in the amount of \$315,000 to refinance two existing mortgages on the project property and to make some improvements to the project property. This financing will be in a subordinate mortgage position to the CFA loan. The new financing and release of collateral will result in a LTV of 54.9% for the FIF loan based on an October 21, 2013 appraisal of \$1,295,000 on the project property and updated balances of the existing first and second mortgages in favor of Susquehanna Bank. The senior mortgages on the additional collateral property exceed the property value so releasing the CFA mortgage has minimal impact on the FIF loan collateral.

Existing Project Collateral:

1. A third mortgage on the 94.42-acre farm property located at 240 Long Hollow Lane, Lewistown, Mifflin County, Pennsylvania, shared pro-rata with Susquehanna Bank in the original filing amount of \$43,000 (current balance - \$36,241), and subject to a first mortgage in favor of Susquehanna Bank in the original filing amount of \$475,000 (current balance - \$404,177), and subject to a second mortgage in favor of Susquehanna Bank in the original filing amount of \$200,000 (current balance - \$155,105). [Appraised at \$1,100,000 on 11/13/2008]
2. A second mortgage on the 38-acre farm property, containing the hog nursery, located at RR2, Box 1510, Parcel #3-14-43, 115, McAlisterville, Juniata County, Pennsylvania, subject to a first mortgage in favor of Susquehanna Bank in the original filing amount of \$1,372,000 (current balance - \$1,141,509). [Appraised at \$560,000 on 2/26/2007]
3. A life insurance policy in the amount of \$200,000 on the life of Chris Hoffman.

Proposed Collateral if Special Request is Approved:

1. A third mortgage on the 94.42-acre farm property located at 240 Long Hollow Lane, Lewistown, Mifflin County, Pennsylvania, subject to a first mortgage in favor of Susquehanna Bank in the original filing amount of \$475,000 (current balance - \$404,177), and subject to a second mortgage in favor of Susquehanna Bank in the original filing amount of \$200,000 (current balance - \$155,105). [Appraised at \$1,295,000 on 10/21/2013]
2. A life insurance policy in the amount of \$200,000 on the life of Chris Hoffman.

Staff Recommendation:

Staff recommends that the CFA approve the release of the mortgage on RR2, Box 1510, Parcel #3-14-43, 115, McAlisterville, Juniata County, Pennsylvania, as the project property is sufficient to secure the FIF loan with a LTV of 54.9%.

DATE: December 5, 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

**MCIDA/Mount Pocono Borough
Pine Hill Road Improvements Project Grants
(Monroe County)**

Requested Change: On January 25, 2012, the CFA Board approved a \$450,000 Local Share Account – Monroe County Grant for the Monroe County Industrial Development Authority (MCIDA) on behalf of Mount Pocono Borough and Turkey Hill LP to assist with the widening of Pine Hill Road allowing for a center left turn lane, additional turning lanes on Route 611 and Route 196, and traffic signaling. The applicant requested funding, at the least amount, of \$787,500 to complete the projected \$1,033,236 project. Turkey Hill LP committed \$245,736. On May 17, 2012, the CFA Board approved a scope of work change to a 2010 LSA grant to Mount Pocono Borough in the amount of \$228,395 to supplement the Pine Hill Road project. Turkey Hill LP has since decided not to proceed with their project at this location. PennDOT is also now requiring an updated traffic study and additional design items to be provided in order to move the project forward.

The applicants are requesting approval to expand the scope of work for both grants from infrastructure and administrative costs to also include engineering costs associated with the traffic study and required design work. The applicants will seek additional financing, as necessary, depending on the results of the study and final design work. Of note, other developers have expressed interest in development at this location and are in discussions with MCIDA at this time.

Recommendation: Approval.

DATE: December 10, 2013
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

Stoehr Development, Inc.
Fort Pitt Industrial Park
(Washington County)

Approved: 07/17/06
\$3,362,946 (Loan)
\$1,905,471 (Grant)

Requested Change:

On July 17, 2006, the CFA Board approved a BOS grant to the Redevelopment Development Authority of the County of Washington and a loan to Stoehr Development, Inc. (SDI) for the development of the former Fort Pitt Bridge Works site in the Borough of Canonsburg, Washington County. The loan was secured by a first mortgage lien on a tract of land consisting of 23.74 acres acquired by SDI. BOS loan funds were used for acquisition and demolition. Currently, all funds have been disbursed and SDI is making monthly payments on the BOS loan. The outstanding balance is \$3,071,792.

In December of 2009, the CFA agreed to subordinate to a second lien position behind Washington Federal Savings Bank (WFSB) in the amount of \$4,100,000 on a 4 acre site with a first lien on the remaining 19.74 acres. Proceeds of the WFSB bank loan were used to construct a 57,750 square foot speculative light industrial building. The building is currently 100% occupied.

Due to increased interest in the site, SDI intends to construct an additional 60,000 square foot flex building on 7.271 acre parcel of land (Lot 3). SDI is requesting the CFA agree to a third lien position behind WFSB on a 7.271 acre parcel. WFSB will have a first lien of \$3,697,500 (for construction) and a second lien of \$1,902,500 (for tenant and landlord improvements).

Current Collateral: 23.74 acres at the former Fort Pitt Bridge Works located in Canonsburg Borough, Washington County, Pennsylvania.

- 4 acre parcel - second lien subordinate to \$4,100,000.
- Remaining 19.74 acres – first lien.

Collateral Value: \$15,830,000 - 23.74 acres

Proposed Collateral:

- 7.271 acre parcel – third lien subordinate to a \$3,697,500 (WFB) first lien and a \$1,902,500 (WFB) second lien.
- 4 acre parcel - Second lien subordinate to \$4,100,000.
- Remaining 12.47 acres – first lien.
- Both CFA mortgages will be cross collateralized.

Staff Recommendation: Approval

DATE: January 29, 2014
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
GEDTF Program Manager

SPECIAL REQUEST – BOARD ACTION REQUIRED

Redevelopment Authority of Allegheny County **Approved:** 09/17/2013
Project #16 – Fall Run Road Reconstruction \$410,000 (Grant)
(Local Project #13-GEDF-107)

Requested Change: On September 17, 2013, the CFA Board approved a \$6,573,000 GEDTF grant to the Redevelopment Authority of Allegheny County (RAAC) which includes a \$410,000 sub-grant to Shaler Township for the Fall Run Road Reconstruction project. Funding is for Phase 2 of the project to include the construction of a new roadway bed, installation of a new storm sewer system, and relocation of a water line.

RAAC, on behalf of Shaler Township, is requesting an expansion in the scope of work to include the acquisition of the properties located at 1236 and 1238 William Flynn Highway (Route 8) in Glenshaw. Upon acquisition, the buildings on these properties will be demolished at the expense of Shaler Township to improve sightlines at the intersection of Fall Run Road and Route 8.

Recommendation: Approval.