



Commonwealth Financing Authority
Harrisburg PA, 17120

Board Meeting Minutes
May 22, 2018

The Commonwealth Financing Authority (CFA) board meeting was held on May 22, 2018. Proper notice was given pursuant to the terms of the Act of July 3, 1986 (the “Sunshine Act”). The meeting was held in the Forest Room, within the Keystone Building Meeting Center, on the plaza level of the Commonwealth Keystone Building located at 400 North Street in Harrisburg, Pennsylvania.

In addition to Chairman Davin, the following Board members were present: the Honorable Randy Albright, Paul Wentzel for the Honorable Robin L. Wiessmann, D. Raja, Marc Little, and Austin Burke. Michael Karp participated via teleconference.

CFA staff in attendance: Scott Dunkelberger, Executive Director and Mike Adams, Chief Counsel.

Members of the public in attendance: Yesenia Bane, Stephen Bruder, Peggy Schaeffer-Montgomery, Greg Mahon, Josh Funk, Danielle Guyer, Lisa Taglang, Laurie Henry, Ryan Emerson, Brian Eckert, Mandy Book, Lynne Ruby, Cindy Cashman, Kevin Rowland, Mike Gerber, Zachary Reber, Bruce Karper, Vicki White, Harriet Bowser, Crista Staley, Alan Flannigan, Patrick Gill, Lori Pornea, Britte Earp, Teresa McCurdy, Alisa Harris, Brian Kummer, Jason Fitzgerald, Don Brominski, Andrew Zwally, Vijay Teru, and David Geiger.

Chairman Davin called the meeting to order at 10:33 A.M. after acknowledging a quorum of the Board.

On a motion by Mr. Little and seconded by Mr. Wentzel, the Board unanimously approved the March 16, 2018 CFA Board meeting minutes.

On a motion by Mr. Burke and seconded by Mr. Wentzel, the Board unanimously approved payment of CFA expenses in the amount of \$1,014,569.46.

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

SPECIAL REQUESTS

Mr. Dunkelberger briefly outlined the eight special requests for consideration by the Board.

Upon motion by Mr. Karp and seconded by Mr. Little, the Board unanimously approved a request to modify to the scope of work associated with Armstrong County Commissioner’s Multimodal Transportation Fund Armstrong County Multiple-Municipal project located in Armstrong County.

Upon motion by Mr. Wentzel and seconded by Mr. Raja, the Board unanimously approved a request to modify to the scope of work associated with Duryea Borough’s Luzerne County LSA Germania Hose Company project located in Luzerne County.

Upon motion by Mr. Burke and seconded by Mr. Wentzel, the Board unanimously approved a request to modify to the scope of work associated with Wilkes-Barre Township’s Luzerne County LSA Recreation Center project located in Luzerne County.

Upon motion by Mr. Karp and seconded by Mr. Wentzel, the Board unanimously approved a request to modify to the scope of work associated with Mayfield Borough’s Monroe County LSA Community Center and Agriculture Market project located in Monroe County.

Upon motion by Mr. Karp and seconded by Mr. Little, the Board unanimously approved a request to modify to the scope of work associated with Monroe County Industrial Development Authority’s Monroe County LSA PSFC Mountain Center Roof project located in Monroe County.

Upon motion by Mr. Wentzel and seconded by Mr. Burke, the Board unanimously approved a request to modify to the scope of work associated with Pleasant Hills Authority’s PA Small Water and Sewer Sanitary Sewer Rehabilitation project located in Allegheny County.

Upon motion by Mr. Little and seconded by Mr. Karp, the Board unanimously approved a request to reassign a grant associated with Kings Real Estate Group A, LLC’s Pipeline Investment Program Hamburg Commerce Park Project located in Berks County.

Upon motion by Mr. Karp and seconded by Mr. Little, the Board unanimously approved a subordination request associated with the Economic Development Corporation’s Building PA Rod #2 at Rock Litz Project located in Lancaster County. Mr. Karp stated that he feels this is a favorable debt service ratio and that future project should be modeled similarly.

2018-2019 CFA OPERATING BUDGET

Raja stated that boards/commissions he has been affiliated with typically vote on an annual operating budget, and he feels it’s appropriate. Mr. Dunkelberger explained we could update bylaws to require a vote on the operating budget in the future, in addition to voting on the proposed operating budget today.

On a motion by Mr. Raja and seconded by Mr. Little, the Board unanimously approved an operating budget for the period of July 1, 2018 through June 30, 2019.

2018-2019 MEMORANDUM OF UNDERSTANDING

On a motion by Mr. Albright and seconded by Mr. Burke, the Board unanimously approved the following Memorandums of Understanding for the period of July 1, 2018 through June 30, 2019:

<u>Agency</u>	<u>Agency</u>	<u>Not to Exceed:</u>
Commonwealth Financing Authority	Department of Community and Economic Development	\$3,565,608
Commonwealth Financing Authority	Department of Environmental Protection	\$250,000.00
Commonwealth Financing Authority	Department of Conservation and Natural Resources	\$50,000.00
Commonwealth Financing Authority	Office of the Budget	\$135,000.00

MONTGOMERY COUNTY LSA GUIDELINE CHANGES

Mr. Dunkelberger explained the proposed changes include opening the program on a rolling basis instead of during a specific annual time frame, raising of the maximum grant amount, and the reduction of required match amount. He added that staff feels these changes will help to deploy funds in an efficient and productive manner. Upon motion by Mr. Wentzel and seconded by Mr. Burke, the Board unanimously approved changes to the Montgomery County LSA guidelines, as presented.

PROPOSED NORTHAMPTON AND LEHIGH COUNTIES LSA GUIDELINES

Mr. Dunkelberger explained the guidelines presented mirror the other LSA programs. He added that applications would be accepted September 1 through November 15 annually.

Mr. Raja stated that he would like the guidelines to include more specific information outlining eligible projects, and eligible amounts. He also questioned if there was a way to avoid having a budget shortfall and overcommitting funds, similar to the situation with the 2017-2018 round of Multimodal Transportation Funds. Mr. Karp stated that he makes an excellent point and suggested a modest overallocation instead of being more aggressive with deploying funds. Mr. Dunkelberger stated that he would be happy to have those conversations going forward and make changes as necessary.

Upon motion by Mr. Little and seconded by Mr. Wentzel, the Board unanimously approved proposed guidelines for the Northampton and Lehigh Counties Local Share Account Program, as presented.

PIPELINE INVESTMENT PROGRAM PROJECT RECOMMENDATION

Mr. Dunkelberger briefly outlined two Pipeline Investment Program grant requests for consideration by the Board. Upon motion by Mr. Burke and seconded by Mr. Little, the Board unanimously approved the following two Pipeline Investment Program projects:

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>Grant</u>
Wayne Economic Development Corporation	Canaan Township and Waymart Borough	Wayne	\$1,000,000
McKean County Commissioners	IWI Distribution Lateral	McKean	\$1,000,000

ALTERNATIVE AND CLEAN ENERGY PROGRAMS PROJECT RECOMMENDATIONS

Mr. Dunkelberger stated there were six Alternative and Clean Energy Program projects for consideration and that a block vote would be taken if agreeable by the Board. He briefly outlined each of the six projects. Upon motion by Mr. Wentzel and seconded by Mr. Little, the Board unanimously approved the following six Alternative and Clean Energy Program projects:

Alternative Energy Production Projects

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>Grant</u>
Bayer Healthcare LLC	Bayer Myerstown PA CHP Project	Lebanon	\$1,171,000
LCP Generation Partners	LCP Generation Partners	Delaware	\$965,000

High Performance Building Projects

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>Grant</u>
School District of Philadelphia	Solomon Solis-Cohen Elementary School	Philadelphia	\$2,000,000
State College Area School District	Corl Street Elementary School	Centre	\$1,737,720
Mechanicsburg Area School District	Shepherdstown Elementary School	Cumberland	\$1,589,234

Manufacturing Projects

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>Grant</u>
OxiCool, Inc.	Phase II Capacity Increase	Chester	\$730,000

RENEWABLE ENERGY PROGRAM PROJECT RECOMMENDATIONS

Mr. Dunkelberger gave a brief overview of a Renewable Energy grant request from Mason Dixon Wind LLC. Mr. Karp questioned how the company calculated the anticipated electricity sales rate. Mr. Dunkelberger explained they used the wholesale market rate. Upon motion by Mr. Burke and seconded by Mr. Albright, the Board unanimously approved a grant in the amount of \$\$7,000,000 to Mason Dixon Wind LLC for the purchase and installation of 25 wind turbines associated with the 80 MW Wind Farm Project located in Larimer, Southampton and Fairhope Townships, Somerset County.

FIRST INDUSTRIES LOAN PROJECT RECOMMENDATIONS

Mr. Dunkelberger briefly outlined seven First Industries Agriculture projects for consideration. He added that these projects have already been underwritten and approved by the Pennsylvania Industrial Development Authority Board. Upon motion by Mr. Albright and seconded by Mr. Little, the Board unanimously approved the following seven First Industries Agriculture and Tourism projects:

<u>Applicant</u>	<u>Project</u>	<u>County</u>	<u>Loan</u>
Adams County Economic Development Corp.	Joshua L. and Stacy N. Martin	Adams	\$103,600
Greater Berks Development Fund	W. Ray and Jenifer K. Hershey	Berks	\$400,000
EDC Finance Corporation	Clayton L. and Deanna A. Andrews	Lancaster	\$400,000
SEDA - Council of Governments	Robert S. Jr., Tomilee and Callen D. Foresman	Northumberland	\$400,000
SEDA - Council of Governments	JMA Farns LLC, James C. and Megan B. Adams	Snyder	\$400,000
Southern Alleghenies Planning & Development Commission	Matthew S. and Loretta R. Garman	Bedford	\$286,000
SEDA - Council of Governments	M&K Family Farms, LLC	Columbia	\$400,000

ADJOURNMENT

Chairman Davin thanked the Board for their participation and attendance. There being no further business to come before the Board, upon motion by Mr. Albright and seconded by Mr. Raja, the meeting was adjourned at 11:01 A.M.