



Commonwealth Financing Authority
Harrisburg PA, 17120

Board Meeting Minutes
July 17, 2018

The Commonwealth Financing Authority (CFA) board meeting was held on July 17, 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.

The following Board members were present: the Honorable Randy Albright, Paul Wentzel for the Honorable Robin L. Wiessmann and Austin Burke. Chairman Dennis Davin, D. Raja, Marc Little, and 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, Chelsea Guzowski, Peggy Schaeffer-Montgomery, Josh Funk, Danielle Guyer, Lisa Taglang, Chris Stets, Laurie Henry, Ryan Emerson, Brian Eckert, Mandy Book, Kevin Rowland, Barry Wickes, Tim Anstine, Mike Gerber, Zachary Reber, Hayden Rigo, Ben Daniels, Bob Barkanic, Matt Fire, Marie Holland, and Ted Mowatt.

Chairman Davin called the meeting to order at 10:32 A.M. after acknowledging a quorum of the Board.

On a motion by Mr. Burke and seconded by Mr. Albright, the Board unanimously approved the May 22, 2018 CFA Board meeting minutes.

On a motion by Mr. Wentzel and seconded by Mr. Burke, the Board unanimously approved payment of CFA expenses in the amount of \$306,777.88.

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

PROPOSED BYLAWS CHANGE

Mr. Dunkelberger explained a proposed update to the CFA Bylaws within Article X, Miscellaneous. The proposed bylaws update is as follows:

Section 1. The fiscal year of the Authority shall be the same as the fiscal year of the Commonwealth.

[Insert new Section 2.] Section 2. For each fiscal year the Authority shall by the vote of a qualified majority of the Board approve an operating budget.

Section 3. [Successive Sections renumbered.]

Upon motion by Mr. Karp and seconded by Mr. Raja, the Board unanimously approved the proposed bylaws update.

APPROVAL OF FISCAL CODE TRANSFERS

Mr. Dunkelberger outlined a resolution pertaining to the Fiscal Code contained in the Act of June 22, 2018, P.L. _____, No. 42 (“Act 42”), which involves the transfers of monies of the Authority and application of these monies to certain funds or accounts, including:

- 1) transfer from the First Industries Program Revolving Account in an amount not to exceed \$10,000,000 to the Business in Our Sites Revolving Account;
- 2) transfer from the Building PA Project Fund for the Building PA Program in an amount not to exceed \$35,000,000 to the Business in Our Sites Revolving Account;
- 3) transfer from the First Industries Program Revolving Account in an amount not to exceed \$10,000,000 for reimbursement of water and sewer projects; and
- 4) transfer from the First Industries Program Revolving Account in an amount not to exceed \$5,000,000 to a new custodial account for the Dairy Program.

Upon motion by Mr. Burke and seconded by Mr. Albright, the Board unanimously approved the above-referenced transfers effective immediately upon adoption.

PIPELINE INVESTMENT PROGRAM PROJECT RECOMMENDATION

Mr. Dunkelberger outlined two Pipeline Investment Program grant requests for consideration by the Board.

Upon motion by Mr. Albright and seconded by Mr. Burke, the Board unanimously approved a Pipeline Investment grant request in the amount of \$100,000 from Bedford County Development Association for the Natural Gas Pipeline Extension – BCBP II project located in Bedford Township, Bedford County.

Upon motion by Mr. Karp and seconded by Mr. Burke, the Board unanimously approved a Pipeline Investment grant request in the amount of \$584,100 from the Borough of Chambersburg for the Chambersburg Natural Gas Pipeline project located in the Borough of Chambersburg, Franklin County.

ALTERNATIVE AND CLEAN ENERGY PROGRAMS PROJECT RECOMMENDATIONS

Mr. Dunkelberger outlined an Alternative and Clean Energy Program grant request for consideration by the Board.

Upon motion by Mr. Wentzel and seconded by Mr. Burke, the Board unanimously approved a \$2,000,000 Alternative and Clean Energy grant request from Council Rock School District for the Rolling Hills Elementary School project located in Northampton Township, Bucks County.

FIRST INDUSTRIES LOAN PROJECT RECOMMENDATIONS

Mr. Dunkelberger outlined two 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. Karp and seconded by Mr. Raja, the Board unanimously approved the following two First Industries Agriculture projects:

<u>Applicant</u>	<u>Borrower</u>	<u>County</u>	<u>Loan</u>
EDC Finance Corporation	Elisa A. Fleming and Patrick M. Fleming	Lancaster	\$400,000
Chester County EDC	Neal B. King and Mary Lou King	Chester	\$332,500

TIF GUARANTEE PAYMENTS

Mr. Dunkelberger outlined three payments that the CFA is required to make due to a shortfall in the tax increment. He added that the projects could be voted on in a block if agreeable by the board. Mr. Karp stated that he would like staff to investigate the possibility of purchasing the Longvue Development TIF project at a discount. Mr. Dunkelberger stated he would do so.

Upon motion by Mr. Karp and seconded by Mr. Albright, the Board unanimously approved the following three TIF Guarantee payments:

<u>Applicant</u>	<u>Project</u>	<u>Payee</u>	<u>Payment</u>
Redevelopment Authority of the City of Butler	West-End Revitalization	Wilmington Trust, N.A.	\$26,974.26
North Versailles Industrial Development Authority	Longvue Development	Wilmington Trust, N.A.	\$53,433.55
Redevelopment Authority of the City of Lock Haven	Painter Stadium	M&T Investment Group	\$1,335.54

SPECIAL REQUESTS

Mr. Dunkelberger outlined seven special requests for consideration by the Board. He stated they could be approved as a block vote if the Board was agreeable. Upon motion by Mr. Burke and seconded by Mr. Wentzel, the Board unanimously approved the following seven special requests (details attached):

<u>Applicant</u>	<u>Project</u>	<u>Program</u>	<u>Reason</u>
Redevelopment Authority of Allegheny County	Project #9 - Hill House HVAC Upgrades Project	GEDTF	Request to modify scope of work
Redevelopment Authority of Allegheny County	Project #23 - River Front Land Reclamation & Sycamore Island Economic Development	GEDTF	Request to modify scope of work
Monroe County Industrial Development Authority	KidsPeace Tobyhanna Expansion	Monroe County LSA	Request to modify scope of work and request to alter project location
Sugarloaf Township	Old Berwick Road Phase III	Luzerne County LSA	Request to modify scope of work
City of Wilkes-Barre	GUARD Expansion Project	Luzerne County LSA	Request to modify scope of work
Borough of Sharsburg	Main Street/Seventh Street Storm Sewer Separation	PA Small Water and Sewer	Request to modify scope of work
HIY, Inc.	Clark Street Building Development Project	Business in Our Sites	Request to modify scope of work and reallocate grant and loan funds

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. Karp and seconded by Mr. Burke, the meeting was adjourned at 10:42 A.M.

DATE: June 22, 2018

SUBJECT: Special Request – CFA Board

TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority

FROM: Mandy Book
Director, Center for Community Enhancement

SPECIAL REQUEST – BOARD ACTION REQUIRED

**Redevelopment Authority of Allegheny County
Project #9 – Hill House HVAC Upgrades Project
(Local Project #16-GEDF-019)**

Approved: 07/01/2016
\$100,000 (Grant)

Requested Change: On July 1, 2017, the CFA Board approved a \$3,324,602 GEDTF grant to the Redevelopment Authority of Allegheny County (RAAC) which includes a \$100,000 sub-grant to Hill House Association for equipment costs to replace the HVAC system. The association was expecting to do additional renovation work to include additional first floor insulation installation to increase energy efficiency.

A site assessment identified asbestos in both the hot and cold water pipe insulation and other insulation integral to the boilers. As a result, the additional first floor insulation installation will be removed from the project, but remediation of the asbestos issues will be added.

RAAC, on behalf of Hill House Association, is requesting an expansion in the scope of work from the purchase and installation of machinery and equipment to also include remediation costs.

Recommendation: Approval.

DATE: June 22, 2018
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
Director, Center for Community Enhancement

SPECIAL REQUEST – BOARD ACTION REQUIRED

Redevelopment Authority of Allegheny County **Approved:** 07/01/2016
Project #23 – River Front Land Reclamation **\$115,000 (Grant)**
& Sycamore Island Economic Development
(Local Project #16-GEDF-076)

Requested Change: On July 1, 2017, the CFA Board approved a \$3,324,602 GEDTF grant to the Redevelopment Authority of Allegheny County (RAAC) which includes a \$115,000 sub-grant to the Borough of Blawnox for the purchase of property and construction of a municipal boat dock. Funds were to be used for acquisition, remediation, and infrastructure costs. To date, the borough has been unable to secure any of the riverfront property due to its occupation and ownership by industrial and commercial entities.

The borough has reevaluated their priorities and renovations to the Community Park and Ballfield have become the top priority. The one existing park in the borough has dated and non-compliant equipment that has not been updated since the original installation. The renovation of the park is expected to be a four stages with GEDTF funds applied to the initial stage. The funds will be used for the removal and replacement of existing equipment.

RAAC, on behalf of the Borough of Blawnox, is requesting a change in the scope of work to the purchase and installation of equipment associated with the new “Community Park” project.

Recommendation: Approval.

DATE: June 22, 2018
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
Director, Center for Community Enhancement

SPECIAL REQUEST – BOARD ACTION REQUIRED

MCIDA	Approved: 03/29/17
KidsPeace Tobyhanna Expansion	\$130,000 (Grant)
(Monroe County)	

Requested Change: On March 29, 2017, the CFA Board approved a \$130,000 LSA – Monroe County grant for Monroe County Industrial Development Authority (MCIDA), on behalf of KidsPeace Corporation, to renovate a vacant commercial space at 100 Community Drive in Coolbaugh Township. Funds were approved for renovations, equipment, and administrative costs. By the time of grant approval, the space had become unavailable. A new space, in neighboring Mount Pocono Borough, approximately two miles from the original location has been located.

MCIDA, on behalf of KidsPeace, is requesting a change in the project location to the new site in Mount Pocono Borough and an expansion in the scope of work to include demolition in addition to the previously approved renovations, equipment, and administrative costs. The overall project remains the same with a goal of providing increased mental health care and substance abuse treatment services.

Recommendation: Approval.

DATE: June 22, 2018

SUBJECT: Special Request – CFA Board

TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority

FROM: Mandy Book
Director, Center for Community Enhancement

SPECIAL REQUEST – BOARD ACTION REQUIRED

**Sugarloaf Township
Old Berwick Road Phase III
(Luzerne County)**

Approved: 03/29/17
\$520,000 (Grant)

Requested Change: On March 29, 2017, the CFA Board approved a \$520,000 Local Share Account – Luzerne County grant (C000065289) for Sugarloaf Township to complete Phase III of the Old Berwick Road project. This work was expected to continue the Old Berwick Road Phase I improvements east to the intersection of Old Berwick Road and State Route 93.

A previous LSA award, C000061692, in the amount of \$750,000 was awarded in July 2015 for Phase I. Engineering, permitting, and bidding of the work leaves a remaining balance of approximately \$650,000. The lowest bid for construction of Phase I came in at more than \$1.2 million.

Sugarloaf Township is requesting a change in the scope of work from Phase III improvements to the original, Phase I, project scope which includes the widening of Old Berwick Road and traffic pattern improvements in the area of the Pilot Truck Stop. This change will allow Phase I to move forward immediately and will have a positive effect on the Phase II improvements to be undertaken in conjunction with Red Truck, LLC.

Recommendation: Approval.

DATE: June 22, 2018
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Mandy Book
Director, Center for Community Enhancement

SPECIAL REQUEST – BOARD ACTION REQUIRED

City of Wilkes-Barre
GUARD Expansion Project
(Luzerne County)

Approved: 03/29/17
\$1,000,000 (Grant)

Requested Change: On March 29, 2017, the CFA Board approved a \$1,000,000 LSA – Luzerne County grant for the City of Wilkes-Barre, on behalf of Berkshire Hathaway GUARD Insurance Companies, for the construction of a new 130,000 sf office building at the former Hotel Sterling site in the City of Wilkes-Barre. Funds were expected to be used for construction and engineering costs. The \$30 million project featured construction of a new office building allowing for the retention of the company with the consolidation of six existing locations and opportunity for expansion to at least 200 new employees.

The company is out of space for expansion and needs a more immediate solution than the construction of a new complex will provide. The company has worked with local authorities and developers to identify a facility in the same area to address their needs. The new building, the Wilkes-Barre Center building, is located at 39 Public Square in downtown Wilkes-Barre and has an initial employee capacity of 630. The total project cost to include the purchase of the building and renovations is just under \$10 million.

The City of Wilkes-Barre, on behalf of Berkshire Hathaway GUARD Insurance Companies, is requesting a change in the scope of work to the acquisition of the building at 39 Public Square.

Recommendation: Approval.

DATE: June 18, 2018
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Brian E. Eckert
Director, Site Development Office

SPECIAL REQUESTS – BOARD ACTION REQUIRED

Borough of Sharpsburg
Allegheny County

Approved: March 29, 2017
\$300,000 (Grant)

Requested Change:

On March 29, 2017, the CFA Board approved a \$300,000 PA Small Water and Sewer Program grant to the Borough of Sharpsburg for administrative and construction costs associated with the construction of a 625 linear feet large diameter storm sewer which was intended to separate storm water flows from an existing hydraulically overloaded combined sewer system located in Sharpsburg Borough, Allegheny County. The project intended to provide flow reduction and reduction of flows to the ALCOSAN interceptor and wastewater treatment facilities by reducing grit and debris that backed up the existing hydraulically combined sewer system at Seventh and Main Street due to the Ravine Street stream identified by ALCOSAN.

Sharpsburg Borough is requesting an assignment to transfer the grant over to Allegheny County Sanitary Authority (ALCOSAN) along with a change of scope from the original project. It was agreed that ALCOSAN should take the lead because they identified locations where direct municipal connections were made to ALCOSAN's system resulting in combined sewer overflows at ALCOSAN interceptor.

The revised scope will separate a 36-inch combined sewer pipe on Clay Street from the roadway drainage on 8th Street to remove a natural stream from the combined sewer system. This includes installing 340 LF of 12-inch sanitary sewer pipe along with the associated laterals and street restoration. Due to the proximity to the Ravine stream, the project is imperative to prevent potential overflow to the ALCOSAN interceptor and wastewater treatment facilities. The Borough is requesting the assignment and change of scope with the grant to this project, because they feel the project takes precedence over the originally approved project. The total project cost is \$429,071.

Staff Recommendation: Approval

DATE: June 25, 2018
SUBJECT: Special Request – CFA Board
TO: Scott Dunkelberger
Executive Director, Commonwealth Financing Authority
FROM: Brian Eckert
Director, Site Development Office

SPECIAL REQUEST – BOARD ACTION REQUIRED

HIY Inc. / Clark Street Building
(Warren County)

Approved: 10/14/2017
\$2,243,773 (Loan)
\$ 455,560 (Grant)

Requested Change: On October 14, 2017, the CFA Board approved a Business in Our Sites (BOS) loan and grant to HIY Inc. for the redevelopment of the Clark Street Building located in the City of Warren, Warren County. BOS loan funds will be used for acquisition, building renovations, engineering and administrative costs. BOS grant funds will be used for asbestos removal, demolition, water/sewer lines, utilities, engineering and administrative costs.

The site is situated on 0.8 acres and includes a 2-story brick building, the former Loranger Plastics facility, which has been vacant since 2005 and has deteriorated over time to its current uninhabitable condition. The objective is to convert the area into a retail, hospitality and entertainment hub that will attract individuals downtown.

Because of the significant environmental issues, environmental remediation costs have increased. HIY is requesting a revised scope of work to include those additional costs in the grant and a reallocation of grant and loan funds. The total BOS approved amount will not change.

Original BOS Collateral: First lien on the 0.8 acres in Warren

Staff Recommendation: Approval of the following:

- 1) BOS grant to be increased to \$1,036,133
- 2) Increase in the grant funds to be used for environmental remediation; and
- 3) BOS loan to be decreased to \$1,663,200
(interest rate and term to remain the same)