

**Industrial Development Authority
Reorganization Meeting
January 13, 2016**

The regular meeting of the IDA (Industrial Development Authority) was held on Wednesday, January 13, 2016, beginning at 6:00 p.m. in the Borough Building. Temporary Chairman Rodney Beard called the meeting to order.

Present: Paul Badger; Frank Halderman; Ray Fisher; Matt Hill; Greg Wendt;
Don Holderman, Secretary; Rod Beard, Solicitor;

Excused:

Borough Staff: Ralph Stewart, Borough Manager

Visitors: Mr. Clark; Chuck Walls

Nomination of the Chairman

Mr. Halderman nominated Mr. Badger as Chairman of the IDA. Mr. Badger declined and nominated Mr. Hill as Chairman.

Mr. Badger made a motion to close the nominations.

Nomination of the Vice Chairman

Mr. Hill nominated Mr. Fisher as Vice Chairman of the IDA.
Mr. Hill made a motion to close the nominations.

Nomination of the Treasurer

Mr. Badger nominated Mr. Wendt as Treasurer of the IDA.
Mr. Hill made a motion to close the nominations.

Nomination of the Secretary

Mr. Badger nominated Mr. Holderman as Secretary of the IDA.
Mr. Halderman made a motion to close the nominations.

IDA Members voted on the slate of officers as nominated (Mr. Hill, Chairman; Mr. Fisher, Vice Chairman; Mr. Wendt, Treasurer; Mr. Holderman, Secretary). The motion was unanimous.

Transfer of the gavel to the Chairman

Mr. Hill took over as Chair of the meeting. He thanked Mr. Badger for his service as Chairman of the IDA for the past three years or so.

Approval of Minutes:

- Mr. Badger made a motion to approve the minutes of the IDA meeting of December 9, 2015. Mr. Halderman seconded the motion. A voice vote was unanimous to approve the minutes as presented.

Public Comments:

- None.

Financial Reports:

- Mr. Holderman reviewed the monthly financial report, which is through December 31, 2015. At last month's meeting the IDA approved \$474,953.00 worth of invoices, most of which was for construction. Up to that point the amount spent is \$1,940,521.00 to Hawbaker. With the \$421,000.00 the amount is now \$2,362,324.00. There is approximately \$1,000,000.00 in that particular contract. In the packet there is an invoice for \$500,000.00. Aside from the \$421,000.00 the Office of Budget has been provided with two payment applications that cover the \$1,940,521.00. A list of questions was received from the Office of Budget on December 31, 2015 that are being answered or addressed. For most of it they want invoices and documentation. Mr. Holderman said a lot of the questions they are asking at this point are addressing costs that they are not going to deem eligible. He copied Mr. Beard on this and Mr. Holderman will work with him on this before the final is submitted. One of the things Mr. Holderman asked the consultant to look at is they put a time frame of May 18th when the construction contract started and they are trying to stipulate that a lot of the costs incurred before that date aren't eligible. Mr. Holderman asked the consultant if the RDA300 form that the consultant filled out is modified and make it \$2.5 million and put \$500,000.00 in property acquisition then that takes it back a lot on the time frame. At this point the IDA is going to continue working through the process. Mr. Holderman will keep the IDA informed on how things are going.

The IDA is closing on the contract with Buchart Horn. Their contract costs were \$355,950.00 and there is a modification in the packet requesting additional funds for out of scope works.

The ACT 2 Contract currently is \$143,163.00. The IDA currently obligated or spent \$134,683.00. There is also a modification in the packet for out of scope services for \$23,000.00. If that is approved it would move that contract to \$166,003.00 and give them about \$30,000.00 to finish the job.

- The GO Hawbaker invoice in the amount of \$531,678.06 in the packet includes payment for 100% of the Redirocks but they are not all on site. Mr. Holderman said it could be approved pending the arrival of the caps, which would be all of them.

Mr. Badger made a motion to approve the GO Hawbaker invoice in the amount of \$531,678.06 when all the Redirocks are on site. Mr. Halderman seconded the motion. Mr. Wendt reported when the caps are on site and this amount is advanced the remaining amount on the initial IDA loan is \$443,976.00 so the IDA will need to start dipping into the other loan that is set up. A voice vote was unanimous.

- The Beard Law Firm invoice for \$1,662.50 is in the packet. Mr. Badger noticed in the agreement in the packet that there are costs included regarding the Freight Building. The IDA is not supposed to have any costs regarding the transfer of the building. Mr. Holderman stated that BHCA has stated that it is covering the full cost of moving the building.

Mr. Badger made a motion to approve payment of the invoice from Beard Law Firm in the amount of \$1,662.50. Mr. Halderman seconded the motion. A voice vote was unanimous.

- Mr. Halderman made a motion to bill BHCA for the legal fees associated with moving the Freight Building. Mr. Fisher seconded the motion. They will be billed and it will say "to date". There shouldn't be any additional legal costs for this. A voice vote was unanimous.

- Mr. Badger made a motion to approve payment of invoice #30 from Buchart Horn for the Waterfront Project in the amount of \$7,806.88. Mr. Fisher seconded the motion. A voice vote was unanimous.

- Mr. Badger made a motion to approve payment of invoice #18 from Buchart Horn for the ACT 2 Clearance Industrial Site Redevelopment plan in the amount of \$296.43. Mr. Halderman seconded the motion. A voice vote was unanimous.

- Mr. Holderman provided an overview of the additional services from Buchart Horn. The one is for the ACT 2 investigation. A lot of this is for work that wasn't anticipated when they began the project. The projects lasted a lot longer than anticipated when they submitted their budget. They had issues that were not anticipated such as the concrete slab behind the Bowersox building. There were additional borings. The drum containerization, sampling and disposal required by DEP was unexpected. There were bills to Skye Limited for Kevin's work in helping them get the contaminated soil removed. There were other project site conditions that were out of scope. They had wells they bore and didn't get enough yield on them so they had to do three additional borings. Approval of the \$21,840.00 would get the project to \$166,003.00, which should complete the project. Out of the \$166,003.00 DEP has already provided \$68,000.00. Once the project is complete the additional \$7,000.00 will be paid. The IDA had a match of \$25,000.00.

Chuck talked to Randy about this yesterday and he said the people at DEP have been telling him that there is additional money available in that grant program and they encouraged him to apply for additional grant funds. Mr. Holderman said the money isn't in the same program so it's not an amendment that can be added on to the current grant. It is a whole new grant and you have to go through the whole process. Mr. Holderman and Mr. Stewart will explore it and see if it would be worth going through the process.

Mr. Wendt made a motion to pay Buchart Horn \$21,840.00 for the additional effort and the extension of the duration of the project. Mr. Hill seconded the motion. A voice vote was unanimous.

Mr. Halderman asked if there would be any change orders from Hawbaker. Mr. Holderman stated they are working on it. Mr. Halderman feels they need to bring it to the IDA before the work is done for approval. He also would like to know how much money is being saved on the backfill. Mr. Wendt asked if anything is happening with the portion of the wall that Mr. Halderman mentioned about the bridge by High Street. They told Mr. Holderman they would need to get back in the stream in the spring and it would be quite costly. One thing they suggested is pack and pre-test can make the stone caps and they could drill into the stone and attach the caps to make it look like the current stone. Mr. Halderman asked why it wasn't

finished in the original drawings. Chuck said the biggest concern about why they didn't go the whole way to the bridge is that you can see evidence of timber cribbing that is rock filled and to tear out that wall there were so many unknowns about what would be undermined by taking it out. They were afraid that there was a possibility that it could really damage the bridge foundation.

- Mr. Beigle made a motion to pay the invoice in the amount of \$13,000 to Buehart Horn for additional services that are directly tied to the FEMA work. Mr. Wendt seconded the motion. A voice vote was unanimous.

Old Business:

1. Waterfront Property -

I. Waterfront Project Report – Chuck provided the update. The walls are done except for the cap blocks on them. The stairway at High Street is completed. There is a little bit of concrete work on the landing at the top that needs done. A sidewalk to the Lamb Street connection needs to be completed. Nearly all the top soil is spread and will be seeded in the spring. The electrician is beginning to install the light posts and the light systems on the project. The Freight building should be moved in February or March. The storm sewer along Dunlop Street is nearly completed. It will be completed after the Freight Building is moved.

Hawbakkers asked for some guidance on what was wanted at done at Lamb Street as shown on a drawing. The gray streak is the existing parapet wall that comes down from the bridge and ends at the inlet at the intersection of Lamb Street and Dunlop Street. The original design called for the parapet to be taken out and a curb would start at the end of the bridge. On the other side the existing sidewalk is in one area and the new design shows curb being taken out to Dunlop Street and installing new sidewalk. It is felt that it is not necessary to do all that work and the existing sidewalk could remain. An ADA ramp needs installed in that area. Mr. Holderman reported on the Gamble Mill side the curb would come out an additional 5' - 7' if it is installed. Near the brick sidewalk by the Gamble Mill to line that up the curbing would come out quite far into Lamb Street.

- Mr. Stewart stated if Dunlop Street is turned into a service lane only it would be eligible for the RF funds. If it remains a street it is not eligible. If necessary the name could be changed from a street to a service lane. The asphalt would be replaced with brick. Council would need to provide permission to eliminate it as a street. Currently the length of the road will be raised several feet. The developer would need to be able to get in to the property. There needs to be an easement because of the sewer and water lines underneath the road. There would need to be access at least back to Fornicola's building. At a certain point there would be bollards that would prevent driving further. The Dunlop Street reconstruction is in the bid. The IDA will get an estimate to see what it would cost to make the brick walkway after they get approval from Council Monday evening. It was suggested that it be made a right-of-way rather than an easement.

Mr. Wendt made a motion to pursue the Dunlap Street conversion to a right-of-way and possibly brick walkway and an estimate. Mr. Halderman seconded the motion. A voice vote was unanimous. Mr. Holderman reported the other option could be leave it as is. Hawbakker felt the drawings were specified enough for them to know what should happen by the Gamble Mill. That curb really swung out...the Gamble Mill could have had a patio on the side of their building. Mr. Badger stated you could move to abandon any work on the corner where the Gamble Mill is

and get credit for that as well as credit for abandoning the section across the street and ask Buchart Horn to give an idea what those cost representations would be for possible credits.

The question was asked if there was any action taken at this meeting making sure that the IDA would get a price to put the fabricated surface at the top at the beginning of the wall at High Street. Mr. Holderman will get a price on the veneer.

II. Act 2 Clearance – Randy is working on the final report to DEP. The contaminated soil has been removed and properly disposed of and all the paperwork is in hand to satisfy DEP. Once they accept that they will allow the monitoring wells to be taken out of commission. Randy anticipates having the draft to the final report in early February. When DEP approves the report an Environmental Covenant will be submitted to DEP. It shouldn't take much longer to complete things. Mr. Holderman said once Randy submits the final report DEP has 90 days to review. They mentioned that currently they are getting them done within 45 days. He is hopeful that the environmental work would be completed by April.

New Business:

- Consider Approval of Freight Building Bill of Sale and Relocation Documents –

The documents have been approved by Borough Council at the December 21, 2015 meeting.

Mr. Halderman made a motion to approve the Freight Building Bill of Sale and Relocation Documents. Mr. Badger seconded the motion. A voice vote was unanimous.

SEDA-COG should begin building the platform for the truck to get across the tracks. If that happens by Friday BHCA will have Terry Perryman begin the foundation work next week. Once that is done and the stone is down it has to sit a month before anything is done. The earliest to move the building will be late February or early March. Hawbaker said if it is too far into February it will probably cause a delay because they can't finish the storm drain until the Freight Building is moved. Mr. Clark asked if the Freight Building could be partially moved so it wouldn't cause an issue for Hawbaker. BHCA needs to be aware of this issue.

- Discuss Incubator Project in regard to RCAP Funding – Mr. Stewart stated there is a lot of Economic Development activity in the Borough and he sees the IDA as a major player in that. He wants to keep the IDA updated on anything he hears. There are a lot of things the IDA can do. He provided some information on other IDA's and the type of things they do.

A few months ago Penn State visited the Borough and there's a lot of activity where universities, colleges and cities are developing space for business start-ups and business expansion. Space can be anything from just plain space and you get a desk or chair and work at your project; beyond that is mentoring, training, financing, health, advising, etc. It is a developing field. When Penn State came they were looking at what was being done in the Bellefonte Area. In State College they are doing this but the rents are very expensive. Penn State with the new president came in and said they wanted to do more of this. They want to have their students take their research to market. Any college they have there they are pushing this. If you develop something we want to see it go to market in Pennsylvania. The idea is to get college students to stay in the area and develop ideas. Mr. Holderman feels there are two potential opportunities. Depending what may be left under RCAP there may be funds left that something could be done. The other thing that could be out there is all the IDA's work on this Waterfront Project...when the land is sold perhaps a percentage comes back to the IDA and they finally get their seed money to begin to do projects that it is designed to do. Mr. Fisher will try to go back and find the legislation from 2006 authorizing the RCAP grant. He doesn't

believe the legislation limited the grant to the Waterfront Project. It was very broad language like Economic Development.

- **Central Penn Business Journal: *PIDA loans approved for projects in Lancaster, Your Counties* dated January 7, 2016.**

Adjourn:

- Mr. Badger made a motion to adjourn the January 13, 2016 meeting of the Industrial Development Authority at 7:25 p.m. Mr. Halderman seconded the motion. A voice vote was unanimous.

Executive Session:

- After adjournment the meeting went into Executive Session.