

**Industrial Development Authority  
May 13, 2015**

The regular meeting of the IDA (Industrial Development Authority) was held on Wednesday, May 13, 2015, beginning at 6:00 p.m. in the Borough Building. Mr. Badger called the meeting to order.

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

**Excused:** Greg Wendt;

**Borough Staff:** Ralph Stewart, Borough Manager

**Visitors:** Sue Hannegan, CCPCDO;

**Approval of Minutes:**

- Mr. Halderman made a motion to approve the minutes of the IDA meeting of April 8, 2015. Mr. Hill seconded the motion. A voice vote was unanimous to approve the minutes as presented.

**Public Comments:**

**Financial Reports:**

- Mr. Holderman reported expenditures from last month were \$13,070.00 that were paid. A modification from the previous months is that the Buchart Horn in previous reports wasn't being reflected as to what was paid to date. That was updated. Buchart Horn has been paid \$276,310.00. Thus far there has been \$2.4 million spent on the overall project. With the \$3.5 million and the \$1 million from bulk water there is a remaining balance of \$2.1 million. There was discussion on the \$2.5 million Bridge Loan to hold the IDA over and it is also a requirement under the RAP Key Grant. For a recap there is the \$3.5 million loan, there will be a \$2.5 million bridge making a total of \$6 million, which is what is going to cover for the RAP Key process. There was \$1.4 million used to date and \$4.6 million left. Mr. Holderman estimates that there will be \$1.3 million left over from the bridge loan. The Borough will get \$3 million from RAP Key and that leaves, at a rough estimate, approximately \$1.7 million or higher. When the property sells anything over this will either reimburse the bulk water fund or provide some other flexibility elsewhere.

- Mr. Halderman made a motion to pay the invoice to Beard Law Company in the amount of \$595.00. Mr. Fisher seconded the motion. A voice vote was unanimous.

- Mr. Hill made a motion to pay invoices 9 (\$2,516.75) and 10 (\$2,433.00), which are for the Environmental Clearance; and invoices 22 (\$4,344.00) and 23 (\$2,896.00), which are the

Waterfront, from Buchar Horn. Mr. Halderman seconded the motion. A voice vote was unanimous.

- Mr. Wendt is working on the term sheet for the Bridge loan. He will submit that to the people he works with in Harrisburg. It has to go through the Local Unit Government Debt Act. Currently it is anticipated that the loan will be available in July. The impact is that the loan is needed to fulfill the special conditions.

When Mr. Stewart talked to Yens, the special attorney that has been used for a number of years, he thought it would be easier, quicker and less expensive to do it in the name of the Borough. It will be borrowed in the name of the Bellefonte Borough but the IDA will be responsible for it.

- There will be a meeting with the Consultant on Thursday, June 4th, at 10:00 a.m. to review Special Conditions. Mr. Holderman has already tabulated electronically and in paper all the documentation to satisfy approximately eleven of the sixteen special conditions.

The preconstruction conference will be Monday, May 18th, at 3:00 p.m. at the Borough Building. IDA members are invited to attend it.

### **Old Business:**

#### **Waterfront Property -**

Update - Buchar Horn Staff: Scott Russell recapped the information that was in the packets. Three bids were received on March 11th and based on those results G. O. Hawbaker was the apparent low bidder. Notice of intent to award was issued and they were advised by the insurance carrier, related to the flood insurance, they were unable to be insured for \$5 million of covered. They could only be insured for the maximum of the actual cost of construction. They were able to get the insurance coverage to the total cost of the project, which was acceptable. All the bonds and insurances were returned. That information was reviewed and found acceptable. As of this week Notice of Award was issued and on Monday, May 18th, Notice to Proceed on the project will be issued. At that same time the preconstruction meeting will be held.

There have been discussions back and forth several months on the Memorandum of Agreement. Comments are being received from the Corp. Some minor modifications were made to some of the language. It was returned to the Corp for final processing, was acceptable and the permit was issued. On April 15th the Joint Permit Application to Proceed with Construction was received.

With the building permits they have been back and forth with Centre Region Code. Responses were provided to a number of comments. There are a couple of outstanding comments that must be addressed. One was contractor information. There wasn't a signed agreement at the time so they waited until the agreements were signed and actually provide the name of the contractor and the contact information. Another item was a utility disconnection, which the Borough has provided that documentation. The IDA must get the permit since it is the owner of the property. Copies of the special inspection agreement were needed. Under the original contract the contractor was required to provide and pay for the testing agency as required in the way of compaction, cylinders, etc. In Centre County that is a requirement of the owner so the IDA has to provide to the code office an agreement for special inspection. It is a three-part agreement. They started to fill out the agreement. Under the current contract between Buchar Horn and ARM, particularly ARM on the geotechnical side, which is what will be dealt with most with soil conditions, suitable sub-grade material, concrete, etc. A call is in to

Ned to see if it is acceptable. The IDA is contracted with consultants that can consult that work currently, and that is how it would be presented to the Centre Region Code office. As those inspections become a requirement there is a contract to move forward with that work. A letter was prepared for approval of the IDA that would contract with an hourly rate basis of part-time inspection as authorized or required. Mr. Holderman has to show Centre Region Code that the IDA has someone who is doing the inspection services and they are under agreement to get the building permit. In the code a contractor is not allowed to have their own inspector. The IDA has to have the inspector. The question was raised as to why you would hire somebody that knows nothing about the project when there is already someone willing to do it, by the hour, and understands the project inside and out. Just as an FYI, for the Streetscape Project the Borough paid \$50,000.00 for inspection services. ARM does inspections and they are a sub to Buchar Horn.

Mr. Hill made a motion to approve Buchar Horn for inspection services and their subcontractor. Mr. Fisher seconded the motion. A voice vote was unanimous.

They are moving in the parallel tract with the LOMR. They were required to submit a second follow up request for the PNDI. They had hits back. They convinced them that the Indiana brown bat came up again as a potential problem. They indicated that there were no trees on our side of the project. They did receive a formal response from Fish & Wildlife that they were okay with that and it was not likely to adversely affect the bats. They had the approval with the PNDI. Now they are pulling together the rest of the information, whether it be hydraulics and the appropriate exhibits. That is submitted electronically. There is an application fee associated with that. When the final amount of the application fee is known Scott will inform the IDA.

At the meeting on Monday, May 18th, Hawbaker will provide information on when they plan to begin working.

### **Act 2 Clearance -**

Kevin hasn't heard anything from Randy Deardorf. Kevin and Don discussed getting rid of the soil. The water can go to the treatment plant. Randy was going to do another round of sampling in the near future. There is probably 100 pounds of soil that needs to be disposed of. The well heads can be raised to make it easier for construction to begin. When they take down the building they need to be careful of the well heads.

For the past month they have been back and forth. They met with Don and representatives of DEP related to the additional services that they asked to have performed on a lot of the testing. They went back and talked with the labs and testing agencies associated with the cost of the proposed additional services. They were able to fine tune that and provide Don with a copy of the total. He is familiar with the breakdown from the March versus the current. It was estimated on an increase the additional services of \$32,850.00. Ground water monitoring and soil delineations were the two primary issues, particularly under the slab. Once the slab is demolished and removed and the materials out of there they are concerned with the material under the building. Vapor intrusion was in there but it has been pulled out.

After having discussions with Buchar Horn and DEP on a conference call what they were looking at was DEP said there was additional funding that perhaps they would be willing to give under a grant but they questioned the initial amount of the cost associated with it. They sat down and had a discussion with them and then were able to reduce the tasks and the amount from \$47,000.00 to \$32,000.00. Mr. Holderman recommended approving the \$32,850.00 to continue this Act II and not do the grant application at this point because it is still an unknown environment. The IDA would need to apply for another grant. Mr. Holderman recommends the

\$32,850.00 be approved to continue the Act II and not do the grant application at this point because it is still an unknown environment. If anything else comes up Mr. Holderman would prefer to get the funding for this and whatever additional things may come up, if something else does. If it appears by June that things will be clear then DEP said Mr. Holderman could apply for the funding, 75% of the \$32,000.00 after the fact. This would be an additional \$32,850.00 onto the current \$101,000.00. They will be able to perform two additional ground water sampling events, soil delineation, DEP work plan update, update and check Pentox model, update model based on soil delineation, environmental covenant updates to final report, project management. The total cost will not exceed \$32,850.00.

Mr. Halderman made a motion approve the additional \$32,850.00 estimate with the hopes of getting a grant to cover 75% of those additional costs, not to exceed \$32,850.00. Mr. Hill seconded the motion. A voice vote was unanimous.

**Armory Property** - This will be discussed in Executive Session.

### **New Business:**

#### **York RDA Pilot Program -**

Mr. Stewart received an email that looked interested. He thinks it is food for thought for the future for the IDA. He thinks there is a lot of interest in seeing more Economic Development activity in the Borough.

#### **Ground Breaking Ceremony -**

Mr. Hill feels the Waterfront Project is a huge undertaking for Bellefonte and he feels there should be a ground breaking ceremony with some fanfare involved. This can be an agenda item for the preconstruction meeting. Buchart Horn has the gold shovels and hard hats for this event.

### **Executive Session:**

The IDA went into Executive Session to discuss the transfer agreement for the Armory property.

Mr. Hill made a motion to accept the Cooperative Development Agreement between the Bellefonte Area Industrial Development Authority and the Borough of Bellefonte for two years commencing on the date that it would be approved by Borough Council. Mr. Fisher seconded the motion. A voice vote was unanimous.

### **Adjourn:**

- Mr. Fisher made a motion to adjourn the May 13, 2015 meeting of the Industrial Development Authority at 7:20 p.m. Mr. Hill seconded the motion. A voice vote was unanimous.