

**BELLEFONTE BOROUGH
INDUSTRIAL DEVELOPMENT AUTHORITY
MEETING MINUTES
April 12, 2017 6 p.m.
236 West Lamb Street, Bellefonte, PA 16823
www.bellefonte.net**

Members:

Mr. Paul Badger
Mr. Frank Halderman
Mr. Ray Fisher
Mr. Gregory Wendt
Solicitor – Rodney Beard, Esquire
Secretary – Mr. Don Holderman

Staff:

Mr. Ralph Stewart

Excused: Mr. Matthew Hill, Chair

Mr. Halderman called the meeting to order at 6 p.m.

**Mr. Fisher moved to approve the minutes of the March ____ 2017 meeting;
Mr. Badger seconded the motion;
Motion carried.**

**Mr. Fisher moved to approve the Joint Council/IDA Meeting minutes of March 27,
2017;
Mr. Badger seconded the motion;
Motion carried.**

Public Comment: None.

Financial Report:

a. Financial Update

Mr. Holderman reported that working off the \$200,000 balance, last month the balance was \$128,038.47 with \$60.00 to Nittany Engineering, \$5,331.68 to Northwest Savings for an interest payment; \$735.00 to Beard Law, \$2,000.00 final invoice to Glenn O. Hawbaker and \$28.00 for minutes to Holly Keen. Balance as of this date is \$112,883.79. The invoice for Buchart-Horn was not paid. This will be discussed later in the meeting.

b. Approval of Beard Law Invoice 19806 in the amount of \$175.00

Mr. Fisher moved to approve Invoice No. 19806 in the amount of \$175.00 to Beard Law;

Mr. Wendt seconded the motion;

Motion carried.

Old Business:

a. Update on LOMR Application

Mr. Holderman provided a summary on the application. Buchart-Horn set up a conference call with Sam Plaza, contractor that works with FEMA that reviews this application. He also reviewed the CLOMR application. There were some cross sections that needed modeling in certain areas. This was particularly around the bridges. The listing of the questions that FEMA had is in the letter in the packet. Karl Shellenberger works for Buchart-Horn. He has been able to resolve all the issues. The application resubmittal is close to being ready to go. One part of this process is, as with the CLOMR app, the IDA sent letters to abutting property owners of the flood plain. A notification in the newspaper is required as well. Once the application is approved, then we can advertise in the paper, which will give all an opportunity to review the approved drawings, and then a couple months after, that, FEMA will finalize the application process. It looks promising as Mr. Plaza worked with Buchart-Horn on this, hand in hand. Regarding the LOMR, Mr. Holderman tried to connect with the Office of Budget to no avail. He wanted to find out (1) when the period of performance is to submit invoices for pay out No. 3 and (2) the formula and how long it would take establish a sale price on the property.

Mr. Badger inquired about additional costs. Mr. Holderman indicated that additional work was put into the application. There is an invoice from Buchart-Horn from last month that was not paid.

b. Discussion Buchart-Horn provisionally approved invoice

Last month there was a provision based on the LOMR being approved. The IDA received a letter from FEMA stating that there were outstanding issues that needed to be worked on. Because of this, the invoice was not paid as well as the \$20,000.00 payout. The \$15,000 charge was discussed relative to the borings and being Buchart-Horn's burden for the delay. Ultimately, if the LOMR was approved, the invoice would be paid, if not, the invoice would not be paid. The invoice would be held if approval was not received.

Question was raised how this would affect the final payment to the Office of Budget. Mr. Holderman indicated that it is delaying it until final payment. If this invoice is approved at \$21,000.00, given the time frame, the final payout would most likely be submitted knowing that there may be one additional pay to Buchart-Horn for the additional work, perhaps no more than \$5,000. 00. Concerns about time deadlines and dragging payment out were expressed by Mr. Beard. He feels that the financials need to be finalized with Office of the Budget. He is also concerned that they will require an appraisal. This will cause another delay. This may be another \$5,000.00. The right of first refusal with the current people expires in June. It can be extended, but would prefer not to have to do this, for a long period. The sooner things are finalized the better.

Mr. Fisher inquired about FEMA coming back and nickel and diming this project again. Mr. Holderman stated that when working with regulatory commission, you do not know what to expect and are basically at their mercy. B-H worked with Mr. Plaza numerous times over the last week and feel comfortable with the follow-up submittal.

Mr. Fisher had concerns that if the invoice was not paid, Buchart-Horn could “hang us out to dry.” Mr. Holderman did not think that they would do this. Mr. Fisher rebutted that he thought that the invoice needed to be paid. Mr. Holderman indicated that there are two options: pay it, and proceed with the final pay out; or proceed with the final pay out, do not pay the invoice.

Mr. Fisher moved to pay the invoice to Buchart-Horn in the amount of \$21,000.00, No. 98001;

Mr. Wendt seconded the motion;

Motion carried.

c. Approval to proceed with final pay app No 3 to Office of Budget

Final payout will also be paid, per Mr. Holderman. The only risk factor is not being able to submit for reimbursement.

d. Deed Discussion

Mr. Beard reported that with the minutes of the special joint meeting that were approved; procedures and plot plan were approved for the Gamble Mill property. When the surveyor got the final work done, they found out the actual right-of-way (ROW) for Dunlap Street was not where the street had been historically located. Work was done at the meeting to correct this, as well as the West Lamb Street ROW because a similar issue was found there. The Dunlap Street ROW was shifted to cure an issue with a portion of the building encroached upon the Dunlap Street ROW. A deed of dedication needs to be executed to make this change of record. The Borough and the IDA need to sign off on this. This will correct where the ROWs are for these two streets, Dunlap and West Lamb. The description is accurate. The plot plan will be attached as exhibit to the Deed of Dedication so that the deed can be recorded. There will be a subsequent plot plan that will be recorded in the plan books as part of the lot consolidation plan. Once the street ROWs are corrected, the Borough will execute a subsequent deed where the additional property that the Borough is conveying to the new owners. This matches the entire plot plan that the surveyor has done. Because a little triangle of this ROW is actually coming out of the piece of ground that the IDA purchased from BellJay, the deed needs to be executed to indicate that this now becomes part of the “corrected” Dunlap Street. All of this was worked out at the Council/IDA special meeting that was held. Approval of this deed of dedication is needed as well as authorization for Mr. Badger to sign it. It will then be forward to Council for their signature. It will then be recorded in advance of the Gamble Mill’s new owner’s closing date of April 26.

Mr. Fisher moved to approve the Deed of Dedication and authorization for signature by the IDA Chair;

Mr. Wendt seconded the motion;

Motion carried.

The deed is prepared for Mr. Hill to sign off on. It will go to Council Monday evening. Mr. Beard will change the signature to Mr. Halderman and then it will be in Council packet Monday evening. The lot addition deed was also provided for Council's packet.

New Business:

a. Planting Ernest Wildflower Seed Mix

Mr. Holderman purchased 4 lbs. of the northeast wildflower seed mix. The parks crew will work to get that put in between the sidewalk and stream. The flowers will grow about as high as brown-eyed Suzie's so if they do grow, it will keep people from trampling through that area.

b. Decision with Building and Property Committee re: R.E. proposals

This is a joint part of the meeting with the Borough's Building and Property committee. Everyone is present except Ms. Dickman. A summary was provided for each applicant's scores. GSA Realty, average is 43.75. Danielle Sweeley, is 44.50, Yocum McMaster came to 50.75. Scoring was up to 10 points per category. When the committee met last week to discuss it, he did not think the insurance provided was correct. He indicated they did provide the wrong form so they resent them and they were sent to the committee.

Mr. Fisher personally did not think enough information was provided by any of the applicants to adequately answer the scoring questions. Yocum McMaster was discussed. They would prefer a one-year contract, but a 6-month contract was discussed with renewal.

Mr. Holderman indicated that he received two or three phone calls this past week on the waterfront and an email today wanting more information about it. There have also been many calls on the armory over the past six months. This property will not be hard to get rid of. Mr. Halderman stated that he gave Ms. Sweeley all 90 points and nothing to the others because Yocum markets many properties. He did not like the payments on GSA.

The committee's issue with Ms. Sweeley was that because she was with REMAX she was charging 7 percent for the fee versus 5 percent for Yocum. The fees were thought to be able to be re-negotiated. Yocum seemed to be the only applicant that had commercial experience.

Mr. Holderman stated that just because their score was high does not mean that they are recommended. Scoring does not render a recommendation. Mr. Holderman stated that not everyone scored it but everyone tried his or her best within the parameters given. The scores can be tossed out and they can be looked at individually. The numbers are just a guide. Mr. Holderman requested a hand vote for Sweeley and Yocum. Fee re-negotiation was discussed. Re-advertising for the RFP was also discussed.

Mr. Wendt indicated that Bob Varmer with Penns Woods Commercial Realty is a developer and has some great ties with businesses throughout the east coast. He is the one that put together the section on Atherton where Panda Express and Mattress firm just went in. He unfortunately, is so busy that he could not put a proposal together for these properties. Bob indicated in his last email that he apologized to the group for not getting back to the IDA. He wanted to know if the project was awarded. He may have someone in the works to speak with the IDA about both sites. Mr.

Holderman indicated that as previously stated, the Borough gets calls all of the time about the subject properties. There is no formal paperwork for proposal submittal either.

Mr. Badger's personal goal is to get someone to get a developer to bring in some jobs. He wants to see a bunch of jobs out there. There was interest in putting a car wash at the old armory site but he would like a business to provide employment opportunities.

Mr. Wendt has worked with Scott Yocum for years. He is well connected. He does not know if he can meet some of the qualifications required but he is a very connected individual in the community and moves a lot of commercial real estate. Tommy Songer and Chuck Gambone have been in the community for a long time. They both know the commercial real estate side of things as well.

Mr. Holderman interjected that Ms. Sweeley and Mr. Songer were present at the informational session. Yocum was not represented at the informational session. It was not a requirement.

There was concern that the locals would focus only on the locals.

Penns Woods is interested in the two properties and has looked at both properties before this process even started because of his connection with potential clients. Mr. Fisher thinks the area needs to be opened up.

Mr. Holderman indicated that this was a general advertisement in the Centre Daily Times. A copy of the RFP was sent to the Centre County Realtor's Association. It was forwarded to their email listing. It was sent to a couple of commercial real estate brokers in the Lancaster and Harrisburg areas. That was as far as reached. If there is another way to get an RFP out, staff is open to ideas. Preservation Pennsylvania was mentioned. The Pennsylvania Downtown Center works all over the state and may have some listing of realtors or some way to get the RFP out to a more targeted audience.

Perhaps some of the bigger brokers can be called and seek out the right people for the proposal. Follow up to make sure they received it. This was not done the first time. Penn State was also suggested re: alumni news.

Mr. Badger indicated that he does not think that spending \$500.00 to put it in the newspaper would be a benefit. If there are other ways to get it out there via points of contact, that would be a better way to go.

There is concern about the proposals and getting the property developed. There is no plan. Eddie Freedman bought the ground on the other side of the tracks quietly. He is waiting for something to happen. Commission motivated development is not what Bellefonte IDA wants. Preservation R.E.in North Carolina may be a good contact to see how they would approach this situation.

The armory listing was discussed, i.e. acreage, subdivision. Subdivision was an option.

The RFP can be written for both the waterfront and the armory, even though the waterfront may be sold by then.

Consensus seems to be in pulling it back. Discussion will be held with each applicant as to why this is being pulled. Mr. Holderman indicated that they would be contacted relative to obtaining a few more proposals. Mr. Fisher suggested that the IDA indicated that they are looking for someone that deals with developers. This is not being seen in the submitted RFPs.

The IDA does have rights under the RFP. Issuance and receipt does not commit the IDA to award contract, per Ms. Gay Dunne. There are also other contract reservations. Mr. Holderman agrees with delaying awarding the RFP until the right broker comes along. It was suggested that the Borough put up a private sign at the property and see how much interest it creates. Mr. Holderman was okay with this suggestion for the armory property but not the waterfront given that the Borough does not have a hard figure from the potential purchaser of the property. There would be nothing to compare to if interest was received.

Mr. Wendt interjected that perhaps Penns Woods wasn't the right firm either if they are too busy to submit an RFP.

Mr. Stewart reported about CATA's interest at parking 30 busses at the armory facility over the summer while CATA garage is under construction. This was brought up at the Council meeting. These are busses that are out of commission during the summer recess on campus. Council did not act on this. He felt that the IDA should at least be in the loop with this issue. Council considered charging a fee for this parking. If busses are parked on the grass area, mowing could become an issue. The only pavement is on the circle and the driveway. Some IDA members felt a fee would be suitable others felt that it would look better to do a favor for another municipality, since the property is not being used at all at the moment. Suggestions included CATA taking care of the mowing. The trolley was a suggestion as well; perhaps using the trolley for down town services in lieu of any rental payment. The issue of the busses at the armory being an interference with a potential developer came up. It was deemed a non-issue.

Adjournment:

With no further business coming before the IDA,

Mr. Badger moved to adjourn the April 12, 2017 IDA meeting;
Mr. Fisher seconded the motion;
Meeting adjourned at 7:07 p.m.