

**Joint Bellefonte Industrial Development Authority/Bellefonte Borough Council Meeting
January 11, 2017**

The joint meeting of the Bellefonte Industrial Development Authority and the Bellefonte Borough Council was held on Wednesday, January 11, 2017, beginning at 6:00 p.m. in the Borough Building. Rodney Beard called the meeting to order.

Rodney Beard is chairing the Re-Organizational Meeting of the IDA.

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

Present (Council): Beigle, Brachbill, Brown, Clark, Dunne, Johnson, Tosti-Vasey

Excused: Hombosky

Borough Staff: Ralph Stewart, Borough Manager
Mayor Wilson

Visitors: Sue Hannegan, CCPCDO;

Election of Officers:

Mr. Badger made a motion to nominate the current slate of officers (Hill, Chairman; Halderman, Vice-Chair; Treasurer, Wendt; Secretary, Holderman).

Mr. Fisher made a motion to close the nominations. Mr. Wendt seconded the motion. A voice vote was unanimous to close the nominations.

Mr. Badger made a motion to appoint the current slate of officers for another year. Mr. Wendt seconded the motion. A voice vote was unanimous.

The gavel was transferred to Mr. Hill to continue the meeting.

Approval of Minutes:

- Mr. Halderman made a motion to approve the minutes of the IDA meeting of December 14, 2016. Mr. Badger seconded the motion. A voice vote was unanimous to approve the minutes as presented.

Public Comments:

- None.

Financial Reports:

- a) Monthly Report – Mr. Holderman reported the payments made last month were: \$8,000.00 for the LOMR for the application. There was a \$1,300.00 payment for Nastase to finalize the chain link fence. There was \$27,432.00 paid for the staining of

Bellefonte Industrial Development Authority

January 11, 2017

Page 1

the wall. Total expenditures through 12/31/16 were \$37,540.00. Approximately \$200,000.00 was carried over after the loans were paid off so the balance currently is \$162,460.00.

- b) Approve Bucharth Horn Invoice #38 in the amount of \$2,396.25. The LOMR application services are included in that invoice. Mr. Badger made a motion to pay the invoice. Mr. Wendt seconded the motion. A voice vote was unanimous.
- c) Approve Beard Law Invoice #19719 in the amount of \$175.00 and #19703 in the amount of \$1,426.25 – Mr. Halderman made a motion to pay both invoices. Mr. Hill seconded the motion. A voice vote was unanimous.

Report of the Committees:

Mr. Holderman said this would be an update of where things stand with the Waterworks and the Right of First Refusal Documents that were worked on since the last meeting. Mr. Beard said the terms of both of those documents were finalized at the December IDA meeting. The IDA submitted the Waterworks agreement to Borough Council. Council approved the agreement and execution of both agreements was arranged with the other parties, which are the parties interested in purchasing the Gamble Mill. The documents have been signed and fully executed. The tentative closure date will be around June 30, 2017.

In terms of the Right of First Refusal document they are in the process of negotiating a development agreement with those parties. Ultimately the purchase price for the property, if they execute the Right of First Refusal, will be determined by the commonwealth through the Office of Budget. They will give a figure for which the IDA can sell the property for. The Waterworks building is just a minor piece, but they do need that.

There are no updates on the bankruptcy proceedings. All the trustees' objections were addressed.

Old Business:

1. Waterfront Property -

a. Update – Bucharth Horn written Report dated 12-19-2016 – There is a letter dated December 15th from the LOMR Clearinghouse from Bucharth Horn to them stipulating that the flood plain boundaries are identical to what was previously submitted.

Mr. Holderman expressed to the IDA that it would be good to discuss how they can expedite the closing of the whole project. Final invoices from Bucharth Horn and Hawbaker need to be obtained, even possibly before the complete the work, because it delays the whole process with the state and the IDA being able to get the number to sell the property. The consensus of the Board is to try to close things up and get final invoices by the next IDA meeting.

b. Survey Work Update – Nittany Engineering – Mr. Stewart and Mr. Holderman met with Wayne on site. NEA is continuing to do the survey work. At this point there is not an end date. There are lots of questions from Weber Murphy Fox, who is working on behalf of the people that are interested in purchasing the Gamble Mill. They are getting survey work done so they are asking for information. Bucharth Horn has the CAD drawings. There will be an invoice from NEA for this work. It was estimated at \$3,500.00. Mr. Holderman provided the information and the CAD drawings that Weber Murphy Fox requested. They also asked for a copy of the deed for the

environmental covenant and the actual report that was done by Buchart Horn on the Act II process.

c. Request for Information from Weber, Murphy, Fox – There are lot of questions from Weber Murphy Fox, who is working on behalf of the people that are interested in purchasing the Gamble Mill. They are getting survey work done so they are asking for information. Buchart Horn has the CAD drawings. There will be an invoice from NEA for this work. It was estimated at \$3,500.00. Mr. Holderman provided the information and the CAD drawings that Weber Murphy Fox requested. They also asked for a copy of the deed for the environmental covenant and the actual report that was done by Buchart Horn on the Act II process.

d. Seeding Along Streambank - Scotts Landscaping – There is information in the packet from Scott's Landscaping, who did the seeding. They are telling what the mixture was and that they did put down this mixture. Mr. Halderman wishes he would have seen this before it was done. He said 75% of what they planted was grass and 2% was weeds. He is not happy with this mix and feels it is not wildflowers. Mr. Stewart said this was a special mix for riparian zones. Mr. Clark said this is a mix that is specified by the Fish & Boat Commission. The flowers in the mix are spreading varieties.

The other paper from Scott's said there is a five year maintenance program.

e. LOMR –

f. Resolutions – Mr. Stewart said two resolutions came in today, one for Council and one for the IDA. It is a resolution supporting the extension of an interest-only period for the \$3.5 million loan. The resolution is required because the original debt was like a bond issue.

Mr. Beigle made a motion to adopt the Resolution for Borough Council. Mr. Johnson seconded the motion. A voice vote was unanimous to adopt the Resolution.

Mr. Badger made a motion to adopt the Resolution for the IDA. Mr. Halderman seconded the motion. A voice vote was unanimous. Mr. Wendt abstained from voting.

g. RACP Funding – Mrs. Dunne mentioned Council submitted a request for addition RACP Funding for the Waterfront District. Mr. Stewart stated there was additional money for another round of RACP Funds. The window closes February 3rd, and Council submitted for Phase II of the Waterfront Redevelopment. Whatever development comes forward would be the entity matching those funds. The Borough requested \$7 million. It is not a commitment, but gets the Borough on the Budget Appropriation line item. It was submitted both through Senator Corman's office and Representative Benninghoff. They get multiple requests to they sometimes have to prioritize.

h. Signage – Mr. Hill would like to know what is happening with the signage/plaques that are being developed and the signage that will be at both ends of the Waterfront Walkway. Mr. Holderman said there will be a Park & Recreation Committee meeting with the committee on Monday evening. They feel the logo they want will be finalized and if the committee and Council approve of the logo they will proceed with a meeting

with Bob Bowersox and get the signage done for the end. As far as the permit required signage Mr. Holderman has not had any additional information since Megan Tooker spoke to the IDA a few months ago. Mr. Stewart said the goal is to have the Borough Parks & Recreation new signage in place before fishing season. Mr. Holderman will ask Megan or someone on her committee to come to an IDA meeting to provide an update.

New Business

1. Review Marketing RFP for Armory Property, Waterfront -
Mr. Stewart said a draft, which was a boiler plate RFP, was sent out. The gist of it is the IDA wants to market the Waterfront Property and the Armory Property. They want to do an RFP or requests for proposals from real estate firms that primarily do commercial real estate sales and brokerage. He said it is an attempt to put out what type of services the IDA is looking for and get those proposals in. There are a few details that need clarified with the IDA and Council.

Looking at the Waterfront Property first, Mr. Stewart is under the understanding that the intent is to sell the entire piece and will try to break that out separately. He will try to specify that the intent is to sell the entire piece. A reference could be put on the website of previous studies that were done such as the Waterfront Strategic Plan that was done.

The Armory Property is different. The discussions over time have been primarily about selling two acres right on the corner and possibly retaining the other 5 ½ acres or maybe selling the two acres with an option to purchase the other five acres. It also talks about a possibility of leasing. Mr. Stewart's understanding is the IDA is not interested in leasing and he would like to clarify that. It also needs to be clarified whether it is two acres and an option, or whether it is 7 ½ acres or just what amount is to be sold.

Ms. Tosti-Vasey does not see it saying it would be a contract where you would separate the two knowing there is the Right of First Refusal. To save the Borough funds she feels it needs to be made clear that they should be two separate proposals so if a brokerage firm isn't needed to do the Waterfront it would save some money. Mr. Stewart said the way the fee structure is set up it is commission only so as long as the brokerage firm is told up front that there is a current sales agreement if they want to expend some monies to advertise or list it they could go forward with that. Everyone would have the same information but it wouldn't cost the Borough anything. Since it is commission based if there is no sale there are no fees paid. It was suggested before you enter into a contract with a brokerage company for their services you would exclude any transaction involving the NBPP Holdings Group since there is already a deal with them. They may find it less interesting to put their efforts in to marketing that property because of the pending transaction. Ms. Tosti-Vasey feels that needs to be in the RFP. Mr. Beard said it could be in the RFP or some sort of information disclosure when they respond. Mr. Hill said in order to have a Right of First Refusal you have to have an offer that they have to counter.

Mr. Wendt feels the RFP is an important document, but he doesn't feel it is anything as long as it is sitting in Bellefonte. He feels the most important part of this is developing a plan as to who is going to see the RFP. In his opinion there have been big problems with this historically. He feels it needs to be decided how big of a marketing area is

going to be used, who is it going to be sent to, and why. There needs to be a plan beyond just Bellefonte.

Mrs. Dunne feels somewhere in it the historic nature of the town, architecturally and of the properties, needs to be stressed. Mr. Stewart said it can be specified, but it does talk about the National Register and Historic Places.

Mr. Stewart said it would be sent out to any broker they are aware of in the Mid-Atlantic Region and they would have to decide if they do any business in Pennsylvania. Ms. Tosti-Vasey would like them to reply sending where they will be sending things out to and provide their background and history.

Mr. Brachbill feels it should specify what type of business opportunities Bellefonte is looking for. You wouldn't want to have a broker go out and get a factory to come in there.

Mr. Holderman said if someone buys the Armory and it is listed Highway Commercial and they meet the zoning guidelines you can't do anything. The only helpful thing there is the Historic Covenant.

Mr. Hill agrees with the recommendation on Page 2 under the Scope of Services that the two words "or lease" are removed. He asked if a date will be set thirty days after the RFP is put out for an informational meeting. Mr. Stewart said once this is circulated with the changes discussed they will look at the calendar and choose something that is realistic. Mr. Clark suggested meeting mid-point when the RFP is due. He also said it needs to be decided if it is mandatory attendance for a response to be submitted. He said a lot of responses are like that because if there is something discussed in that meeting and they weren't there it will cause a lot of confusion later. Mr. Holderman feels it would be difficult to get people to drive 500 miles for that meeting. Mr. Clark said if you are going to give a lot of information that will only be available at this meeting it needs to be mandatory and if it's not going to be mandatory then make that information available with the RFP.

It was suggested if you want to get something done quickly with the Armory property you need to separate the buildings from the 2 ½ acres that people will be interested in.

The National Guard kept their property. It was not part of the Weis property. The hospital went in the first year with a lease with the option to buy.

Bellefonte paid approximately \$755,000.00 for the Armory property. There have been offers of \$1 million for the two acres. Another entity came in saying \$600,000.00. One entity was looking at nearly \$3 million for the whole thing. It was suggested that from the start you provide the option of purchasing the whole property or however much you wanted. Mr. Hill feels if you put there that subdivision is available or would be considered would be good. He feels the more general the RFP is the better. He suggested letting the real estate people come back with ideas. Mr. Brachbill said the Covenant would cut in to that as well because it really cuts in to what you can do with a lot of that property. Mr. Holderman said it could be general saying the whole property is available, but the IDA is willing to subdivide if need be.

Mr. Johnson feels you should market the two acres, get your money back and then the Borough could decide about the other space. Mr. Holderman said if you have someone that wants to blow you away with a big offer you might want to accept it. Ms. Tosti-Vasey likes the idea of renting out the buildings. Mr. Stewart said for years it was looked at as a possible emergency services center. Just recently they talked about doing something with Spring Township Police. There has been talk over the years about a centralized police station, fire station, or EMS station. The EMS is currently in the flood plain. For ten years the Borough knew this property was going to be up for sale. This is one of the reasons the Borough expressed so much interest. Another reason is to see it get back on the tax rolls as quickly as possible to help the tax base. The Borough is currently using the concrete building. Mr. Badger asked how the two acres will be defined.

Mr. Hill feels the RFP should include the whole property with the option of a subdivision of the property. Mr. Badger feels it needs to be decided whether a comment should be added under the available land that the IDA would entertain any proposal for either one of the properties. Marketing is a great idea. The term of contract is a six-month contract, which is fairly normal.

Mr. Beard feels there are a couple items that may want to be included in the RFP in terms of how it will be evaluated. Whatever the response is it should express the Borough's desire to maximize community enhancement. You could put suitability of development because it needs to be suitable. Third he feels you should put economic benefit and they will read that as price. Fourth you should put aesthetics. Whatever they come back with they have to know those items are important to the Borough. Mr. Holderman suggested after it is finalized Mr. Beard should review it.

Mr. Fisher said there must be tools to market this property. The RFP is the first of one of those tools to help move forward. Equally important is deciding what to do with it. There is discussion on marketing it in the Mid-Atlantic area. Now the IDA is beginning to get some structuring as far as marketing. As Mr. Halderman said, they have been frustrated with marketing since day one so this is a big step.

Adjourn:

- Mr. Fisher made a motion to adjourn the January 11, 2017 meeting of the Bellefonte Industrial Development Authority at 7:15 p.m. Mr. Halderman seconded the motion. A voice vote was unanimous.