

**BELLEFONTE BOROUGH
INDUSTRIAL DEVELOPMENT AUTHORITY
MEETING MINUTES
June 14, 2018 6 p.m.
236 West Lamb Street, Bellefonte, PA 16823
www.bellefonte.net**

Members:

Mr. Frank Halderman
Mr. Ray Fisher
Mr. Gregory Wendt
Mr. Matthew Hill
Mr. Paul Badger
Rodney Beard, Esquire, Solicitor
Don Holderman, Assistant Borough Manager

Staff: Ralph Stewart, Borough Manager

Guests: Joanne Tosti-Vasey, Bellefonte Borough Council, Chair
Doug Johnson, Bellefonte Borough Council Member
Mark Higgins, Centre County Commissioner

The June 14, 2018 Bellefonte Area Industrial Development Authority Meeting was called to order at 6 p.m.

MINUTES FOR APPROVAL:

Mr. Wendt moved to approve the May 9, 2018 IDA Meeting Minutes;
Mr. Fisher seconded the motion;
Motion carried.

GUEST SPEAKER: Commissioner Mark Higgins

Commissioner Higgins talked about the new opportunity zones. He does not think they will solve any 2018 or 2019 problems, but maybe by 2020 there is a possibility of that happening. He attended the National County Commissioner's Convention a few months ago and there was a speaker who was on the staff of U.S. Sen. Tim Scott who co-authored the legislation. As part of the large tax cuts of last year, Senators Booker and Scott put something in the last minute – new opportunity zones. The focus is to create economic prosperity in inner cities and in rural areas with potential for development.

Census tracts needed to be identified that meet the requirements for the act and of the ones that qualify only 25% can be nominated. In working with Centre County Planning, they identified four census tracts in Centre County that they thought would meet the requirements – one was most of downtown State College, and all of Bellefonte Borough. Philipsburg Borough and all of Rush Township were also nominated. The four were turned into the Governor. He choose which one is recommended. All four were recommended and all four have been approved by the Federal Government.

There will be about 2.2 trillion dollars in unrealized capital gains for stock and mutual funds, venture capitalists and various trusts and investments for the wealthy. The senators envisioned that the wealthy can further delay payment of their property gains tax for another ten years to invest in the opportunity zones. Additionally, any monies generated as profit are held for 7 years with no taxes whatsoever. The IRS rules still need to come forward.

Commissioner Higgins stated that with Bellefonte, the Armory and the Waterfront and other projects in Bellefonte, there is a potential to go after very high net worth individuals to invest in Bellefonte. The money would go into a fund and would not be privately managed by the investors. IRS still needs to issue the guidance.

Commissioner Higgins stated that with the IDA already preparing some portfolios to be sent to potential businesses, they can also be sent to the opportunity funds with some tweaking. The idea is for the investment money to go for something that will get them a substantial return within 7 years.

These projects would be only income tax-based exemptions and not real estate tax. Direct cost to the Bellefonte Borough would be zero.

Centre County Planning will keep the four chosen tracts apprised of details as they become available.

IDA members thanked Commissioner Higgins for coming to the meeting and explaining the program.

PUBLIC COMMENT:

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FINANCIAL REPORT:

a. Finance Report

Expenditures: \$10,808.75; two were payments to Northwest Savings Bank and a \$45.00 charge for the minutes. Balance to date: \$299,978.19.

b. Status on interest only loan extension

Mr. Wendt stated that he has three signatures and needs two more. The interest only period will last for 9.5 years. The IDA will make two \$25,000 payments – 6 months apart over the next two years to show principal reduction on the loan. The first payment will be made in January 2019 and the second next July, the next being due January 2020 and July 2020. The actual payment will be \$21,800.00 per month if it converts to principal and interest.

Mr. Fisher expressed concern about lack of activity. He stated that there should be more interest in the two properties for sale – and there is not. This will be discussed in New Business.

OLD BUSINESS:

Update on Paxton Precast- Concrete Caps

Mr. Holderman stated there was a meeting with them a few weeks ago. They looked at the caps and they stated they would be in later this summer to repair them. The upper caps were okay; the lower ones were chipped. It was most likely caused by winter salting of sidewalks in the winter. They will not be replaced – they will be repaired. Salt contact will be discontinued in the future, whether it was on the tractor wheels or however it got there.

Historical Signs

Mr. Holderman spoke with Megan Tooker. She could not make the meeting but will be sending him something on the historical signs. The verbiage was not decided on, but the bronze casting sign was approved by the IDA. The signs have to be approved by the PHMC. The permit requires the signs.

NEW BUSINESS:

Executive Session - Real Estate

There was no objection to Council members attending the Executive Session.

With no further business coming before the IDA,

Mr. Wendt adjourn the June 14, 2018 Bellefonte Area IDA meeting;
Mr. Fisher seconded the motion;
Motion carried.

Meeting adjourned at 6:28 p.m.