

**Industrial Development Authority  
March 11, 2015**

The regular meeting of the IDA (Industrial Development Authority) was held on Wednesday, March 11, 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; Jim Dunne; Jim Puntell; Bob Lechey

**Approval of Minutes:**

- Mr. Halderman made a motion to approve the minutes of the IDA meeting of February 11, 2015. Mr. Hill seconded the motion. A voice vote was unanimous to approve the minutes as presented.

**Public Comments:**

- Waterfront Project Bid Opening - Scott Russell

There were three bids received on the contract. They were read in no particular order.

The bids were:

GM McCrossin Inc. - Total base bid to contract is \$3,389,340.00; the flood proofing complete in place; the components of the base bid - \$349,650.00 for the flood proofing; structure over excavation \$3,000.00; \$3,000.00 aggregate backfill; soil backfill \$300.00 for a total of \$3,745,290.00. Alternate #1 - deduct amount from base bid to eliminate structure demolition \$70,000.00; #2 to be deducted from base bid for asphalt, walkway and little concrete - \$41,427.00; #3 - an amount to be deducted to place the railing behind the wall in lieu of on top of the wall - \$2,250.00.

HRI - Total base bid to contract is \$3,366,941.00; the flood proofing complete in place; the components of the base bid - \$758,500.00 for the flood proofing; structure over excavation; \$2,400.00; aggregate backfill \$5,062.50; soil backfill \$1,300.00 for a total of \$4,134,203.50. Alternate #1 - deduct amount from base bid to eliminate structure demolition \$167,000.00; #2 to be deducted from base bid for asphalt, walkway and little concrete - \$34,500.00; #3 - an amount to be deducted to place the railing behind the wall in lieu of on top of the wall - \$4,500.00.

Glenn O. Hawbaker - Total base bid to contract is \$2,856,562.50; the flood proofing complete in place; the components of the base bid - \$453,250.00 for the flood proofing structure over excavation; \$1,400.00 aggregate backfill \$4,125.00; soil backfill \$500.00 for a total of \$3,315,837.50. Alternate #1 - deduct amount from base bid to eliminate structure demolition \$201,000.00; #2 to be deducted from base bid for asphalt, walkway and little concrete -

\$38,870.00; #3 - an amount to be deducted to place the railing behind the wall in lieu of on top of the wall - \$0.00.

The award will be based upon the base bid and selected alternates. Until the Authority reviews and determines what alternates they would like to select as part of the base bid that will be the basis of the award. The Authority will review the documents and information for completeness along with Mr. Beard for a recommendation following that review.

The bid opening is concluded.

### **Financial Reports:**

- Mr. Holderman reported the expenditures for the past month were \$14,635.00. \$10,000.00 of that was due to the submittal of the plans to Centre Region Code; the other \$317.00 was for the advertising of the bids and typing of the minutes. \$3,574.00 was paid for interest on the loan. That was the last payment under the old loan agreement. The new one is fully executed. There was \$744.00 in legal fees during the period from February 11, 2015 to March 5, 2015. The project funds as of March 2015 are approximately \$2.344 million. There will be discussion about obtaining a bridge loan. It is unlikely that any of the ARCAP funds will be received until 2016.

- Mr. Halderman made a motion to pay an invoice to Beard Law Company in the amount of \$323.75. Mr. Hill seconded the motion. A voice vote was unanimous.

- Mr. Halderman made a motion to pay the invoices to Buchart Horn in the amount of \$29,001.04 and \$11,092.10. Mr. Hill seconded the motion. A voice vote was unanimous.

### **Old Business:**

#### **Waterfront Property -**

Update - Buchart Horn Staff: Scott Russell reported the main focus this past month was waiting to receive the bids, that were received at 2:00 p.m. today via PennBid. There have been some ongoing things such as the status of the permit and the Act 2 investigation. There was a meeting and discussion of additional requirements to DEP. A detailed letter has been prepared for the information that DEP requested that was above and beyond the original scope of services. It is in draft form because there may be some questions or additional clarification that needs to be taken care of.

Mr. Holderman reported that Mr. Stewart had a discussion with Dan Vilello at DEP and Mr. Holderman's point of contact on the contract, Ted Lloyd. They will schedule a meeting with Ted and Randy Deardorff and Scott on a conference call to discuss the proposed changes or additional work and cost. Buchart Horn is proposing an additional \$47,000.00 to complete the Act 2 work and if 75% of that was taken they are hoping DEP would be able to come up with an additional \$35,000.00 to cover those additional costs. Mr. Stewart stated the funding would come from DCED. Prior to that discussion and related to the permits there was a discussion about the MAP change that is critical to this project. There is advice from Dan to make sure there is something in writing from DCED or someone from FEMA. The concern is in the future when you are in construction and somebody from FEMA says you shouldn't be doing anything because you don't have a letter or anything in writing. The Tractor Supply Store is just within a whisper of being shut down. They have a six month permit for construction but they don't have all the clearances they need. Dan is advising to get something in writing before you go much further. The gentleman from DCED made a statement in a email something to the effect that

the way the project was described to me was it's okay. Dan and the engineers they work with at DEP had red flags go up when he said that because there is nothing you can base it on. Until you have something in writing you are out on a limb and Dan is advising not to go out on the limb any further. Scott said they have been working on this for two to three months and have the information in an email.

The permit is still under review. They are in the process of making revisions that were received the beginning of March. Once a draft is agreed upon between the Corp and PHMC that draft will go to the parties. This is in progress. The comments were just received and they will be addressed and sent back in final form. A bid won't be awarded until the permits are in place.

FEMA knows how high the wall will be, where the ground will be and where the final but they haven't changed any flood maps to take that out of the flood zone or sent a letter that says we have seen the height and your new elevations and we think that everything is fine with these elevations. Mr. Hill is afraid this will be completed and then FEMA will say it's not high enough or they aren't going to revise the maps because they don't like something. Mr. Stewart had some same concern. There isn't any engineer that would guarantee it would be done, but they all say if you go through the process and do it the right way they felt assured that you can get it. There are two separate avenues that this process can proceed. One is you request a change letter but Scott says that letter isn't necessary. You can wait to get through the end and then submit the request for change in mapping.

Mr. Holderman and Mr. Clark sat in on a meeting with Buchar Horn and two DEP folks and did everything. If they are going to make you do a couple more tests that is what you have to do. Mr. Clark feels that part of the whole project is going well. There is some problem with some of the wells. They would like to see some more ground water sampling because one well they couldn't even get any water out. They are concerned with some wells where there wasn't enough water to do a complete sample testing analysis. They want some testing below the concrete in the building. They want to do a vapor test and the best way to do it is to do the more detailed one so you don't end up with false results.

There are application fees associated with getting the flood map changed. The fees are \$1,500.00 - \$6,000.00. Scott could go with the Chlomar which is paperwork but may involve some other components of the application.

Mr. Halderman suggested asking Mr. Thompson to get things moved up on the schedule.

There has been some requests for additional information on the production of the interpretative signage. There needed to be some clarification on that. To give a sample of how things are one person from PHMC wants the term "will" used in the MOA. The Feds are saying they usually use the term "shall".

## **Act 2 Clearance -**

**Armory Property** - Mr. Stewart reported they want to consider some changes in the property and are evaluating what the best direction to go would be. The Building and Property Committee will be working on some changes Council would like to see.

The IDA has questions on the 25-year old covenants.

## **New Business:**

- **Act 2 Additional Work Letter Dated March 6, 2015** - There will be a meeting for this next week.

- **Bridge Loan** - Mr. Stewart stated the Water & Sewer Authority is looking at financing some work at the WWTP. The Borough has used Concord Financial previously. He suggested getting some options from there to compare. Mr. Wendt could provide some options also. Mr. Holderman feels the work would cost an additional \$1.5 million that the Authority doesn't have. The bridge loan could be stopped if the property sells between now and then.

The IDA gave Mr. Holderman approval to begin investigating loan options.

- **Discuss Solicitation of Developers for Waterfront Property** - Mr. Stewart has been reviewing some Request for Proposals that he found online. They are either put out by a city of Economic Development Authority. There are some interesting facts that he gathered from them. In most cases they are fairly specific in what the entity is looking for and the arrangements. He feels the Authority needs to revise their Request for Proposal and include more detail in it. He feels there needs to be some professional advice from someone like Delta Development that would help put it together and then market it to developers. Mr. Halderman suggested perhaps someone from Penn State. Mr. Stewart and Mr. Holderman will be meeting again with Vern Squire, the director of the Centre County Chamber of Business and Industry.

### **Adjourn:**

- Mr. Hill made a motion to adjourn the March 11, 2015 meeting of the Industrial Development Authority at 6:45 p.m. Mr. Halderman seconded the motion. A voice vote was unanimous.