

MINUTES

BERKS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

November 18, 2019

The November 18, 2019 meeting of the Berks County Industrial Development Authority, held at the Berks County Services Center, 633 Court Street, 14th Floor, Neversink Conference Room, Reading, PA 19601, was called to order at 8:35 AM by Chairman, Joseph M. Eways, II.

Members Present: Joseph M. Eways, II
James A. Adams
Robert F. Firely
Eric W. Jenkins
Rebecca M. Wingenroth

Others Present: Jessica D. Blausler, Executive Assistant to Commissioner Barnhardt
Michael A. Setley, Esquire, Solicitor
Thomas C. McKeon, BCIDA Executive Director
Jeremy R. Zaborowski, BCIDA Deputy Director
Vicki L. Bentz, BCIDA Administrative Assistant/Bookkeeper

The minutes of the September 30, 2019 TEFRA and Board meetings were unanimously approved on motion by Mr. Adams, seconded by Ms. Wingenroth.

Mr. Jenkins made a motion to approve the September and October income and expense reports, financial statements and the budget reports. Mr. Adams seconded the motion and it was unanimously approved.

A discussion was held concerning applying for a Business in Our Sites \$5M loan and \$2M grant combination for BP 183. The BIOS proceeds are considered to payoff the BP 183 HUD loan and using the remainder for improvements. A BP 183 updated appraisal would be required and Ms. Wingenroth made a motion to proceed with the appraisal which was seconded by Mr. Firely and unanimously approved.

Mr. McKeon provided an update from the last meeting regarding the status of sponsoring an ad in the *Business View* focused on the Reading Regional Airport. He spoke with Ms. Shupp of GRCA and they are not participating. Therefore, it was decided that BerksIDA would not participate.

Mr. Jenkins made a motion to adopt two Resolutions pertaining to the RACP participation with Berks County Investments, LLC. Mr. Adams seconded the motion and it was unanimously approved.

Mr. Zaborowski presented a bond financing fee survey and proposed fee schedule. Upon review, Mr. Adams made a motion to approve the fee schedule. Mr. Jenkins seconded the motion and it was unanimously approved. A copy of the fee schedule is attached.

BerksIDA's loan to Reading City Investments, LLC was paid in full. A motion was made by Mr. Adams to execute and record the mortgage satisfaction piece, lease and UCC termination pieces for the loan. Ms. Wingenroth seconded the motion and it was unanimously approved.

Mr. Koch of William G. Koch & Associates forwarded an engagement letter to perform the 2019 audit. The fee increased by \$900 over the 2018 audit. Mr. Jenkins made a motion to accept the proposal, Mr. Adams seconded the motion and it was unanimously approved. Discussion was held to issue a RFP in 3 – 5 years.

Mr. McKeon reported:

- A meeting was held on October 30 concerning the BP 183 NPDES/DEP matter. Additional test pits must be performed along with a few plan changes by the engineering team. A response should be received from DEP by November 27.
- Met-Ed will provide information to Traffic Planning & Design pertaining to the work required at Aviation Road and Rt. 183. Met-Ed will charge BerksIDA in the range of low six figures for the work which will be completed prior to a Spring start for the infrastructure construction.
- Blue Rock Construction and Ludgate Engineering Company have agreed to participate in the engineering peer review process by each paying one-third of the peer review fee.
- He will send a thank you letter to Senator Schwank for placing a request for BP 183 site work and shell building on the upcoming capital budget for RACP funding.
- He met with representatives pertaining to two possible TIF arrangements and is awaiting responses.
- Per the Board's consensus, informed the Bethel Township Secretary of the \$50,000 selling price for the 2.31-acre lot across from BP 78. Their meeting will be this week.

Mr. Zaborowski reported:

- Concerning the outstanding BP 78 water issue with RAWA, the Assignment and Assumption of Water Service and Improvements Agreement has not been accepted by the Owners Association. Mr. Setley advised that BerksIDA will retain potential residual liability for the water system until the Owners Association assumes liability via the Agreement. Mr. Boland, conflict counsel, will be consulted to keep this matter moving.
- A draft of the revised Employee Handbook will be forwarded to the Board at the end of the week for their review.
- Extending thanks to Jessica Weaknecht for assistance with the former Commissioners' addresses for Building Berks invitations and to Kelly Laubach, Ron Seaman and Bob Patrizio to include BerksIDA in the County's investment services RFI. However, the RFI has been put on hold.
- Discussion was held on a health insurance memo outlining recommendations as provided to the Board. Premiums for 2020 should be available mid-December.

At 10:19 AM, the regular meeting was recessed and the Board entered executive session. In the executive session, matters related to real estate issues were discussed. No official action was taken pertaining to these matters.

The Board reconvened the regular meeting at 10:35 AM. There being no further business to come before the Board, at 10:35 on motion by Mr. Adams and seconded by Ms. Wingenroth the meeting was adjourned.

Respectfully submitted,

Executive Director

Proposed BerksIDA Financing Fee Schedule:

November 2019

Tax Exempt Financing:

Deposit: \$2,000 (deducted from administrative fee at settlement, refunded minus costs if project fails to settle)

Administrative Fee: 30 basis points (0.003) of IDA issuance, minimum \$10,000, max \$50,000

Refinance Fee: \$1,500

Legal costs: passed through

Termination Fee: \$500 at settlement

Tax Increment Financing:

Deposit: none

Issuance Fee: 50 basis points (0.005) of approved issuance due at settlement

Legal and consulting costs: negotiated and passed through

Annual Maintenance Fee: 1% of annual TIF payment or \$5,000 (whichever is greater)

Annual Administrative Fee: Staff time passed through

Grant Programs (RACP, BIOS, etc.):

Deposit: none

Administrative Fee: 4% of grant/loan amount, negotiable based on level of IDA administrative responsibilities

Legal costs: passed through

Bridge Financing:

Loan terms: negotiated origination fee and interest rate based on risk, prime rate, term, etc.

Legal costs: passed through