

Northampton County General Purpose Authority Meeting Minutes

8:15 a.m. on March 7, 2017

The monthly meeting of the Northampton County General Purpose Authority was held on Tuesday, March 7, 2017, at 8:15 a.m. The meeting was held in Northampton County Courthouse, 3rd Floor, County Council Chambers, Room #3116, 669 Washington Street, Easton, PA.

ITEM #1 –CALL TO ORDER-ATTENDANCE

Mr. Langen called the meeting to order.

Attendance:

Shawn Langen, J. Michael Dowd, Margaret Ferraro, Mark Schiavone, Neal Koplin, Helene Whitaker

Absent:

Shawn Donahue

Solicitor:

John F. Lushis, Jr., Esq.

Staff:

Mark Hartney, DCED Administrator
Sarah Ortiz, DCED Executive Secretary

David Hughes, DCED Finance Specialist
Tim Herrlinger, DCED Director

ITEM #2- APPROVAL OF MINUTES FROM February 7, 2017

MOTION: To approve the minutes as presented.

The minutes were approved on a motion by Mr. Koplin, seconded by Mr. Dowd. The motion carried unanimously.

ITEM #3 – TREASURER’S REPORT

3.1 Mr. Hughes reviewed January 31, 2017 Treasurer’s Report.

MOTION: To approve the Treasurer’s Report as presented.

Ms. Ferraro made the motion to approve. It was seconded by Mr. Schiavone. The motion carried unanimously.

3.2 Mr. Hughes reviewed Invoices for payment.

MOTION: To approve the invoices for payment.

Mr. Dowd made the motion to approve as presented. Mr. Schiavone seconded the motion. The motion carried unanimously.

3.3 Mr. Hughes reviewed Invoices paid through February 28, 2017.

ITEM #4 – PUBLIC COMMENT

None.

ITEM #5 – OLD BUSINESS

5.1 PA Ethics Statement of Financial Interest

Mr. Hartney asked the Board that if you have not signed the PA Ethics Statement of Financial Interest and turned them in to please do so.

5.2 Resolution No. 2017-02 – P3 Bridge Project – Project Cost Account

Mr. Hartney explained this resolution was previously approved but needed some minor changes and the one of substance was at the request of the auditor. Previously Nina McCarthy managed the QuickBooks function of the accounts. David Hughes took over this responsibility when Nina departed. David is overseeing the accounts and also has signatory rights. The auditor would like to see more separation of these duties. The resolution has been amended to remove David Hughes as a signatory and add Mark Hartney and Tim Herrlinger as designee signatories. Checks will still require signature from one board member and a member of staff or two board members.

MOTION: To re-approve the resolution with the amendments as presented.

Mr. Langen made the motion to approve as presented. Mr. Dowd seconded the motion. The motion carried unanimously.

ITEM #6 NEW BUSINESS

6.1 Resolution No. 2017-03 – P3 Bridge Project – Insurance Cost Account

The resolution has been amended to remove David Hughes as a signatory and add Mark Hartney and Tim Herrlinger as designee signatories.

Mr. Lushis explained that general liability insurance was approved for this project. Mr. Lushis felt it was prudent to keep any insurance costs separate from any project costs. Having a separate insurance cost account would eliminate any confusion or co-mingling of costs. It would also keep the audit trail clean.

Mr. Hartney asked where payments for solicitors would go. Mr. Lushis feels that would need to be discussed. Mr. Langen suggested this discussion occur with Riley & Company to determine where solicitor fees should go.

Mr. Hughes noted that he and Debbie Borger created P3 expenses and revenue so everything will be identified as P3.

MOTION: To approve the resolution as presented.

Mr. Dowd made the motion to approve as presented. Mr. Koplin seconded the motion. The motion carried unanimously.

6.2 Resolution No. 2017-04 – Northampton County Development Partnership Shell Building Project

Mr. Hartney indicated significant progress has been made and there is an authorizing resolution in front of the board.

J.G. Petrucci has agreed to the following terms and conditions:

- An entity to be formed by this Authority, NCNJC and NCIDA will loan to JGP or an affiliate thereof Five Hundred Thousand Dollars (\$500,000.00) (such loan, the “*JGP Loan*”);
- The interest rate on the JGP Loan will be the prime rate as from time to time published in *The Wall Street Journal* and will change as such prime rate changes;
- The term of the JGP Loan will extend for thirty-six (36) months or until the date the Building is sold or leased, whichever is shorter (the “*Maturity Date*”). Monthly payments of interest only will be made until the month in which the Maturity Date occurs. On or before the Maturity Date, the principal amount of the Loan and all accrued but unpaid interest will be due and payable.
- The Loan will be secured by a second lien on the Property and Building.
- The aggregate amount of the loans to the value of the Building and the Property will not exceed eighty percent (80%).
- The Building will be complete within nine (9) months after the date a permit for construction of the Building is issued by the municipality.
- The transaction documents will contain provisions regarding the marketing of the Building and the payment of a sales or lease commission; and

Mr. Lushis indicated his firm has represented J.G. Petrucci in the past and they are working through all of the appropriate conflict measures.

A discussion took place on the need to form a separate entity or to create a participation loan structure with one entity serving as the lead lending entity. Mr. Lushis will meet with Mr. Hartney and Mr. Kingsley to work through the details of a participation agreement versus a new entity at no charge. Mr. Hartney voiced concern over the time needed and that he would like to finalize this by the end of next month. Mr. Hartney confirmed that the GPA board is fine with either being the leader or a participant and the most important factor is to have a structure and process in place.

MOTION: To approve the commitment to the Shell Building project.

Mr. Dowd made the motion to approve as presented. Mr. Schiavone seconded the motion. The motion carried unanimously.

6.3 3rd Street Alliance Grant Request

Alisa Baratta, Executive Director, 3rd Street Alliance presented the grant request. The grant request is for \$100,000 to support the restoration and repair of the building exterior, structural and roofing projects. The costs of these total projects is \$509,712. In addition, there are a number of critical interior capital projects totaling approximately \$208,000 which makes the overall 1st stage total approximately \$718,000.

The facility consists of 4 separate buildings: The Simon Mansion (1902), The Bixler Ward Mansion (1922), an addition in 1955 designed by Hugh Moore Jr. and another addition in the 1970's. Each have their own issues externally but most of it relates to bricks and mortar with some work being done to storm water management in the Bixler building. The Simon Mansion is on the National Historic Register. They have been approved for a CBDG grant from The City of Easton which will be used for asbestos remediation in the 1955 addition. This grant will cover about half of the cost.

Mr. Langen inquired if the money being requested from NCGPA can be leveraged to help them with any other grants. Ms. Baratta explained they have just submitted a grant to the Pennsylvania Historic Museum Commission which requires a full match. They've asked for \$100,000 and this grant request is for \$100,000. They also received a CIPP award and they received notification from the city that they will be receiving CBDG funds. Also they received an award from an anonymous donor to re-do the plumbing at about \$30,000.

They have a 20-year plan which is broken up into 4 stages. They worked with Eclectic Architecture which specializes in historic buildings, USA Architect, Strunk & Albert Engineers and Jim Hoffman. They are also working with a stained glass conservator as the stained glass needs to be conserved.

3rd Street Alliance presents to the Historic District Commission next week to receive approval. Once they get approval from them, they can begin the work. They are hoping to only use one constructional engineer in an effort to see some savings by having most of the work completed by one engineer.

Mr. Koplin asked if the \$500,000 line of credit from the bank has been approved, which it has. Mr. Koplin asked if the \$100,000 that is being requested from NCGPA is enough funding to get the project started. Ms. Baratta explained the intention is to use the line to start working and then as money comes in use those monies to complete tasks and pay back the line. Mr. Koplin asked if they would have long-term financing. Ms. Baratta explained the \$717,000 is just for the 1st stage, but the additional stages along with stage one will total \$3.6 million.

Mr. Koplin clarified if this was a pure grant and that it was coming out of the NCGPA's money market fund. The board confirmed that was correct.

Mr. Langen abstained from the vote because he has a contractual relationship with 3rd Street Alliance where they rent parking spaces from him on an adjacent property.

MOTION: To approve the grant as presented.

Mr. Koplin made a motion to approve the grant as presented. Ms. Whitaker seconded the motion. The motion carried 5 – 0 with Mr. Langen abstaining.

ITEM #7 STAFF REPORT7.1 BB&T Grant

Mr. Hartney informed the Board that Northampton County and LVEDC are going to be partnering with LVIP on a grant submission to BB&T. BB&T has solicited proposals to award approximately \$1.5 million dollars through the Lehigh Valley Community Foundation's donor advised Economic Development Growth Fund. The partnership is proposing the creation of a shell building geared towards small manufacturers and technology companies. It is anticipated that the project will request funding from the Northampton County Development Partnership. This could be shell building project #2 going forward.

Other

Mr. Hughes informed the Board that the \$50,000 loan to T&H Kerrigan (Fiddleback Brewpub) closed last week. They started construction and are anticipating opening in the Fall of 2017.

Mr. Hughes reported that Southern Cross turned down the GPA's loan offer. They felt the 10% was an excessive rate in this marketplace.

Mr. Hughes discussed two engagement letters from the GPA's auditor Riley and Co related to the P3 Bridge Project. The first letter was for additional work required related to the existing audit as it relates to the P3 project. The second letter is related to their periodic monitoring of the P3 cost accounts and the general ledger work.

MOTION: To approve the two Riley & Company proposals.

Mr. Langen made a motion to approve the proposals as presented. Mr. Schiavone seconded the motion. The motion carried unanimously.

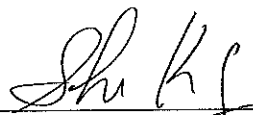
ITEM #8 – NEXT MEETING – TUESDAY April 4, 2017 8:15AM.**ITEM #9 – ADJOURNMENT**

Motion was made by Mr. Dowd. It was seconded by Mr. Schiavone.

ATTEST:



Mark Hartney, Administrator



Shawn Langen, Chairperson