

**AGENDA**

**Tobyhanna Township  
Economic Development Authority  
Regular Meeting  
January 6, 2020  
6:00 PM**

1. Call Meeting to Order: Chair
2. Pledge of Allegiance
3. Announcements
4. Consider the Minutes of: December 4, 2019, Regular Meeting
5. Bill Pack - \$735.06
6. Solicitor's Report
  - a. Discuss Articles of Incorporation
7. Old Business
8. New Business
  - a. 2020 Meeting Calendar
  - b. EDA Projected Expenses
  - c. Mike Christian's Email
  - d. Executive Session - Property Appraisal
9. Public Comment
10. Adjournment

THE TOBYHANNA TOWNSHIP ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR BUSINESS MEETING  
JANUARY 6, 2020

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The January 2020 Regular Business Meeting of the Tobyhanna Township Economic Development Authority was held on January 6, 2020, at the Tobyhanna Township Government Center Building, 105 Government Center Way, Pocono Pines, Pennsylvania, 18350.

Present are John Holahan, III, William Van Gilder, Brendon Carroll, Rachel Schickling, Mike Christian, Assistant Manager Autumn Canfield, and Solicitor Matt Boyd.

1. John Holahan calls the meeting to order at 6:03PM. A quorum is present.
2. Recitation of the Pledge of Allegiance is dispensed.
3. Announcements: none.
4. Consideration of the Regular Business Meeting Minutes of December 4, 2019 was tabled.
5. Mike Christian motions to approve the Bill Pack for \$735.06, William Van Gilder seconds. Brendon Carroll questions the McKweon invoice. Vote: all in favor; motions carries.
6. Solicitor's Report
  - a. Matt Boyd reported that Shanna Williamson of Elliot, Greenleaf & Dean has a meeting for further discussion with Kalahari this week on a number of topics. The Articles of Incorporation should be discussed in Executive Session.
7. Old Business: none.
8. New Business
  - a. 2020 Meeting Calendar. The calendar of meetings is presented to the Authority with meeting dates as established by the by-laws. William Van Gilder motions to approve the 2020 meeting calendar as presented. Mike Christian seconds. Vote: all in favor; motion carries.
  - b. EDA Projected Expenses. The Authority was provided a breakdown of expenses extrapolated to recognize the point in which the Authority will need to request another loan from the Township to float expenses. The projection is conservative as it doesn't recognize reduction in costs after tenant moved out. John Holahan suggests requesting roughly a year's worth of expenses. The Authority discusses a request of \$50,000.00. Mike Christian motions to approach the Township with a request for a loan of \$50,000.00. Brendon Carroll seconds. Vote: all in favor; motion carries. The solicitor is directed to draft to the letter.

- c. Mike Christian's Email. John Holahan states a conversation regarding the details of the Public Improvement Levy is needed. The Authority has a solid mission but needs to understand how to perform that mission. Mike Christian raises a number of questions and comments that need to be addressed.

Mr. Christian discusses how he came onto the Authority at the end of last year. He felt he wasn't up to date on the happenings and wanted to collectively raise questions and establish a plan of action. The discussion of boundaries seemed to come together well.

What items and services to be included are going to be an important discussion. He questions the amount of revenue that will be generated and how it will be spent. How items are funded and the mechanics of dispersal need to be discussed as well. Due to fiduciary responsibility, another concern is the liability of a project not moving forward. Should a bond be issued, who is responsible for paying that bond back and what is the recourse if the development does not come through. In Mr. Dean's response, he references that the EDA is responsible for its obligations, regardless of the success of a development. While financial security can be required for public improvements, this doesn't protect against the developer being unable to lease the properties or against loss revenues from those potential tenants; who will the bond holders pursue for payment?

Mr. Holahan discusses the need to have someone to put the bond together.

Mr. Christian focuses his concern on if the public improvements are built, the money spent, and the private portion of the project then falls through.

If the EDA is responsible and insolvent, what position does that put the Township in?

Mr. Holahan references the concern regarding the D&O insurance. Someone could file suit against the Authority, and the Authority must be able to defend itself. The amounts discussed for various potential projects are in the multimillions. He suggests Chuck Leonard and Michelle Bisbing from the Pocono Mountain Economic Development Corporation attend a meeting to discuss some of these concerns as they are more familiar with bonding processes.

Mr. Christian is hoping that the other authority members will expand on the questions, and that over the next few months we can come to conclusions on some of them.

Mr. Holahan discusses the question of what the levy will be placed on. One thought was that it could be applied to items that are sales taxable. The authority will need a Proforma of what will be collected based on projected revenues. Discussions are needed with developers and business owners to establish some of this information.

Mr. Christian identifies another discussion needed for how to incorporate businesses that provide non-taxed services.

Ms. Canfield reminds the Authority that the solicitor was asked to look into some type of payment in lieu of system.

Ralph Gundrum, legal counsel for Kalahari, suggests asking PMI if the numbers provided for their development is for Phase 1 or full build. Depending on the development, bridge improvements may be needed and should be factored into this discussion when appropriate.

Mr. Christian brings up gas stations and how sales tax is handled differently. Are we exploring broader concepts?

Mr. Holahan believes the discussion started with people who benefit without being levied. It was a discussion of fairness. There are larger concerns to address first. There is a question of legality for putting a levy on something that is taxed by the state.

Mike Erlsten believes Michelle Bisbing was doing bonding work for Pocono Springs.

Mr. Holahan clarifies that PMEDC was instrumental in putting information together and talking to interested parties and working with company placing bonds. They may be able to walk us through and connect us with the correct people. There are many aspects to consider such as water and sewer.

Mr. Christian questions what comes first.

Mr. Van Gilder is interested in determining what to apply levy to and how to create fairness. Internal accounting practices of the participating businesses may be different and determining how this will affect them.

Mr. Holahan discusses the previously mentioned thought that we may be able to provide a percentage back for administrative expenses.

Mr. Christian asks how a payment-in-lieu-of system would be calculated. Mr. Holahan follows up with how it would be enforced.

Mr. Erlsten brings up companies like FedEx who are large but not necessarily generating revenue at their site.

Mr. Christian asks how to quantify a payment in lieu of for a company like FedEx.

Mr. Holahan and Mr. Carroll believe there is a willingness on the part of FedEx to partner.

Mr. Christian would like to meet with the Denali group to ask some questions of their process and timeframe.

Mr. Carroll discusses how some of this ties into grant funding and how that will factor in.

Mr. Van Gilder would like a copy of the latest boundaries proposed. The prior discussion of the boundary lines is recapped.

Mr. Erlsten brought up the previously discussed potential zoning changes.

Mr. Carroll clarifies this was not pursued.

Ms. Canfield discusses the implications of zoning on the PIL district. The PIL focuses on use rather than zoning, as certain residences may have an accessory use as a business-type function.

The Authority discusses action items, the meeting with Kalahari, and setting a meeting with Denali.

The Authority discusses Kalahari's request for increased sewer capacity.

Mr. Erlsten asks about the level of development that would cause an increased capacity need.

Mr. Holahan discusses that Phase 1 is covered, but it may be required for future development. Increased capacity request for the area in general is being discussed. If approved, there would be room for significantly more development. The water system would need to be upgraded as well to ensure there is water available to the area.

Mr. Christian questions the EDU aspect.

Mr. Gundrum explains Pocono Township allocates EDUs to Tobyhanna Township. Tobyhanna Township has two customers, Kalahari and PMI. The current allocation is not sufficient for all phases of conceptual development. There may be adequate capacity available but they are not allocated to the area at this time.

Mike Erlsten discusses the need for adequate infrastructure to handle increased capacity.

Mr. Christian questions what infrastructure is being asked of the EDA.

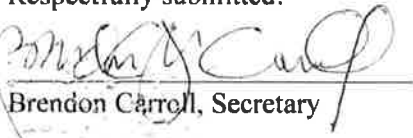
This is yet to be determined.

9. Meeting adjourned at 6:49PM.

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Minutes recorded by Autumn Canfield

Respectfully submitted:

  
Brendon Carroll, Secretary