

THE TOBYHANNA TOWNSHIP ECONOMIC DEVELOPMENT AUTHORITY
WORK SESSION MEETING
May 13, 2021

The May 2021 Work Session Meeting of the Tobyhanna Township Economic Development Authority was held on May 13, 2021, on the GoToMeeting Platform due to COVID-19.

Present are: Adam Kerrick, Brendon Carroll, Rachel Schickling, John Holahan III, Manager Robert Bartal, Owen Coleman, Esq., Daryl Morris (as of 6:15pm, virtually), Ralph Gundrum (as of 6:15pm, virtually).

1. Brendon Carroll calls the meeting to order at 6:01 PM. A quorum is present. There were technical issues that prevented people from participating virtually, either by phone or on the GoToMeeting platform. Problems were resolved by 6:15pm for calling in, and by 6:24pm on the GoToMeeting platform.
2. Pledge of Allegiance is recited.
3. Roll call: Rachel Schickling- present, Adam Kerrick- present, John Holahan III - present, Brendon Carroll- present, Daryl Morris- present (as of 6:15pm, virtually)
4. Announcements: Brendon Carroll thanks Anne Lamberton for joining the meeting to provide historical background.
5. Public Comment on Agenda Items only: No public comments.
6. Solicitor's Report – Owen Coleman reports that Harry Coleman will contact Ralph Gundrum, general counsel for Kalahari, and will provide update.
7. Old Business:
 - a. Public Improvement Levy (PIL) Review: Brendon Carroll speaks to the reason for this work session meeting to provide new members with background of this project. He starts with a review of the map for the realignment of the exit ramp for I-380 South to line up with Long Pond Road, which then turned into a big highway improvement project. The existing entrance to Stillwater needs to be moved farther west on SR 940 in Pocono Summit. The EDA then purchased the Head property, partly to accommodate the new off ramp for I-380 South. It was also to be able to upgrade the PPL power lines needed to support Kalahari, and rather than upgrade the power lines, and then have to move them with the ramp realignment, the poles were placed prematurely in anticipation of that. The thought was that the Township would drive the project rather than each individual property owner, and we would work with PennDOT and DEP, and do a public-private partnership between businesses and such, so the Economic Development Authority was formed.

Brendon Carroll says that Stillwater is on board and there is one piece of property in question to work towards this realignment of both I-380 South ramp and the Stillwater entrance. The Township is also working with CAPL Retail (aka Dunne-Manning), who owns quite a bit of property in this area. The Township has taken on the cost to do engineering studies and wetland studies to keep moving the project forward.

Anne Lamberton states that Kalahari was the one that started this conversation with the Township a few years back. There was legislation that was approved in Wisconsin regarding a resort tax, and rather than go through the lengthy process of putting through legislation in Pennsylvania, the EDA was established to act on this concept; the Township and businesses would work together to fund upgrades to infrastructure to provide a safe and inviting access to all visitors without burdening the residential taxpayers.

Anne Lamberton also mentions that there were some wonderful projects being discussed such as the Blakeslee Improvement and the Route 940/Pocono Lake Improvement. The Township budget is primarily based on real estate tax, and we do not want to burden the residents with any more taxes if possible, so we work with local businesses to generate additional revenue for infrastructure improvements.

Rachel Schickling states that Mike Christian, previous Treasurer of the EDA, did a lot of work on the tax base and whether it should be a percentage or an assessed value. John Holahan III adds that we were originally looking at income and no one wants to divulge that, so we thought to charge a 1% tax on sales, and we would have to decide what sales to use. Mike Christian thought assessed value would work better. Rachel Schickling states that the EDA thought that maybe Kalahari would agree to a trial period for a couple years to see how it goes. John Holahan III adds that communication was much different back then, and Kalahari was concerned that they were the only one that would be paying into this, but now new people are involved, and they are open to discussion on all this. There are infrastructure needs that both the businesses and residents would benefit from.

Brendon Carroll says that the next step is to open discussions with Ralph Gundrum from Kalahari. John Holahan III adds that we need to draw a PIL district, start smaller, pick a good model/template, and then use it for other districts. Brendon Carroll continues that we need to reach out to Kalahari again, take it piece meal this time...we tried to do too much at once before.

Ralph Gundrum says that he will be available to meet with the EDA to resume discussions on the PIL whenever it is scheduled. He also states that he missed the Public Comments on Agenda Items portion of the meeting, and had a statement prepared that he would like to read now. He has been told that the type of PIL the EDA is trying to do has never been done in Pennsylvania before. Kalahari has been open for six years now, and we have been discussing this concept with the Township for about ten years. Previous PIL discussions indicated that Kalahari can raise 85% of the money with no levy tax on

residents, and Ralph suggests we sit down and work this out. Bob Bartal suggests that we discuss this at the next public meeting, and everyone was in agreement with that, and we would make the PIL discussion with Kalahari be the only agenda item. John Holahan III requests that Autumn Canfield and Mike Christian also come to the next public meeting that Ralph Gundrum attends.

- b. Stevens & Lee Engagement Letters (February 13 & 25, 2018) Review: Brendon Carroll states his understanding is that Harry Coleman suggested we get a copy of the engagement letter, and apparently we have some invoices that are due. His memory is that the invoices were to be paid once the revenue is generated. Bob Bartal states that his understanding was that this was supposed to be an agreement between Stevens & Lee, the Township, and the developer, but that is not the way the agreement is written, and defer to Harry Coleman for legal opinion. This agreement is written up that the developer was supposed to retain their own counsel. Anne Lamberton adds that it was Jason Toone, attorney for Brian McFarland, for clarification. She continues that they were supposed to be paid once money is generated, and Pocono Manor was supposed to pay a portion of it. John Holahan III agrees with this. Brendon Carroll states that a payment was already made to Stevens & Lee on September 30, 2018, for \$38,527.73, and Anne Lamberton adds that it was supposed to be reimbursed by Pocono Manor. Gregoire Romulus will check to see if the Township was reimbursed by Pocono Manor for that amount. John Holahan III says that Attachment A of the agreement says 50%, and Bob Bartal states that seems unlikely since they are not part of the agreement. Anne Lamberton adds that the agreement had to be in our name because we had to apply for the build grant since it was public funds, and then we would get reimbursed. Bob Bartal adds that maybe there was an agreement between the Township and the developer, but he has not seen that. John Holahan III asks if we have one that is not executed, and Bob Bartal says that there is an unexecuted agreement with the developer to pay the legal fees from March 14, 2018 Board of Supervisors Regular Business Meeting. Anne Lamberton suggests that Harry Coleman reach out to Jason Toone to get more information. Bob Bartal adds that in the unexecuted agreement for developer to pay legal fees, there was also supposed to be a \$10,000 escrow that was supposed to be set up, and we don't have that. Bob Bartal mentions to Owen Coleman to have his firm reach out to Jason Toone.

8. New Business

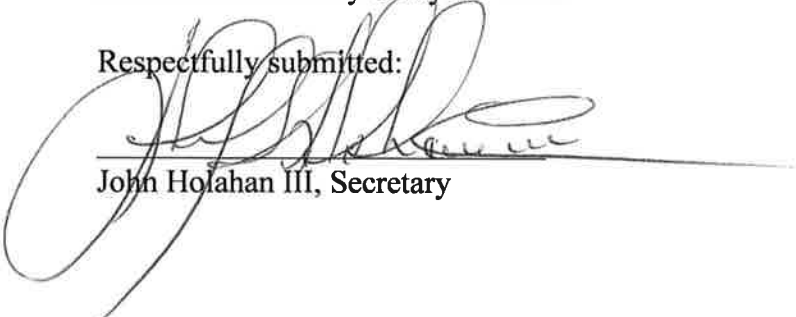
- a. Riley & Company presentation letter dated May 5, 2021: Bob Bartal confirms that it has been signed and returned.
- b. Solicitor Coleman engagement letter signed and returned on May 6, 2021: John Holahan III asks Ralph Gundrum if he has spoken to Harry Coleman yet. Ralph Gundrum answers that they have exchanged emails but have not yet spoken.

9. Public Comment – non-agenda items only: No comments.

10. Adjournment: Motion to adjourn meeting by Rachel Schickling; Adam Kerrick seconds.
Meeting adjourned at 7:06pm.

Minutes recorded by Betsy A. Tiene

Respectfully submitted:



John Holahan III, Secretary