

SCHUYLKILL COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
HIGHRIIDGE IMPROVEMENT DISTRICT PLAN

Transcript of Proceedings
of
Joint Public Hearing

BEFORE: **Minersville Area S.D. Board of Education**
 Carl McBreen - Superintendant
 Gretchen Ulmer - Board Member
 Christopher Bentz - Board Member

Cass Township Supervisors
 Michael Kulpcavage
 James Wentz
 John Walaitis

Schuylkill County Commissioners
 Frank Staudenmeier, Chairman
 George Halcovage, Jr.
 Gary Hess

TIME: 7:00 P.M.

DATE: Thursday, December 4, 2014

PLACE: Minersville Area High School
 1 Battlin' Miners Drive
 Minersville, PA 17954

*Rosita M. DeCarlo, RPR
Official Court Reporter
Schuylkill County Courthouse
401 North Second Street
Pottsville, PA 17901
570-628-1324*

1 MR. CANFIELD: Good evening, ladies and
2 gentlemen. If we can start off by standing to recite
3 the Pledge of Allegiance.

4 (The Pledge of Allegiance was recited.)

5 MR. CANFIELD: Thank you.

6 Good evening. My name is Brian Canfield,
7 and I serve as chairman to the Schuylkill County
8 Industrial Development Authority, also known as SCIDA.
9 Tonight is -- as most of you know, tonight is the second
10 of two public hearings.

11 And the first one was, as a quick recap, to
12 solicit input on the Neighborhood Improvement District
13 for Highridge. Tonight's second public hearing is to
14 review the Final Plan based off input from the first
15 public hearing, which I will defer to Frank, turn it
16 over to him in a moment.

17 Tonight hosting the joint public hearing are
18 elected officials from Cass Township; and from my left
19 we have Michael Kulpcavage, John Walaitis, James Wentz.
20 Minersville Area School Board we have Solicitor Nick
21 Quinn; we have Superintendent Carl McBreen; Board Member
22 Christopher Bentz; Board Member Gretchen Ulmer. From
23 the County Commissioners we have Chairman Frank
24 Staudenmeier, Commissioner George Halcovage,
25 Commissioner Gary Hess. We also have in attendance

1 tonight County Administrator Mark Scarbinsky and SCIDA
2 Board Member Mr. Joseph Brady.

3 Did I miss anybody? I don't think.

4 Also, one person -- I'd just like to take a
5 side note. One person from the Minersville School
6 District that is absent tonight is our business manager,
7 Jennifer Laudeman. And as most of you may have heard,
8 Jen's husband unexpectedly passed away this past
9 weekend. And it's been a jolt to the community, and the
10 community is rallying to support Jen in her grieving
11 process. But at this point, I just -- if we can all
12 just take a moment, just have a moment of silence for
13 her husband, Brian Laudeman.

14 (A moment of silence was observed.)

15 Thank you.

16 Our speaker for this evening is Frank Zukas,
17 president of the Schuylkill Economic Development
18 Corporation, or known as SEDCO. Frank also serves as
19 executive director for SCIDA.

20 Also, a court stenographer is present to
21 record tonight's hearing. We would ask that anyone that
22 has -- hold any questions until the end of Frank's
23 presentation. And when asking a question, when it's
24 opened up for questions, we'd appreciate if you would
25 provide your name and place of residence so the

1 stenographer can correctly identify you for the record.

2 And a transcript of tonight's public
3 hearing, similar to the first public hearing, will be
4 available on the SEDCO website. And again, it will be
5 available to the other three taxing bodies if they so
6 choose to place it on their websites.

7 So at this point, I'd like to introduce and
8 bring up Frank Zukas.

9 MR. ZUKAS: As Brian noted, the function for
10 today's meeting is basically to review the changes made
11 to the Highridge Improvement District Plan that were the
12 result of the input that we received from the last
13 public hearing back in November.

14 At that hearing, we had several comments
15 made from the audience and also some feedback with
16 regards to written correspondence that were incorporated
17 into the Plan.

18 But maybe starting with some basic
19 background, the Highridge Improvement District is the
20 proposed district that would take the place of the Tax
21 Increment Financing District that's been in place at the
22 Highridge Business Park since 1996.

23 The Business Park, as noted, is about a
24 2,000-acre development located principally within Cass
25 and Foster Townships, with a small component of it in

1 Butler Township, that being where the Walmart
2 Distribution Center is located.

3 The Park is supplemented in the creation of
4 the Highridge Improvement District with two additional
5 blocks of acreage, one located in what's called
6 Highridge Park North, which is roughly about a 350-acre
7 parcel of property that's got several property owners
8 involved in it. It is for long-term development within
9 the confines of the overall Highridge District itself.
10 And off to the south on Interstate 81 is about a
11 thousand-acre block of property jointly owned by
12 CES Landfill and a second one owned by the County of
13 Schuylkill. And that is the airport site that, again,
14 is set aside for future development. Zoning is in place
15 in both those properties to allow for industrial and
16 commercial development. And on the long-term view of
17 things, utilities would be eventually taken to both of
18 those sites with the intent of being able to secure
19 development beyond the remaining 500 acres that exist in
20 the Highridge Park itself.

21 After the first meeting or the first
22 hearing, we compiled the testimony, the transcript. We
23 provided that back to all of the municipal participants,
24 all the taxing bodies and in addition distributed it to
25 all of the property owners within the proposed district.

1 We followed that up with some modifications to the Plan
2 in the form of a final draft of the Plan. That was also
3 distributed to both the taxing bodies and to the
4 property owners.

5 As we look to the changes that were made,
6 the HID budget basically stays the same with the
7 addition of one item.

8 And Brian, you'll have to help me because I
9 can't see that far.

10 But we added, I believe, a capital reserve
11 number to the very bottom of the chart.

12 MR. HANSBURY: \$7,776.

13 MR. ZUKAS: \$7,776. That will correspond
14 with some changes that we'll go over in a bit, relate it
15 back to the term capital reserve within the language of
16 the text of the Plan itself.

17 That \$154,000 breaks out, basically, between
18 the four taxing bodies, as you can see, with the County
19 and Cass -- or the County and the School District
20 roughly at about 53 percent a piece, Cass Township at
21 17 percent, and Foster Township at 13 percent. And the
22 numbers that they relate to speak for themselves to make
23 up the 154.

24 The HID administrative framework, as we
25 proceed, if we proceed with the proposed district, there

1 will be a creation of a Highridge Improvement District
2 Authority that will be a result of the four taxing
3 bodies basically taking action at the local level to
4 adopt and become part of an intermunicipal authority.
5 That intermunicipal authority would have jurisdiction
6 over the management of the Highridge Improvement
7 District. It would be made up of a four-member board --
8 I'm sorry -- a five-member board, one member each from
9 the taxing bodies and then a fifth member that would be
10 drawn from the owners within the District itself.

11 After this final hearing, there is a 45-day
12 period during which time the property owners can
13 communicate back to SCIDA, vis-a-vis written requests,
14 either proposing a favorable comment or objecting to the
15 creation of the District. So today's hearing is a
16 continuation of another end of the process that will ask
17 45 days out for any actions to be taken to formalize the
18 District itself.

19 Management of the District, once that agent
20 of the authority is created, would be by a subcontract
21 with SEDCO to basically manage the day-to-day activities
22 of it. SEDCO has been doing that in conjunction with
23 SCIDA for the last 16 years, so it would be a
24 continuation of the process that we've been following
25 for that time period.

1 The Highridge Improvement District has a
2 component to it based on the enabling legislation that
3 does provide for special assessments to be made within
4 the District based on a favorable vote by the taxing
5 authority, the taxing bodies, and also a concurrence of
6 that change to the Plan by at least 61 percent of the
7 property owners. So while special assessment is
8 something that can take place in the future, it's not
9 currently part of the existing plan and any changes that
10 would modify that and require a call for an assessment
11 in the future would require the property owners'
12 consent, again, with 61 percent being the magic number.

13 Specific changes to the Final Plan. There
14 was language that basically was asked to clarify that
15 topic, which is that it would take an affirmative vote
16 of 61 percent of the property owners for consent, is the
17 word I guess we're using, of the property owners in
18 order to facilitate a change to the Plan. And as you
19 can see, the highlighted area in red is the change that
20 went into the Plan within that particular section.

21 And you'll have to help me again, Brian,
22 because I can't see that far.

23 MR. HANSBURY: The language being added is
24 going to Section I. And it reads, "Substantial changes
25 to the HID Plan must be approved by the municipalities

1 and ratified by affirmative consent of at least
2 61 percent of the property owners in the District at the
3 time of the proposed change."

4 MR. ZUKAS: That language came as a result
5 of correspondence from one of the property owners,
6 Prologis, which is a company that owns the former
7 building occupied by Electrolux.

8 They also asked in their correspondence to
9 the SCIDA office that we consider the possibility of
10 increasing the number of board members on the Highridge
11 Improvement District Authority to an equal number so
12 that the property owners had the same amount of
13 representatives on the board as did the taxing bodies.
14 That question was taken back to the committee, which is
15 made up of members of each of the four taxing bodies,
16 plus the chairperson of SCIDA; and that committee
17 rejected that idea as not being warranted or equitable
18 to the fact that the revenue stream is coming from the
19 taxing bodies, so we did not incorporate that. We did
20 discuss it, take it into consideration. But as a result
21 of the vote of that committee, that item was not
22 recommended into the Final Plan.

23 Similar language in the section --

24 Is that the same slide?

25 MR. HANSBURY: Again, the changes to

1 Section I, "No special assessment of properties within
2 the HID has been incorporated into the Final Plan and
3 any changes to the plan are subject to the approval of
4 both participating municipalities and affirmative
5 consent of at least 61 percent of the property owners in
6 the District at the time of proposed change."

7 Mr. ZUKAS: Again, a second reinstatement of
8 the issue with regards to the protocol required for any
9 change to the Plan would deal with special assessments.

10 We also had added to the plan. This is a
11 list of the owners of property within the District. You
12 can see in the red at the very bottom, Trillium, LLC.

13 Trillium is a new property owner. They're
14 occupying 1.36 acres of property in the Park. That is
15 the proposed compressed natural gas station that's
16 currently under construction in the Park. It should be
17 operational by the end of the year. But they would also
18 become part of the ownership mix within the Park, so a
19 notification package went out to them, along with copies
20 of the prior testimony, a copy of the enabling
21 legislation, and both the Preliminary and the Final
22 Plan.

23 This change basically came about at the
24 request of Wegman's; and it deals with the issue of the
25 modification to the budget, which if you want to read

1 that, Brian, for me, please.

2 MR. HANSBURY: This change is made to
3 Section VII. It reads, "Any funds remaining in the
4 account at the end of the calendar year will be booked
5 as a capital reserve for future capital projects."

6 MR. ZUKAS: And again, that intent was to
7 make sure that at the end of the year, if there is --
8 excuse me -- funds left in the budget, that they're
9 swept into a capital reserve account so that we continue
10 to build a reserve going forward for future capital
11 projects. This language is associated with feedback
12 that we had gotten from the School District, I believe.

13 And if you can, Brian, one more time,
14 please, read that.

15 MR. HANSBURY: This change is made to
16 Section VIII of the Plan. It reads, "In the event of
17 statewide tax reform that shifts school funding from
18 property tax to another form of taxation, the same
19 funding level will continue on the contingency that if,
20 and only if, the new system of taxation allows for a
21 dollar-for-dollar replacement of the revenues derived
22 from property taxes."

23 MR. ZUKAS: Again, this came back as a
24 feedback from the School District as one of the taxing
25 body participants, and it's focussed on the topic of

1 property tax reform at the state level. We don't know
2 where that's going, but in the event that that happens,
3 it would obviously change the dynamics of not only the
4 project we're talking about with Highridge Improvement
5 District, but a whole variety of state incentive
6 programs that deal with property taxes as the basis for
7 the incentive. So this language basically provides that
8 we relook at what happens in the event property tax --
9 property tax reform takes place. And it gives, I think,
10 a little bit of flexibility in dealing with it.

11 That basically is the limit of the changes
12 that were made. So the Preliminary Plan is modified, I
13 think, in five places. The substance of the original
14 plan remains in tact, and the feedback period for the
15 Final Plan is over. So anything that happens
16 comment-wise now would not trigger the need for
17 consideration of any changes in the Plan, but we do
18 expect over the next 45 days that we will get some
19 feedback from the companies relative to their impression
20 of the things that we've presented for their
21 consideration.

22 I can tell you anecdotically that we've
23 gotten feedback from most of the companies either
24 through emails or phone calls. There's pretty much
25 universal support for it. I don't believe there was any

1 comments, negative comments, that were received after
2 the initial hearing, so we suspect that the idea, the
3 concept, is a positive one as viewed by the tenants and
4 the occupants in the Park.

5 It will become part of our marketing
6 program, obviously, if it's adopted so that when we are
7 dealing with future companies that might be looking at
8 locating within the Park, the concept of the Highridge
9 Improvement District will be incorporated into their
10 review of both the real estate elements and things that
11 go with the Park, such as covenants within the Park and
12 local ordinances governing development.

13 If there are any comments or questions, we
14 can certainly field them, but the intent, again, was to
15 review the changes, present the Final Plan for
16 consideration. And then after that 45-day period, the
17 municipalities can formalize adoption in the event that
18 there is no objection reaching 41 percent objection to
19 the Plan.

20 So I would ask for any comments or any
21 questions that might be in the audience.

22 If not, I'd like to recognize two folks that
23 have arrived since we started. Darlene Dolzani, Darlene
24 is a member of the SCIDA board and also on the SEDCO
25 board and I believe was here at the beginning of the

1 creation of the Tax Increment Financing District back in
2 1996. And Irvil Kear, Irvil is the vice chair of the
3 Schuylkill Economic Development Corp. She'll be taking
4 over the chair of our organization in January. So we'd
5 like to recognize them for the record.

6 If there are no other comments or questions,
7 I would respectfully call the hearing to a conclusion.
8 Thank you.

9 (The proceedings concluded at 7:20 p.m.)
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me during the hearing of the foregoing cause and that this copy is a correct transcript of the same.

12-5-14

Date

Rosita M. DeCarlo, RPR
Official Court Reporter