



**COLLEGE TOWNSHIP
INDUSTRIAL DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
Wednesday, February 16, 2022
1481 E. College Avenue, State College PA 16081
9:30 AM**

ATTENDED BY -

AUTHORITY MEMBERS:

Alison Kurtz, Chair
Bill Sharp, Vice Chair (via Zoom)
Sara J. Parks, Secretary (via Zoom)
Raymond Forziat, Asst. Secretary, Asst. Treasurer
Lamar Kunes, Treasurer (via Zoom)
Benson Lichtig
Lamartine Hood
Anthony Fragola

ADDITIONAL ATTENDEES:

Steve Shope, Executive Director
Jennifer Snyder, Recording Secretary
Jeff Stover, Solicitor

CALL TO ORDER:

Ms. Alison Kurtz, Chair, called to order the February 16, 2022, College Township Industrial Development Authority (CTIDA) Regular Meeting at 9:30 AM.

CONSENT AGENDA:

CA-1 Meeting Minutes; Approval of

- a. January 19, 2022, Reorganization Meeting
- b. January 19, 2022, Regular Meeting
- c. February 8, 2022, Special Meeting

**Mr. Forziat moved to approve the Consent Agenda.
Mr. Hood seconded the motion.
Motion carried unanimously.**

SPECIAL PRESENTATIONS: See *Special Presentation* below.

SECRETARY'S REPORT: Ms. Parks, CTIDA Secretary, offered that correspondence was received from the CBICC regarding membership renewal and advertisement in the 2022

Directory. CTIDA does not have their own listing however; the CTIDA is listed under College Township. As partners with CBICC, the Board discussed having a separate listing at no cost. Chair Kurtz will bring this up with the CBICC.

The Statement of Financial Interest forms are due to Ms. Snyder by May 1, 2022.

TREASURER'S REPORT: Mr. Kunes reported the Balance Sheet reflects total assets of \$2,913,848.44 as of January 31, 2022, with \$1,920,277.14 in investment accounts; \$778,509.08 in participation interest with CBICC, \$171,000.00 in credit line advances, and \$76,619.06 in the operating and money market accounts.

Mr. Kunes reviewed the income statement and noted that the investment income to-date is \$12,562.94. Operating expenses YTD are \$4,322.76 with the net income YTD is \$8,240.18.

FINANCE COMMITTEE REPORT: The Finance Committee will meet to explore new investment providers. Mr. Fragola suggested the Committee look at PLIGIT as an investment option. The Finance Committee will bring back their recommendations to the Board.

LOAN COMMITTEE REPORT: Chair Kurtz offered a brief report on the current CTIDA Clients.

Chair Kurtz offered that the CBICC would like to restructure Loan #1 and Loan #2 with Dominight. Dominight is in default on their loan.

Mr. Forziat made a motion to add to the agenda a discussion and potential action of a loan reconfiguration for Dominight. Mr. Hood seconded the motion. Motion carried unanimously.

Members of the Board asked to see the documents related to the restructuring before making a decision. Chair Kurtz offered an explanation to why there is no paperwork presented to the CTIDA. First, the CTIDA has to confirm they are willing to support the loan with CBICC. The CBICC then has their solicitor paper the loan and the CTIDA solicitor Jeff Stover reviews the loan documents. Mr. Fragola questioned this practice of approving a loan before the paperwork is presented to the Board.

Mr. Fragola added additional comments related to Dominight and their compliance to the loan. Chair Kurtz added that Dominight is not out of compliance but in default. Mr. Fragola asked why the CTIDA continues to work with Dominight. Mr. Forziat and Mr. Sharp added that they would also like to see the paperwork before moving forward on restructuring the loans. As a public authority, the CTIDA needs to be able to read the document before moving forward.

This discussion was postponed as Ms. Radtke, Abington Equine, joined the meeting. Chair Kurtz asked the Board to move the Special Presentation to this point on the agenda.

SPECIAL PRESENTATION: Ms. Catherine Radtke, Abington Equine, offered an update on her business and the building project. The building project is progressing. She anticipates the construction will be completed in April. Overall, business is good. Winter is slow but things are picking up. Ms. Radtke offered an overview of the Keystone Grant she received to get the project off the ground. Currently, she has three (3) veterinarians and four (4) support staff. Ms. Radtke offered that they are a little over budget on the construction project. She is doing some things on her own to save costs.

Chair Kurtz offered the CBICC is asking the CTIDA support extending the maturity date on the loan with Abington Equine. Enterprise Bank will take over financing once the construction is complete. The maturity date for her construction loan was January 31, 2022, and would need to be extended to June 30, 2022.

Chair Kurtz thanked Ms. Radtke for her time and asked that she stay in touch with the CTIDA.

Mr. Hood asked that the CTIDA take time to visit all their clients. He thinks would be very helpful to everyone on the Board.

Mr. Hood moved to add a discussion to extend the maturity date for Abington Equine Loan to the agenda.

Mr. Lichtig seconded the motion.

Motion carried unanimously.

Mr. Lichtig moved to extend the maturity date for the loan for Abington Equine to June 30, 2022.

Mr. Hood seconded the motion.

Motion carried unanimously.

Chair Kurtz re-opened the discussion of Dominight and called for the Board to move into an Executive Session at 10:10 AM.

Chair Kurtz closed the Executive Session and reopened the regular meeting at 10:37 AM.

Chair Kurtz offered the CBICC has made a request to amend the documentation for loans #1 and #2. Loans #3, #4, and #5 do not pertain to the CTIDA. She offered that right now, the CTIDA is receiving no payments at this time from Dominight and amending loans #1 and #2, the CTIDA would receive \$10,000.00 upon receipt of payment for 20 units.

Mr. Forziat made a motion to decline the offer from the CBICC to amend loans #1 and #2.

Mr. Lichtig asked Solicitor Stover if the CTIDA could force a default on the loan. He also asked if the CBICC would have to be in agreeance with such an action. Solicitor Stover was unsure but at the very least, a discussion with the CBICC would be warranted.

Mr. Hood seconded the motion.

Mr. Hood offered this discussion should have gone through the Loan Committee. Mr. Lichtig asked what legal option the CTIDA has in regards to the Dominight loans, which are in default. Mr. Stover offered that if the CTIDA declines this offer, the original agreement is still in place.

Mr. Forziat added if Dominight is in default of the terms, the CTIDA would not have to consult with the CBICC, unless the term sheet states differently, before calling the loan.

Mr. Hood called the question.

Motion passed 7-1 with Chair Kurtz voting against the motion.

Chair Kurtz offered she would see if she could get documentation from Dominight.

Mr. Hood left the meeting at 10:45 AM.

Mr. Shope offered his thoughts on the situation with Dominight. He asked about the processes in place for vetting clients. He would encourage a vetting process be established before any partnerships or agreements are pursued.

Mr. Fragola offered the decision to decline the CBICC offer to amend the loans with Dominight is a business decision. He asked why the CTIDA percentage rate is lower on the loans with Dominight than that of the CBICC. Chair Kurtz offered the CTIDA gives the CBICC a quarter point more to do the loan administration. He opined the Dominight loan documentation is not good. Mr. Fragola added that in the future, documents should be reviewed and determined to be favorable to the CTIDA.

Mr. Forziat asked what portion of the \$20,000.00 would go towards paying down loans #1 and #2 and what portion would go toward loans #3, #4 and #5. Chair Kurtz offered the Chamber would get \$10,000.00 and the CTIDA would get \$10,000 upon receipt of payment for 20 units if the CTIDA had voted for the loan restructuring.

Mr. Fragola would like to see the purchase order between Dominight and Keystone. He opined that is why he is identifying structure. These types of documents should be placed in the meeting packet for the Board to review. He added the Executive Director has yet to be introduced to our clients or the Township officials. Chair Kurtz offered that he has been introduced to the CBICC and today he was introduced to Abington Equine. Chair Kurtz offered he will be introduced to others at future meetings. Mr. Fragola opined the CTIDA Committee structure needs to take the lead on some of these issues.

EXECUTIVE DIRECTOR UPDATE:

Chair Kurtz asked for an update from the Executive Director. Mr. Shope offered the Good Jobs Challenge Grant was submitted. He believes it will be a competitive award process.

Mr. Shope offered he is concerned that the CTIDA is not ready for an Executive Director. He thinks going forward the Board needs to do some more work to figure out what they want from an Executive Director. He offered that he will wrap up any loose ends this month and sever ties

with the CTIDA. He does not want to be the clean-up person. He would like to be a part of an organization that has sound practices and strategies in place.

The Board asked for further clarification. Mr. Shope offered that at the end of the month, he would be ending his ties with the CTIDA. He added that there is no outside factors that play into his decision.

Mr. Fragola offered that the disorganization of the CTIDA is a low-hanging fruit. He opined that the CTIDA could meet to discuss the mission of the CTIDA and provide structure to the Executive Director and to the Committees. If the Board could fix this low-hanging fruit, Mr. Fragola asked if Mr. Shope would stay with the CTIDA.

Mr. Sharp offered that in the outline of the Executive Director, a mission statement was set forth. He opined that Mr. Shope did a great job in writing that grant and while he was doing that, the CTIDA should have been busy setting forth direction for the Executive Director. He hoped the Executive Director would put together a business plan for the CTIDA. He continued, there is no strategic economic plan in place for the region or for the CTIDA. Mr. Sharp suggested the Marketing Committee and Mr. Shope meet this month and outline the steps to an economic plan for the CTIDA over the course of a year.

Mr. Forziat offered that the CTIDA should meet immediately in an Executive Session to discuss the duties and responsibilities of the Executive Director. He continued the Board must come up with definitive guidelines for Mr. Shope to follow going forward.

Chair Kurtz offered that she has a meeting at 11:30 AM and cannot stay for an Executive Session at the end of the meeting. Mr. Fragola offered the Board could meet in Executive Session without the Chair as the Vice Chair could run the meeting.

Mr. Shope offered he has no ill feelings with anyone on the Board but feels the CTIDA is not ready for him as an Executive Director.

Chair Kurtz stated "I am going to suggest that I do not have the time, energy or focus to stay on as the Chair of this Board." Chair Kurtz picked up her belongings to leave the meeting. As she was leaving, Mr. Fragola asked, "I guess you will be providing the Board with a letter, correct?" Chair Kurtz replied, "Absolutely."

Chair Kurtz left the meeting at 11:13 AM.

Vice Chair Sharp took the gavel as Chair at this point in the meeting.

Mr. Shope opined that the CTIDA is looking for an Executive Director with the skills necessary to carry out the functions of the job and one who is willing to work part-time. It is a hard ask. He continued that there is nothing external that is influencing his decision to separate from the CTIDA. However, he is willing to stay and participate in discussions with the Board related to moving forward.

Mr. Forziat opined that he believes that Mr. Shope would be the best person to help the CTIDA move forward with processes and structure. Mr. Forziat opined the CTIDA needs to meet as soon as possible to start these discussions.

Mr. Lichtig restated the mission of the CTIDA. His opinion of the role of the Executive Director was to increase the CTIDA visibility in the community with banks and businesses, monitor the clients the CTIDA financially supports and offer business support and mentoring. He felt for all those reasons, Mr. Shope was a good candidate as Executive Director. He does not feel it is complicated and that the Executive Director could move forward in these areas. All of these things work towards the goal of increasing jobs and economic growth in Centre County.

Mr. Shope offered that the CTIDA is not ready to go out and get more clients because the internal processes are not in place to move forward.

Mr. Lichtig offered that is the why the CTIDA has a solicitor to ensure that the processes are in place and can be fixed. An Executive Director could identify those missing pieces so that they can be addressed.

The Board discussed the formation of an Operations Committee to prioritize the structure, processes and strategies of the CTIDA and put together a business plan. Mr. Forziat offered this is not just a marketing issues but the Operations Committee would need to look at the priorities, structure and workload of the Executive Director.

Chair Sharp offered that unless a meeting is advertised, this work group should be structured with less than a quorum. He offered that Mr. Fragola, Mr. Forziat and himself would be a part of this team. He asked for one more person to be on the committee to keep it at four (4) which is under a quorum. Mr. Lichtig suggested Mr. Hood also serve on the committee.

Ms. Parks added that she does not want to serve on this committee but offered her reflections on the meeting. She opined that the Board had a healthy discussion related to Dominight. The issues identified today, where the CTIDA is lacking, is something the Executive Director could help the CTIDA to correct. She opined the CTIDA is not a dysfunctional board and the issues identified at the meeting today are reasons for hiring an Executive Director. She would like the Board to make a motion to thank Ms. Kurtz for her service to the CTIDA. She has done a wonderful job of pulling the CTIDA together. Chair Sharp offered that Ms. Kurtz is not off the Board until she officially resigns.

Mr. Kunes offered that Ms. Kurtz hit her breaking point in the meeting. He opined that comments about being prepared for meetings comes out well in advance and one person should not be held accountable to do everything. Mr. Kunes agreed with Mr. Lichtig on the role of the Executive Director. He saw this position as a mentor to clients to work with them on a monthly basis.

Mr. Shope offered that he does have the ability to do forensic business analysis, which would bring value to the CTIDA. However, it has been three (3) months since his initial meeting with Ms. Kurtz and Mr. Hood and things that were talked about have not come to fruition; introductions, press release, etc. He can make himself busy but an Executive Director executes the directives of the Board, which has yet to be determined by the CTIDA.

Mr. Lichtig clarified with Mr. Shope that he is willing to stay on, at least for the next month, until the CTIDA can clarify the processes. Mr. Shope answered in the affirmative that he is willing to stay on and contribute to the discussions of moving forward.

Mr. Shope left the meeting at 11:37 AM.

Chair Sharp offered that an Operational Task Force be formed.

Mr. Forziat made a motion to add a discussion of forming an Operational Task Force to clarify Executive Directors roles, responsibilities and direction as well as the CTIDA structure to the agenda.

Mr. Lichtig seconded the motion.

Motion carried unanimously.

The Board discussed who would serve on the Operational Task Force. Three (3) members were identified to be on this committee: Chair Sharp, Mr. Fragola and Mr. Forziat.

Mr. Lichtig offered that four (4) members could serve on the Task Force. Solicitor Stover countered that the Task Force would only be allowed to have three (3) members to make sure that a quorum is not present at a meeting. Mr. Stover offered a quorum could not meet together without it being a public meeting. Ms. Snyder offered that a public meeting would then need to be advertised. Chair Sharp qualified that if Ms. Kurtz resigns from the Board, the CTIDA would consist of seven (7) members. Solicitor Stover answered in the affirmative. Chair Sharp offered that with a seven-member board, a quorum would consist of four (4) members so only three (3) members could serve on the Task Force. If Ms. Kurtz does not resign from the Board, one more Board member could serve on the Task Force. The Task Force will need to convene immediately.

Mr. Forziat made a motion to form the Operational Task Force.

Mr. Lichtig seconded the motion.

Motion carried unanimously.

NEW BUSINESS:

NB-1 Penn State Venture Capital Conference

Chair Sharp withdrew his comments related to the Penn State Venture Capital Conference.

ADJOURNMENT

Hearing no further matters for discussion, Chair Sharp called for a motion to adjourn the February 16, 2022, College Township Industrial Development Authority Regular Meeting

Mr. Lichtig made a motion to adjourn.

Mr. Forziat seconded the motion.

Chair Sharp adjourned the meeting at 11:44 AM.

Respectfully submitted,

Sara J. Parks

Sara J. Parks
CTIDA Secretary