

4:00 P.M.
REGULAR MEETING AGENDA
WESTMORELAND COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
FOR
MONDAY, OCTOBER 18, 2021

1. Roll Call:

Bruce J. Corna _____
Daniel Howard, Jr. _____
Denny Kennedy _____
Terry Painter _____
Tony Pauly _____

Vikki Ridenour _____
Edward Sobota _____
Thomas Sochacki _____
John P. Kline _____

Also present: James J. Conte, Esquire _____
Rebecca S. Lewis _____

2. Review of Minutes:

- a. Motion to waive formal reading and for acceptance of the Minutes of the Special Meeting, August 10, 2021 (attached as Exhibit A).

Motion by: _____ Seconded by: _____
Approved: _____ Not approved: _____
Comments:

3. Treasurer's Report:

- a. Motion to approve report of Treasurer (attached as Exhibit B).

Motion by: _____ Seconded by: _____
Approved: _____ Not approved: _____
Comments:

- b. Motion to approve Annual Audit Report from Horner, Wible & Terek, PC, covering the year 2020 (attached as Exhibit C.)

Motion by: _____ Seconded by: _____
Approved: _____ Not approved: _____
Comments: _____

- c. Motion to recommend and request reappointment of Thomas L. Sochacki and Victoria A. Ridenour as members of the Authority for five (5) year terms effective November 30, 2021.

Motion by: _____ Seconded by: _____
Approved: _____ Not approved: _____
Comments: _____

4. Report of the Assistant Secretary.

- a. Attached are copies of the Department of Community and Economic Development 2020 Year End Allocation Report (attached as Exhibit D) and Allocation Bulletin #42 (attached as Exhibit E).

5. New Business.

6. Adjournment.

- a. Motion to adjourn: _____ Seconded by: _____
Vote: _____ Adjournment at _____ p.m.

**WESTMORELAND COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

**Minutes of the Special Meeting
Tuesday, August 11, 2021**

The Special Meeting held August 10, 2021, at 3:30 pm was advertised on August 3, 2021, with toll-free call-in information (dial 1-866-899-4679 and access code 631-308-805) for electronic attendance by members of the public choosing not to attend in person. (A copy of the proof of advertisement is attached as Exhibit A.) There were no members of the public who attended in person or by toll-free phone call-in.

Mr. Corna called the meeting to order at 3:30pm on August 10, 2021.

1. The meeting opened with roll call. Those in attendance were:

Bruce J. Corna; Daniel Howard, Jr.; Terry Painter;
Edward Sobota; Thomas Sochacki; John P. Kline (by phone)

Also in attendance were the Solicitor, James J. Conte, and the Assistant Secretary, Rebecca S. Lewis.

Also in attendance were John R. Dickson, IV (in person), President and CEO of Redstone Presbyterian SeniorCare; B. Lynn Freeman, Esquire (by phone); and Robert P. Lightcap, Esquire (by phone).

2. **Minutes.** The minutes of the reorganizational meeting held January 19, 2021, were reviewed by all members in attendance. Tom Sochacki moved for approval of the minutes and waiving formal reading, seconded by Dan Howard; passed unanimously, 6-0 vote.

3. **Treasurer's Report.** An outline of the balance in the checking account was attached to the Agenda, indicating that there were seven (7) deposits, each in the amount of \$250, for a total amount of \$1,750 from January, 2021, through July 31, 2021. There were five (5) disbursements: Commercial Bank check fee (\$32.45); James J. Conte to reimburse Cincinnati Insurance Co. premium paid (\$500.00); James J. Conte to reimburse Cincinnati Insurance Co. premium paid (\$950) James J. Conte to reimburse Trib Total Media advertising costs for 2021 schedule of meetings (\$161.75); Hempfield Mini Storage (\$1,297.44). Current balance is \$7,025.40. Terry Painter moved for acceptance of the Treasurer's Report, seconded by Ed Sobota, passed unanimously, 6-0 vote.

4. **Report of Solicitor.**

Redstone Presbyterian SeniorCare (“Redstone”) is asking for a bond issue not to exceed \$60,000,000 for the refunding of the existing bonds Series 2013A (Redstone Presbyterian SeniorCare Obligated Group) and Series 2013B (Redstone SeniorCare Obligated Group); funding costs of terminating an interest rate swap for the 2013 Bonds; funding a debt service reserve and/or costs of credit enhancement for the 2021 bonds; and paying costs of issuance of the 2021 bonds. Discussion was opened for any questions concerning the application. John R. Dickson, IV, the President/CEO of Redstone, discussed the project and answered questions raised by the WCIDA members.

a. Terry Painter made a motion to approve the refinancing Resolution as proposed by the Solicitor for issuance of 2021 Bonds by the Authority in an amount not to exceed \$60,000,000, seconded by Dan Howard; and the Board unanimously approved the Resolution, 6-0 vote.

b. Tom Sochacki made a motion to authorize the Solicitor to execute and deliver acknowledgment of Disclosures by Senior Managing Underwriter Pursuant to MSRB Rule G-17 for Redstone project; seconded by Terry Painter; and the Board unanimously approved the motion, 6-0 vote.

c. A motion was presented to the Board to approve the execution of the Release and Indemnity Agreement between Redstone and WCIDA. John Kline moved for approval of the Release and Indemnity Agreement; seconded by Tom Sochacki; the Board unanimously approved the motion; 6-0 vote.

5. **Report of Assistant Secretary.** All Annual Post-Issuance Compliance Certificates have been received and all annual fees paid. All Statements of Financial Interest have been completed by all Board members and were submitted to the Commissioner’s Office on April 20, 2021.

6. **Unfinished business.** None.

7. **New Business.**

a. Starting January, 2022, all meetings for the WCIDA will begin at 3:30pm unless otherwise stated. 2022 Board meetings will be advertised in December, 2021, and will be held on the third Monday each month, unless a holiday, in which case the meetings will be the next day.

b. Changes to the Sunshine Act require publication of the agenda in advance of public meetings. Rather than incur additional costs for a separate website, if possible, use the EGCW website for advance notice, with costs, if any, being reimbursed.

Tom Sochacki moved for approval of New Business items (a) and (b); seconded by Dan Howard; passed unanimously, 6-0 vote.

8. **Adjournment.**

There being no further business to come before this Board, Terry Painter moved to adjourn, seconded by Ed Sobota; passed unanimously, 6-0 vote, and the Special Meeting was adjourned at 3:58 pm.

Respectfully submitted,

Rebecca S. Lewis, Assistant Secretary

REPORT OF THE TREASURER

Balance on hand as of January 1, 2021 **\$8,217.04**

Deposits:

01/26/21	Seton Hill University – annual fee	\$ 250.00
01/26/21	CSE Corporation/Chattan Highland Group – annual fee	\$ 250.00
02/10/21	Adelphoi USA Inc. – annual fee	\$ 250.00
02/16/21	Westmoreland Cultural Trust – annual fee	\$ 250.00
03/01/21	Fischione Enterprises Inc. – annual fee	\$ 250.00
03/02/21	Redstone Highlands – annual fee	\$ 250.00
03/08/21	Excela Health – annual fee	\$ 250.00

Total Deposits: **\$1,750.00**

Disbursements:

12/08/20	Check fee – Commercial Bank	\$ 32.45
01/05/21	Check 1005 – James J. Conte Reimburse cost – Cincinnati Insurance Co.	\$ 500.00
01/05/21	Check 1006 – James J. Conte Reimburse cost – Cincinnati Insurance Co.	\$ 950.00
01/18/21	Check 1007 - James J. Conte Reimburse Trib Total Media Advertising costs	\$ 161.75
05/31/21	Check 1008 – Hempfield Mini Storage – annual rent	\$1297.44

Total Disbursements: **(\$2,941.64)**

Current balance as of September 30, 2021: **\$7,025.40**



HORNER, WIBLE & TEREK, PC

CERTIFIED PUBLIC ACCOUNTANTS

500 Rugh Street, Greensburg, PA 15601
724-837-7141, 724-837-7172 Fax
hwt@hwtcpa.com

Barbara A. Terek, CPA
Matthew D. Horner, CPA
Robert K. Bulloch, CPA

September 24, 2021

To the Board of Directors
Westmoreland County Industrial Development Authority
Greensburg, PA 15601

We have audited the Statement of Cash Receipts and Disbursements of Westmoreland County Industrial Development Authority, for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

The Board of Directors is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Westmoreland County Industrial Development Authority are described in Note (1) to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by Westmoreland County Industrial Development Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with the Board of Directors in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 24 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Westmoreland County Industrial Development Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Westmoreland County Industrial Development Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

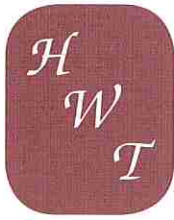
Restriction on Use

This information is intended solely for the use of Board of Directors of Westmoreland County Industrial Development Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Horner, Wible & Terek, PC

Horner, Wible & Terek, PC



HORNER, WIBLE & TEREK, PC

CERTIFIED PUBLIC ACCOUNTANTS

500 Rugh Street, Greensburg, PA 15601
724-837-7141, 724-837-7172 Fax
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Independent Auditor's Report on Summary Financial Statement

To the Board of Directors
Westmoreland County Industrial Development Authority
Greensburg, Pennsylvania 15601

The accompanying summary statement of cash receipts and disbursements of Westmoreland County Industrial Development Authority (Authority) for the year ended December 31, 2020 is derived from the audited cash-basis financial statement of the Authority for the year ended December 31, 2020. We expressed an unmodified audit opinion on the audited cash-basis financial statement in our report dated September 24, 2021.

The summary financial statement does not contain all the disclosures required by the cash basis of accounting. Reading the summary cash-basis financial statement, therefore, is not a substitute for reading the audited cash-basis financial statement of the Authority.

Management's Responsibility for the Summary Financial Statement

Management is responsible for the preparation of the summary financial statement on the cash basis of accounting.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the summary cash-basis financial statement is consistent, in all material respects, with the audited cash-basis financial statement based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary cash-basis financial statement with the related information in the audited cash-basis financial statement from which the summary cash-basis financial statement has been derived, and evaluating whether the summary financial statement is prepared in accordance with the cash basis of accounting.

Opinion

In our opinion, the summary cash-basis financial statement of the Authority for the year ended December 31, 2020 referred to above is consistent, in all material respects, with the audited cash-basis financial statement from which it has been derived, on the cash basis of accounting.

Horner, Wible & Terek, PC

Horner, Wible & Terek, PC
September 24, 2021

WESTMORELAND COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
PUBLISHED IN COMPLIANCE WITH THE
ECONOMIC DEVELOPMENT FINANCING LAW
DERIVED FROM THE AUDITED FINANCIAL STATEMENTS

SUMMARY STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended December 31, 2020

Cash Receipts	\$ 4,250
Cash Disbursements	<u>3,749</u>
Increase in Cash	501
Cash Balance - January 1, 2020	<u>7,684</u>
Cash Balance - December 31, 2020	<u>\$ 8,185</u>

Department of Community and Economic Development

2020 Year End Allocation Report

Tom Wolf, Governor
Dennis M. Davin, Secretary

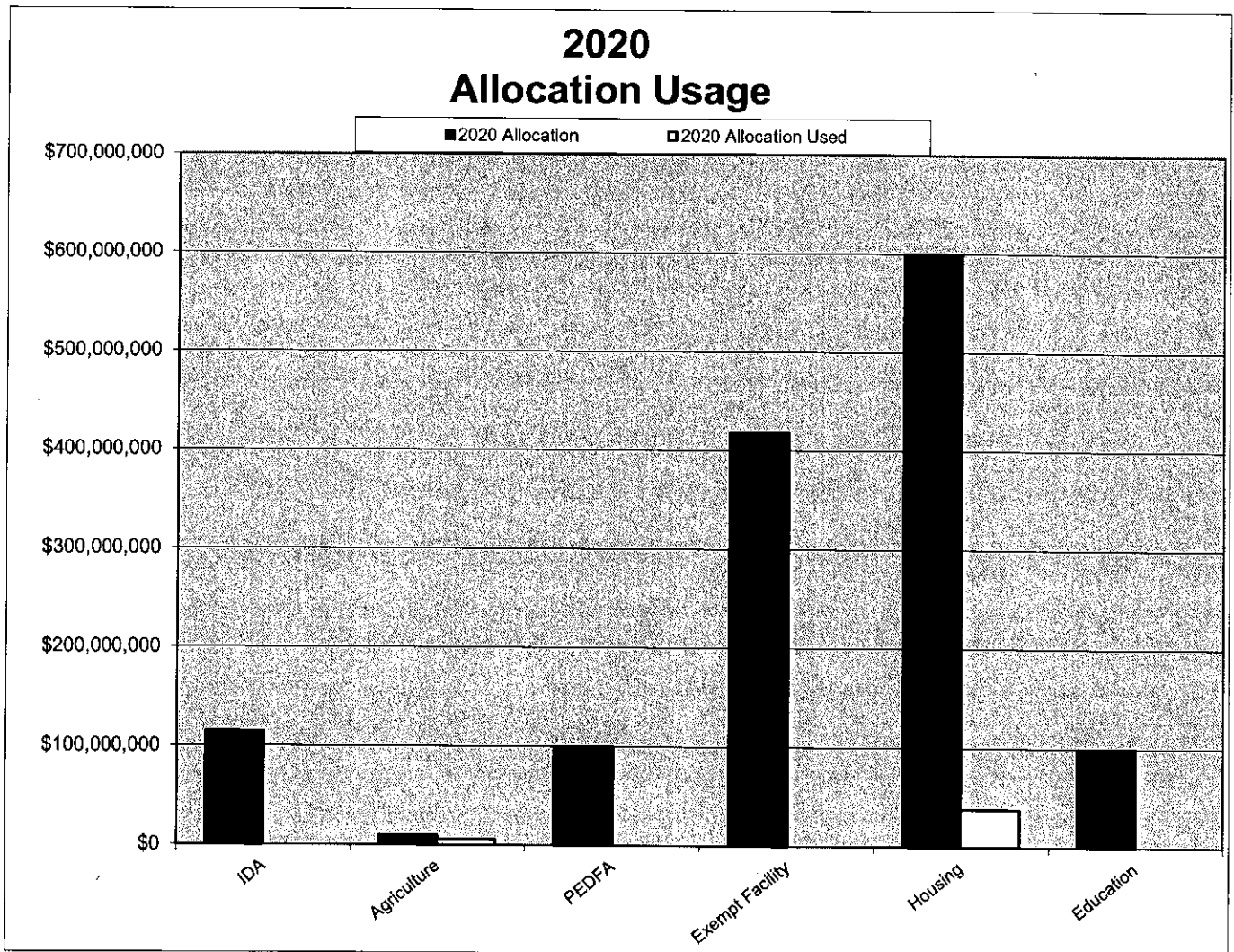
Prepared By:
Center for Private Financing
Commonwealth Keystone Building, 4th Floor
400 North Street
Harrisburg, PA 17120

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**TABLE 1
2019 ALLOCATION USAGE SUMMARY**

Category	2020 Allocation	2020 Allocation Used	2020 Remaining Allocation
IDA	\$115,000,000	\$0	\$115,000,000
Agriculture	\$10,000,000	\$5,886,000	\$4,114,000
PEDFA	\$100,000,000	\$0	\$100,000,000
Exempt Facility	\$419,208,000	\$0	\$419,208,000
Housing	\$600,000,845	\$38,145,000	\$561,855,845
Education	\$100,000,000	\$0	\$100,000,000
Balance	\$1,344,208,845	\$44,031,000	\$1,300,177,845



**TABLE 2
IDA SMALL ISSUE MANUFACTURING ALLOCATION USAGE
2018-2020**

COUNTY	2018			2019		
	ALLOCATION	%	# OF PROJECTS	ALLOCATION	%	# OF PROJECTS
Adams	\$0	0.0%	0	\$0	0.0%	0
Allegheny	\$1,225,000	4.8%	1	\$0	0.0%	0
Armstrong	\$0	0.0%	0	\$0	0.0%	0
Beaver	\$0	0.0%	0	\$0	0.0%	0
Bedford	\$0	0.0%	0	\$0	0.0%	0
Berks	\$0	0.0%	0	\$0	0.0%	0
Blair	\$0	0.0%	0	\$0	0.0%	0
Bradford	\$0	0.0%	0	\$0	0.0%	0
Bucks	\$16,241,000	63.0%	2	\$4,243,000	23.7%	1
Butler	\$0	0.0%	0	\$0	0.0%	0
Cambria	\$0	0.0%	0	\$0	0.0%	0
Cameron	\$0	0.0%	0	\$0	0.0%	0
Carbon	\$0	0.0%	0	\$0	0.0%	0
Centre	\$0	0.0%	0	\$0	0.0%	0
Chester	\$0	0.0%	0	\$0	0.0%	0
Clarion	\$0	0.0%	0	\$0	0.0%	0
Clearfield	\$0	0.0%	0	\$0	0.0%	0
Clinton	\$0	0.0%	0	\$0	0.0%	0
Columbia	\$0	0.0%	0	\$0	0.0%	0
Crawford	\$0	0.0%	0	\$0	0.0%	0
Cumberland	\$0	0.0%	0	\$0	0.0%	0
Dauphin	\$0	0.0%	0	\$0	0.0%	0
Delaware	\$0	0.0%	0	\$4,670,000	26.1%	1
Elk	\$0	0.0%	0	\$0	0.0%	0
Erie	\$0	0.0%	0	\$0	0.0%	0
Fayette	\$0	0.0%	0	\$0	0.0%	0
Forest	\$0	0.0%	0	\$0	0.0%	0
Franklin	\$0	0.0%	0	\$0	0.0%	0
Fulton	\$0	0.0%	0	\$0	0.0%	0
Greene	\$0	0.0%	0	\$0	0.0%	0
Huntingdon	\$0	0.0%	0	\$0	0.0%	0
Indiana	\$0	0.0%	0	\$0	0.0%	0
Jefferson	\$0	0.0%	0	\$0	0.0%	0
Juniata	\$0	0.0%	0	\$0	0.0%	0
Lackawanna	\$6,120,000	23.7%	1	\$0	0.0%	0
Lancaster	\$2,200,000	8.5%	1	\$9,000,000	50.2%	1
Lawrence	\$0	0.0%	0	\$0	0.0%	0
Lebanon	\$0	0.0%	0	\$0	0.0%	0
Lehigh	\$0	0.0%	0	\$0	0.0%	0
Luzerne	\$0	0.0%	0	\$0	0.0%	0
Lycoming	\$0	0.0%	0	\$0	0.0%	0
McKean	\$0	0.0%	0	\$0	0.0%	0
Mercer	\$0	0.0%	0	\$0	0.0%	0
Mifflin	\$0	0.0%	0	\$0	0.0%	0
Monroe	\$0	0.0%	0	\$0	0.0%	0
Montgomery	\$0	0.0%	0	\$0	0.0%	0
Montour	\$0	0.0%	0	\$0	0.0%	0
Northampton	\$0	0.0%	0	\$0	0.0%	0
Northumberland	\$0	0.0%	0	\$0	0.0%	0
Perry	\$0	0.0%	0	\$0	0.0%	0

Philadelphia	\$0	0.0%	0	\$0	0.0%	0
Pike	\$0	0.0%	0	\$0	0.0%	0
Potter	\$0	0.0%	0	\$0	0.0%	0
Schuylkill	\$0	0.0%	0	\$0	0.0%	0
Snyder	\$0	0.0%	0	\$0	0.0%	0

TABLE 2
IDA SMALL ISSUE MANUFACTURING ALLOCATION USAGE
2018-2020

COUNTY	2018			2019		
	ALLOCATION	%	# OF PROJECTS	ALLOCATION	%	# OF PROJECTS
Somerset	\$0	0.0%	0	\$0	0.0%	0
Sullivan	\$0	0.0%	0	\$0	0.0%	0
Susquehanna	\$0	0.0%	0	\$0	0.0%	0
Tioga	\$0	0.0%	0	\$0	0.0%	0
Union	\$0	0.0%	0	\$0	0.0%	0
Venango	\$0	0.0%	0	\$0	0.0%	0
Warren	\$0	0.0%	0	\$0	0.0%	0
Washington	\$0	0.0%	0	\$0	0.0%	0
Wayne	\$0	0.0%	0	\$0	0.0%	0
Westmoreland	\$0	0.0%	0	\$0	0.0%	0
Wyoming	\$0	0.0%	0	\$0	0.0%	0
York	\$0	0.0%	0	\$0	0.0%	0
TOTAL	\$25,786,000	100.0%	5	\$17,913,000	100.0%	3

**TABLE 3
PEDFA SMALL ISSUE MANUFACTURING ALLOCATION USAGE
2018-2020**

COUNTY	2018			2019		
	ALLOCATION	%	# OF PROJECTS	ALLOCATION	%	# OF PROJECTS
Adams	\$0	0.0%	0	\$0	0.0%	0
Allegheny	\$0	0.0%	0	\$0	0.0%	0
Armstrong	\$0	0.0%	0	\$0	0.0%	0
Beaver	\$0	0.0%	0	\$0	0.0%	0
Bedford	\$0	0.0%	0	\$0	0.0%	0
Berks	\$0	0.0%	0	\$0	0.0%	0
Blair	\$0	0.0%	0	\$0	0.0%	0
Bradford	\$0	0.0%	0	\$0	0.0%	0
Bucks	\$0	0.0%	0	\$0	0.0%	0
Butler	\$0	0.0%	0	\$0	0.0%	0
Cambria	\$0	0.0%	0	\$0	0.0%	0
Carbon	\$0	0.0%	0	\$0	0.0%	0
Centre	\$0	0.0%	0	\$0	0.0%	0
Chester	\$0	0.0%	0	\$0	0.0%	0
Columbia	\$0	0.0%	0	\$0	0.0%	0
Clearfield	\$0	0.0%	0	\$0	0.0%	0
Crawford	\$0	0.0%	0	\$0	0.0%	0
Cumberland	\$0	0.0%	0	\$0	0.0%	0
Dauphin	\$0	0.0%	0	\$0	0.0%	0
Delaware	\$0	0.0%	0	\$0	0.0%	0
Elk	\$0	0.0%	0	\$0	0.0%	0
Erie	\$0	0.0%	0	\$0	0.0%	0
Fayette	\$0	0.0%	0	\$0	0.0%	0
Franklin	\$0	0.0%	0	\$0	0.0%	0
Fulton	\$0	0.0%	0	\$0	0.0%	0
Greene	\$0	0.0%	0	\$0	0.0%	0
Jefferson	\$0	0.0%	0	\$0	0.0%	0
Juniata	\$0	0.0%	0	\$0	0.0%	0
Lackawanna	\$0	0.0%	0	\$0	0.0%	0
Lancaster	\$0	0.0%	0	\$0	0.0%	0
Lawrence	\$0	0.0%	0	\$0	0.0%	0
Lebanon	\$0	0.0%	0	\$0	0.0%	0
Lehigh	\$0	0.0%	0	\$0	0.0%	0
Luzerne	\$0	0.0%	0	\$0	0.0%	0
Lycoming	\$0	0.0%	0	\$0	0.0%	0
McKean	\$0	0.0%	0	\$0	0.0%	0
Mercer	\$0	0.0%	0	\$0	0.0%	0
Mifflin	\$0	0.0%	0	\$0	0.0%	0
Montgomery	\$0	0.0%	0	\$0	0.0%	0
Northampton	\$0	0.0%	0	\$0	0.0%	0
Perry	\$0	0.0%	0	\$0	0.0%	0
Philadelphia	\$0	0.0%	0	\$0	0.0%	0
Schuylkill	\$0	0.0%	0	\$0	0.0%	0
Snyder	\$0	0.0%	0	\$0	0.0%	0
Somerset	\$0	0.0%	0	\$0	0.0%	0
Tioga	\$0	0.0%	0	\$0	0.0%	0
Venango	\$0	0.0%	0	\$0	0.0%	0
Warren	\$0	0.0%	0	\$0	0.0%	0
Washington	\$0	0.0%	0	\$0	0.0%	0
Westmoreland	\$0	0.0%	0	\$0	0.0%	0
York	\$0	0.0%	0	\$0	0.0%	0
TOTAL	\$0	0.0%	0	\$0	0.0%	0

**TABLE 4
2020 SMALL ISSUE MANUFACTURING ALLOCATION PROJECTS**

COUNTY/ ISSUER	PROJECT NAME	ALLOCATION AMOUNT	JOBS PRES.	JOBS NEW	CLOSING DATE
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There weren't any IDA small issue manufacturing projects in 2020

TOTAL	<u>\$0</u>	0	0
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**TABLE 5
2020 EXEMPT FACILITY
ALLOCATION USAGE**

There weren't any exempt facility projects issued with 2020 allocation.

**TABLE 6
2020 EXEMPT FACILITY
CARRYFORWARD USAGE**

ISSUER	PROJECT	ALLOCATION	ALLOCATION STATUS
PEDFA	KDC Agribusiness	\$89,290,000	CLOSED
PEDFA	CarbonLITE P LLC	\$10,000,000	CLOSED
TOTAL		\$99,290,000	

**TABLE 7
2020 HOUSING
ALLOCATION USAGE**

ISSUER/PROJECT	CATEGORY	ALLOCATION AMOUNT	ALLOCATION STATUS
TC4 LP Portfolio (Lancaster RDA)	Multifamily	\$15,400,000	Closed
Parkside Neighborhood Preservation (PAID)	Multifamily	\$8,100,000	Closed
Park Place TEB (Lancaster RDA)	Multifamily	\$3,500,000	Closed
Susquehanna Townhouse Apartments (PAID) was Susquehanna NetZero Housing	Multifamily	\$11,145,000	Closed
TOTAL		<u>\$38,145,000</u>	

**TABLE 8
2020 HOUSING
CARRYFORWARD USAGE**

ISSUER/PROJECT	CATEGORY	ALLOCATION AMOUNT	ALLOCATION STATUS
Series 2020-132	Single Family	\$149,997,965	Closed
Series 2020-133	Single Family	\$224,998,864	Closed
York Towne House Apartments (PHFA)	Multifamily	\$27,500,000	Closed
Kinder Park IV (PHFA)	Multifamily	\$9,859,000	Closed
Rowan Judson Diamond (PHFA)	Multifamily	\$7,500,000	Closed
Wister	Multifamily	\$28,500,000	Closed
Awbury View Apartments (PHFA)	Multifamily	\$21,833,000	Closed
TOTAL		<u>\$470,188,829</u>	

Allocation Bulletin #42

January 22, 2021

2021 Initial Tax-Exempt Bond Allocation

The Pennsylvania Department of Community and Economic Development (DCED) has assigned the 2021 tax-exempt allocation as follows:

Small Issue	\$115,000,000
Small Issue (PEDFA)	\$100,000,000
Agriculture Bonds	\$10,000,000
Exempt Facility Bonds	\$419,208,000
Education (PHEAA)	\$0
Housing (PHFA)	<u>\$700,000,845</u>
	\$1,344,208,845

TEFRA Approval Changes

The IRS has provided new public approval (TEFRA) regulations that affect the TEFRA approval process IDAs are accustomed to. The TEFRA regulations affect issuers and borrowers who are required under the tax rules to obtain approval and hold a public hearing before issuing their bonds. Please make yourself familiar with these changes as they went into effect April 1, 2019. You may reference:

<https://www.federalregister.gov/documents/2018/12/31/2018-28371/public-approval-of-tax-exempt-private-activity-bonds>

Small-Issue Manufacturing Policies

- In order to distribute the small-issue manufacturing allocation to the Industrial Development Authorities (IDAs) this calendar year, the following DCED policies will be followed:
- Allocation will be granted to **complete** projects, generally on a first-come-first-served basis. Complete projects are those that meet the application and allocation guidelines including clearances by the Pennsylvania Department of Revenue (taxes) and Pennsylvania Department of Labor and Industry (Pennsylvania Contractor Responsibility).

In the event allocation is in high demand and declining in availability, a county will not be able to receive more than 15% of the total IDA Small Issue allocation between January 1, 2021 and July 1, 2021. This means that no individual county will be able to issue more than \$17,250,000 in tax-exempt bonds requiring allocation during this timeframe no matter how many IDA issuers are in that particular county. If IDA small-issue manufacturing allocation is still available after July 1, 2021, applications will be processed on a first completed basis without any further restriction. We understand that there may be situations where exceptions to this policy will need to be made on a case-by-case basis and recommend you contact us at 717-783-1109.

- Preliminary and final allocations will only be approved for amounts in multiples of \$1,000. Please notify all borrowers and bond counsels that allocation projects must close in \$1,000 multiples. **If we receive a Final Allocation Request for an amount that is not in \$1,000 multiples, we will round down in approving the final allocation approval.**
- For the viability of the project, bond closings are **NOT** to be scheduled prior to receiving project approval. Projects requiring volume cap may **NOT** close prior to the receipt of a PAR approval.
- **All projects being issued by an IDA and when an IDA takes on debt are both required to** get approval from the Secretary of DCED under the Economic Development Financing Law.
- Preliminary allocations for small issue and exempt facility projects are valid for a period of 90 calendar days, starting the date of the approval. **A one-time only 30-day extension may be requested** and is at the sole discretion of the agency.
- Our office must receive Final Allocation Requests (FAR) for small issue and exempt facility projects **within 15 calendar days of closing**. It is the IDA's responsibility to submit this request in a timely manner. If the FAR is not received in 15 calendar days, then it is at the discretion of the agency if the IDA will be suspended from receiving further allocation for the year. Please call our office to confirm the FAR has been received.
- Please note that all IDA applications, IDA PARs, and IDA FARs should be sent directly to the Center for Private Financing office to the Attention of Gail Boppe. **DO NOT send applications to the Customer Service Center or submit them online.**

- Only one copy of an application is needed for an IDA project. Duplicates are not necessary and are discarded. The only time a duplicate copy of an application is necessary is when submitting Next Generation Farmer Loan applications. A separate copy must go to the Department of Agriculture, Attn: Laura England.

If at any time during the year you have any questions concerning the availability of small issue manufacturing allocation, it is important that you call Gail Boppe, Program Manager for the IDA Bond program, at 717-783-1109.

Jurisdiction Projects.

An IDA may finance a project within its (geographic) jurisdiction or outside its jurisdiction without receiving the consent of the most active IDA where the project is located as long as the IDA submits the proper TEFRA documentation. This includes the public notice proof of publication, hearing minutes, and highest elected official approval and adheres to Section 147(f)(2) of the Internal Revenue Code of 1986, as amended [26 U.S.C. §147(f)(2)].

TEFRA documentation for multi-county projects would include the TEFRA information for each county. Keep in mind a host approval is needed, as well as the highest elected official approval from the township or county the project is located.

Bond Counsel Opinion

ALL tax-exempt project applications are to be accompanied by a preliminary bond counsel opinion, regardless of project amount.

Increase in Capital Expenditure Limit for Tax-Exempt Bonds

As a reminder, keep-in-mind the capital expenditure limitation on the use of small issue industrial development bonds was increased in 2006 from the current \$10 million to \$20 million. However, the single bond issue limit remains \$10 million.

Draw-Down Financings

Please refer to IRS Notice 2010-81. Allocation must be used in the year the funds are used. Separate PARs and FARs will be necessary for each draw.

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Exempt Facilities

ALL exempt facility projects needing allocation are required to contact the Center for Private Financing prior to submitting an application and requesting allocation to discuss how we can assist with a smooth transaction.

All exempt facility projects that require more than \$20 million of allocation must be financed through PEDFA.

2020 Industrial Development Authority Yearly Audit Reports

Each Industrial Development Authority is required to submit an annual audit report to the Department. The 2020 IDA audit report is due by July 31, 2021. The report is required whether or not there was any activity during the year (consult the Pennsylvania Economic Development Financing law for further explanation and requirements). Failure to submit this report with an audit will result in a temporary suspension of receiving the Secretary's approval to issue bonds. If multiple years of reports have not been filed, we require the three most recent years of reports to become current.

2020 Annual Allocation Report

A copy of Pennsylvania's 2020 Allocation Report that provides a breakdown of the use of allocation during the previous year is attached for reference purposes.

To Contact Our Office

If you have any questions regarding the information in this bulletin, please contact Gail Boppe, Program Manager at 717-783-1109 or via email at gboppe@pa.gov.