

**MINUTES OF THE MEETING OF THE BOARD OF THE REDEVELOPMENT
AUTHORITY OF THE COUNTY OF BERKS**

March 2, 2020

Chairman Glenn Yeager called the meeting of the Board of the Redevelopment Authority of the County of Berks to order at 4:30 P.M. on March 2, 2020 at the offices of the Redevelopment Authority of the County of Berks, 606 Court Street, 3rd Floor, Reading, Pennsylvania.

1. Roll Call:

The following Board members were present during the meeting:

Glenn Yeager
Thomas Ruth
Diodato Bassano
Pellegrino Orlando
Eileen Kastura

Chairman Yeager declared a quorum of Board members present. Peter Battaglia was introduced as Deputy Director.

Also in attendance were:

Kenneth L. Pick, Executive Director
Peter Battaglia, Deputy Director
Kathy Heckman, Executive Assistant
Kathy Miller, Fiscal Officer
Thomas Dachowski, Housing Director
Daniel P. Becker, Esquire of Kozloff Stoudt, Solicitor

2. Reading and approval of minutes of the meetings of 11/19/19 and 1/28/20:

Upon motion made by Glenn Yeager and seconded by Diodato Bassano all members of the Board present voted to approve the November 19, 2019 minutes of the Board of this Authority.

Upon motion made by Glenn Yeager and seconded by Diodato Bassano all members of the Board present voted to approve the January 28, 2020 minutes of the Board of this Authority. Eileen Abstained.

3. Report of Treasurer:

Diodato Bassano presented the Profit & Loss Statement for the period of January 1, 2020 through January 31, 2020 and the Balance Sheet as of January 1, 2020. A copy of said report is attached to these Minutes. Upon motion by Eileen Kastura and seconded by Pellegrino Orlando all Board members present voted to accept the report of the Treasurer, including said Profit & Loss Statement and Balance Sheet, subject to audit.

4. Bills and Communications:

Diodato Bassano presented the list of payments to creditors representing the period of January 30, 2020 through March 2, 2020. A copy of said report is attached to these Minutes. Upon motion by Glenn Yeager and seconded by Eileen Kastura, all Board members present voted to approve the list of payments to creditors.

The audit is proceeding and is expected to be done by June for 2019. The in-house field work/review is scheduled for the 2nd week of April.

There were no communications.

5. Reports of Committees:

There were no committee reports presented.

6. Unfinished Business:

a. Next Step Program & Rentals:

Kathy Heckman then gave a brief report on the “Next Step Program.” Ms. Heckman advised the Board that there is no real change in the program since January. There are twelve (12) contracts. One contract ended February 29th as the twenty-four (24) month term expired. The two (2) tenants mentioned at the last meeting are still looking to move elsewhere.

b. Colebrookdale Spur:

Ken Pick gave an update on the developments of Colebrookdale Railroad:

- i. Ken reviewed the history of the County’s purchase of the rail line explaining that it has always been the County’s desire to utilize the rail line to transport freight. Ken reminded the Board that the County originally sold the rail line to a purchaser that intended to use the rail line to transport freight. Unfortunately, the purchaser’s efforts to operate the rail line to transport freight failed and the County repurchased the rail line. While still wanting to utilize the rail line to transport freight, the County, through RDABC leased the rail line to Nathaniel Guest and supported Mr. Guest’s concept of utilizing the rail line for both freight and passenger services.

- ii. Ken met with the County Commissioners and explained that in order to make the rail line available to freight haulers, many improvements will be required to the infrastructure (new rail; reinforced bridges; storm water improvements; and construction of a transload facility) so the rail line can accommodate recently established industry standard weight for freight cars of 286,000 lbs. per car. In response, the Commissioners requested that the RDABC prepare a business plan that outlines the proposed upgrades and improvements as well as the anticipated costs and how the project will be financed and repaid.
- iii. Ken contacted R.L. Banks & Associates, Inc. to request that they assist the RDABC with the preparation of a business plan. R.L. Banks prepared a proposal for the preparation of the business plan dated March 2, 2020. The proposal was discussed at length with the Board. R.L. Bank's cost for the preparation of the business plan is \$42,500.00.
- iv. There was additional discussion regarding the economic feasibility of upgrading the current rail facilities to accommodate freight traffic. Ken explained that present passenger system pays the operating bills but does not generate enough revenue for the ongoing maintenance needs of the railroad. Ken explained that in concept, the freight business will generate sufficient revenue to maintain the line after

this initial investment. A study will be completed by the end of April or mid-May to reflect the economics and pay back of the financing that will be needed to complete the required improvements and upgrades. After completion of the study and presentation to the County Commissioners, the RDABC will consider preparing an application with the FRA and Railroad Rehabilitation and Improvement Financing Program. At the present time, FRA financing terms are a maximum of fifty million dollars (\$50,000,000.00) for thirty (30) years at an interest rate of 1.65% per annum.

- v. Attorney Becker explained that he has been in discussions with Nathaniel Guest and insurance representatives of A.J. Blosenski, the local trash hauler whose vehicle hit and damaged a railroad bridge for the second time in January. Attorney Becker reported that the first claim (which is being handled by the Railroad's Attorney) from last June is still not paid, however, a check in the amount of thirty-five thousand dollars (\$35,000.00) was delivered last week as partial payment of the second claim. The partial payment was accepted by the Colebrookdale Railroad without any contingencies limiting future claims for additional damage discovered during repair of the bridge or for the economic losses that were incurred by the Railroad. Attorney Becker explained that the total amount of the claim for the

second collision with the bridge is approximately one hundred six thousand dollars (\$106,000.00).

c. Armorcast R.A.:

Mr. Pick advised that there is no report.

d. Housing Programs:

Thomas Dachowski advised that:

- i. 310 N. 4th Street property. The interior of the property is completely done. The exterior has been a struggle due to the weather. In order to paint twenty-four (24) hours of forty degrees (40°) or above temperatures is required. The property is expected to be completed this month.

e. Blighted Property Review Committee:

Tom Dachowski reported:

- i. that the Blighted Property Review Committee did not have a February meeting;
- ii. there were no changes and no new referrals; and
- iii. they are still working on the same four (4) properties.

f. Miscellaneous Items:

Ken reported on the following Miscellaneous Items:

- i. Welcome to Peter Battaglia as Deputy Director.

7. **New Business:**

Under New Business, Ken Pick and Peter Battaglia presented the following:

a. Penn State Health – Cardiac Catherization Laboratory – St. Joseph Medical Center: Peter Battaglia reported that the RDABC has been requested to act as Administrator for a one million dollar (\$1,000,000.00) grant from the Pennsylvania Redevelopment Assistance Capital Program (“RACP”) for the purpose of providing Penn State Health with financial support to establish a new high tech cardiac catherization laboratory at the St. Joseph Medical Center located on Route 183 in Bern Township, Berks County. Peter advised this will be the most sophisticated cardiac catherization laboratory in Berks County and in the Eastern Pennsylvania.

Peter explained with this project the RDABC must:

- (i) approve Resolution 2020-1 which authorizes the Authority to act as the Administrator of the grant and to execute all documents and agreements associated therewith, and
- (ii) enter into an agreement with the County of Berks authorizing the activities of the Project and provide for County reimbursement if any grant payments are determined to be ineligible for funding from the RACP grant. Peter explained that the County’s guarantee is needed because the RDABC does not have taxing authority.
- (iii) Ken reported that the RDABC will receive forty thousand dollars (\$40,000.00) fee to act as the Grant Administrator for their Project.
- (iv) Resolution 2020-1 approving grant from the Pennsylvania Redevelopment Assistance Grant Program (RACP) for a project at St. Joes’s Hospital:

Upon motion made by Glenn Yeager and seconded by Diodato Bassano all members of the Board present voted to adopt Resolution 2020-1 authorizing the RDAB to act as the Administrator of the RACP grand funding for the cardiac catheterization laboratory at Penn State Health St. Josephs on Route 183.

(v) Approval of Agreement with the County of Berks related to the RACP Grant for the project at St. Joe's Hospital:

Upon motion moved by Glenn Yeager and seconded by Eileen Kastura all members of the Board present voted to approve and executed the Agreement with the County of Berks relating to the Penn State Health Cardiac Catheterization Lab Project.

b. Ken presented the proposal of R.L. Banks & Associates, Inc. as discussed under his earlier report on the Colebrookdale Railroad to the Board for consideration and approval.

A motion was made by Eileen Kastura and seconded by Thomas Ruth to accept R.L. Banks' proposal. All members of the Board present voted to approve and execute the R.L. Banks' proposal.

c. Date for annual event: Ken announced that the date for the RDABC at the Colebrookdale Railroad will be Wednesday, May 13, time to be determined.

8. Adjournment:

There being no further business of this Authority, a motion was made by Glenn Yeager to adjourn the meeting of this Authority. The motion was seconded by Eileen Kastura and all members of this Authority present voted in the affirmative. After discussion, the next meeting of the Authority will be March 24, at 4:30 p.m. This meeting was adjourned at 5:35 p.m.

Pellegrino Orlando, Secretary