

**Military Installation Remediation and
Infrastructure Authority (“MIRIA”)
Board Meeting Minutes
April 8, 2022**

In attendance:

BOARD:

Todd Stephens, Chair
W. William Whiteside, Vice Chair
Thomas Panzer, Secretary
Theresa Harmon, Treasurer
Tara Conner-Hallston
Scott DeRosa
Gregory Nesbitt (attended virtually)

STAFF:

Larry Burns, Executive Director
William Gildea-Walker, Deputy
Director
Kelly Eberle, Esq., Acting Solicitor

Mr. Stephens opened the meeting with a Pledge of Allegiance at 9:00 am in the Horsham Township Municipal Building at 1025 Horsham Road.

Mr. Stephens asked if there were any question or comments from the public. Mr. Tim Hagey of the Warminster Municipal Authority introduced himself. He confirmed the he had reviewed proposed changes to the MIRIA grant guidelines and that Warminster was comfortable with the changes. He indicated he was concerned however that Warminster Municipal Authority has a liability related to PFAS sludge from their waste water. He said that his impression of reading the guidelines that the mostly address PFAS in drinking water, and asked that the board and MIRIA solicitor review in concept the remedial costs resulting PFAS related to waste water treatment and whether those costs would be reimbursable under the program. Mr. Stephens thanked Mr. Hagey for his comments and agreed we would review with our solicitor the issue and hopefully find a way to support them with this issue. Mr. Hagey was pleased to add that Warminster is making on average 2 to 3 house connections to public water every week. Mr. Stephens complimented Mr. Hagey with the great work of him and his team.

Mr. Stephens asked for the will of the board regarding the March 4, 2022 meeting minutes. Mr. Whiteside motioned to approve the minutes of the March 4th board meeting. Mr. DeRosa seconded. All were in favor and the motion passed unanimously.

Mr. Stephens invited Mr. Burns to make his Executive Directors report. Mr. Burns noted that at the prior board meeting, the board authorized staff to amend the Designated Authority Application for the purpose of adding an additional parcel as a Designated Parcel in the MIRIA Zone. Staff submitted the amendment and PA Department of Revenue approved adding 500

Enterprise to the zone. With this addition, Designated parcels total 21 with 99.19 acres of the 100 acres afforded for that category. With this additional, the total MIRIA Zone now totals 65 parcels and 1,805.642 acres. Mr. Burns confirmed that last year we were successful in adding several properties to the Designated parcel list and that those parcels were not expected to initially add to the program, but over time as they redeveloped and as businesses are situated on those parcels, they would in the future. He noted 413 Horsham Road which had been an empty building, sold last year and now house a plumbing and heating contractors' business. He also discussed the former bank building property which was at the corner of County Line and Easton Road, which was torn down and a new retail building now houses Wild Forks. He also made note of the former Christmas Shoppe in front of the Hallowell School Building where the old structure was demolished and we soon expect a new building and business there. He further noted the property at 723 Dresher is to be razed and a new apartment building is expected to break ground this summer.

Mr. Burns confirmed that last week, Matt Forti from the PA Department of Revenue was in town and toured the zone and saw many of the properties. He recognized the size of this zone was very large and acknowledged how different this zone is. Mr. Burns invited Mr. Stephens' comments on the subject. Mr. Stephens said it was great that Mr. Forti paid a visit and that Mr. Burns was able to spend some time with him touring the zone. He commented in the brief time he was able to see them he hoped it was impactful for Mr. Forti, to recognize and distinguish this program from the other economic development programs. While this one was modeled after the others, this program certainly has different priorities and goals. He further complimented Mr. Burns in getting the Designated parcels to 99.19 acres of the 100 Designated acres under the program. Mr. Panzer also complimented him on this achievement.

Mr. Burns confirmed that he also wanted to discuss the 986 Easton Road parcel which was acquired last June, and structures on the property were demolished in January 2022. The property was acquired for the primary purpose of situating a traffic light at the intersection of West Moreland Avenue and Easton Road. Original estimates expected costs for the light to be in the \$800,000 to \$1 million range. While working with our engineers, we asked them to be forward thinking on the project, recognizing our intentions of having a cross-street on the base meet this intersection in the years to come and that we did not want to rip everything out and start a new when that road comes to be. As a result, our engineers have provided a rendering which moves the intersection about 150 feet east and corrects the angle where West Moreland Avenue meets Easton Road to a 90-degree angle. This rendering adds left and right hand turn lanes on Easton Road and a left hand turn lane on West Moreland Avenue on to Easton Road eastbound. In addition, back in 2004, when PennDOT approved a Navy plan to relocate their main gate at this location, PennDOT would not approve a light at this location without giving egress and ingress to Tinius & Olsen. Mr. Burns confirmed he met with Tinius & Olsen back in October and again, yesterday, to share the rendering and plan and to seek their input. This plan and rendering however comes at a larger cost, now estimated at \$1.7 million for the

improvement project. This plan is far superior to simply placing a traffic signal at the intersection and it realigns the intersection based on future expectations. As a result, the cost of this improvement project will need to be covered over 3 program cycles as opposed to our original expectations of 2 program cycles. Mr. Burns also confirmed that via email and a letter distributed in the board package, that the Navy has been requested to grant MIRIA and Horsham Township and easement for the property inside and outside the fence line required to accommodate the improvement project. Mr. Burns said he wanted to share the materials with the board so that could be aware of how the project is progressing.

Mr. Burns further confirmed that Maillie LLP, our auditors, we're on site back in early March doing field work for the 2021 audited statement. In the following weeks, we've shared supplemental information back and forth and expected that the audit should be successfully concluded in the coming week. The last item, Mr. Burns wanted to discuss the annual report. He confirmed he had had a zoom call with beMarketing, our communications firm and provided them materials to begin building the 2021 annual report. Last year a little later than this, we assembled and mailed our 2020 annual report which discussed MIRIA, discussed its purpose and the zone, and had a nice shot of the board in it. We intend this year again to prepare and mail an annual report, hopefully in the first week of May, and an interim report in late September, early October. The annual reports is a 12 page piece and the interim report, 8 pages. Both discussed the projects that we are funding and the successes of the program. Mr. Burns concluded his remarks and asked if there were any questions. Mr. Stephens asked if there were any questions. There were none.

Mr. Stephens noted the next agenda item was the approval of the list of checks. Mr. Burns interjected that the final list was slightly different, it was updated to reflect April Rents payment and not March, and that check number 1201 was voided as a result of error and that the check for North Wales for its grant disbursement was now shown as check number 1202. Mr. Panzer inquired into the timing of 2020 grants versus 2021 grants. Mr. Burns confirmed that it was decided by staff not to comingle cycle funds and that separate escrow accounts were established for the 202 Grant and Project cycle and that account still has about \$600,000 in it. Some of that, about \$200,000 is MIRIA project money which is not yet spent, and the balance is monies for Horsham Water and Sewer for water connections. They had hoped to have those connections completed last year, but some projects have dragged for various reasons. The 2021 cycle was just funded in December 2021, and Horsham Township requested and receive its 1st disbursement of about \$1.5 million, and the disbursement today to North Wales Water Authority is their first of the 2021 award which seeks reimbursement for tank costs and return of their local effort. Mr. Stephens asked if there were additional questions? There were none. Mr. Panzer motioned for approval of the list of checks in the amount of \$1,688,917.55 to fund MIRIA operating expenses, to fund MIRIA project costs, to fund a 2020 cycle grant disbursement #6 to Horsham Water and Sewer Authority and to fund a 2021 MIRIA Grant disbursement #1 and return

of local effort of \$899,765.72 to North Wales Water Authority. Mr. Whiteside seconded. All were in favor and the motion passed unanimously.

Mr. Stephens noted the next item on the agenda was the proposed amendment to the MIRIA Grant Guidelines and invited Mr. Burns to walk us through the changes. Mr. Burns confirmed that in the board package was the proposed amended guidelines and a red-lined version as well. The two basic changes included first, that we do not ever want to return local effort under any circumstance. In the first two cycles, our guidelines afforded that an application could be withdrawn and local effort returned. Last year, one of the applicants had discussed potential doing that, and we were very concerned from a compliance standpoint, that return local effort would negatively impact the December award and would lead us to having to return monies to the Department of Revenue. This potentially could have opened up compliance issues with revenue and potentially triggered an audit issue as well. You'll recall that by April 15th of each year, and you'll see it as the next agenda item, that we are required to certify to the Department of Revenue that funds have been budgeted, designated or spent within a certain period of time. At our December meeting we are very thoughtful of how we approach that process and we designate funds very specifically that provides a number of properties and projects and provides us a little leeway if one project doesn't happen that funds are allocated for others. The second issue or recommend seeks a support letter from the applicants' state representative and senator, to assure that they are aware of the program and the benefits to the community they serve. The letter is on a best-efforts basis. Mr. Burns indicated those were the two major changes that come to mind. Mr. Stephens asked if when developing these did you work in consultation with the water providers? Mr. Burns confirmed that Yes, we met with most water providers back in March and shared draft guidelines and discussed the proposed changes and sought water provider input. He also noted he was appreciative of Mr. Hagey's earlier comments, and did not believe the guidelines disallowed the costs he discussed but that he certainly was looking forward to discussing the topic with Ms. Eberle and getting her thoughts on the reimburse ability of those costs. Mr. Stephens asked if the regular applicants of Warminster, Ambler North Wales were in the March gathering, and Mr. Burns also noted Upper Southampton and Northampton were there as well. Mr. Panzer asked for a clarification, and the guideline change, does it impact the North Wales disbursement and return of local effort. Mr. Burns said No, as the disbursement request afforded North Wales Water funding for reimbursable tank costs as well as it provided evidence that the local effort amount was in the project and there for could be returned to them. The guide line changes we discussed with providers was you've seen how we run the program and coach them through the application process. But if anyone takes back local effort, and rescinds an application, it will be a problem for both MIRIA and the program. Mr. Panzer reiterated, then the proposed change in the program would not impact the disbursement request were acting on today. Mr. Burns confirmed no. Mr. Stephens sought to clarify that providers are eligible to apply for a return of their local effort as a part of their project. The change as it relates to the guidelines is if a provider withdraws from participation in the program all together and seeks return of their local effort. Mr. Burns responded Yes and No, and provided the example

that if a provider put up \$1 million and applies for a \$5 million grant that will fund six different projects. If the provider comes back after the fact and says they've decided not to do 3 of the 6 projects, and requests return of \$400,000 in local effort as a result, that that creates a real problem. The available potential pot of money is determined June 1 as a multiple of local effort in hand, giving back local effort any rescinding any portion of a grant application is problematic. Mr. Stephens commented so they can apply to have local effort returned as part of reimbursement for a project, but they can not apply to withdraw local effort should they choose not to move ahead with a project. Mr. Burns agreed with this distinction. He further noted that grant applications can be amended well into December of each year so providers have ample time to swap out one project for another. Mr. Stephens thanks Mr. Burns and asked if there was a notion. Ms. Harmon motioned to approve the MIRIA Municipal and Municipal Authority Grant Guidelines as revised. Mr. DeRosa seconded. All were in favor and the motion passed unanimously.

Mr. Stephens noted the next item on the agenda was seeking approval to authorize staff to submit a certification and accounting to the Department of Revenue and invited Mr. Burns' comments. Mr. Burns indicated there was a letter distributed with the board package from him to Matt Forti in the PA Department of Revenue certifying the use of funds with an exhibit which shows award of about \$15.8 million in December 2021, operating expenses were about \$214,000, showing MIRIA Grants that were awarded and funds that were designated and budgeted for MIRIA economic development and infrastructure projects. At the end of the day, remaining funds not utilized, designated or budgeted was zero. It would be my intention today to sign this letter and email it to Revenue this afternoon. Mr. Whiteside motioned to approve authorizing MIRIA staff to submit a certification and accounting of the use of funds to the Pennsylvania Department of Revenue of amounts made available to MIRIA in fiscal year 2021 from the Military Installation Remediation Program. The submission to be made on or before April 15, 2022. Ms. Hallston seconded. All were in favor and the motion passed unanimously.

Mr. Stephens inquired whether there was any additional new business to be considered? There was none.

With no other business, Mr. Stephens reminded the next MIRIA board meeting was scheduled for May 6 at 9:00am here at the Horsham Township building. He then adjourned the meeting at approximately 9:22 am.

/S/

Thomas Panzer, Secretary