



DAUPHIN COUNTY
P E N N S Y L V A N I A
INDUSTRIAL DEVELOPMENT
AUTHORITY

September 1, 2023

VIA E-MAIL

Borough of Highspire, Dauphin County, PA
640 Eshelman Street
Highspire, PA 17034
Attn: Mark L. Stonbraker
mstonbraker@highspire.com

RE: Dauphin County Infrastructure Bank Program – G
FY 2023-2024 Award
Lumber Street Repair Project

Dear Borough Council:

Congratulations! Your application for participation in the Dauphin County Infrastructure Bank-General (the “DCIB-G”) loan financing program, FY 2023-2024, for the above referenced project, was reviewed by the DCIB-G Advisory Board on August 29, 2023 and approved by the Board of County Commissioners of the County of Dauphin (the “County”) on August 30, 2023.

In order to participate in the DCIB-G program, by October 2, 2023, you must sign this letter and complete the steps outlined in Paragraphs 1 – 5.

The County is currently working with its financing team to secure funding for the DCIB-G funding opportunity (the “DCIB-G Financing”). The pro-rata portion of the DCIB-G Financing for Borough of Highspire, Dauphin County, PA (the “Borrower”), following the inclusion of DCIB-G program fees and costs of issuance, is *estimated* to be \$700,000 (the “Loan”). Please reference the Summarized Sources and Uses Table provided herein for a breakdown of the Borrower’s Loan proceeds.

The Loan offered by the County to the Borrower has a 10-year maturity with an interest rate subsidy up to 1.75%, to be used to reduce the interest expense on the DCIB-G Financing. Each applicant is responsible for paying its pro-rata portion of annual principal as well as the net interest expense (after the interest rate subsidy) on their pro-rata portion. For informational purposes, attached hereto as **Exhibit A** is an *estimated* maximum debt service schedule for the Borrower. A final maximum debt service schedule will be circulated after the DCIB-G pool is finalized and interest rates and costs have been locked in.

IN ORDER TO MOVE FORWARD WITH LOAN CLOSING, THE FOLLOWING MUST BE RECEIVED BY 5:00PM ON OCTOBER 2, 2023:

1. Signed copy of this letter, accepting the County’s offer to participate in the DCIB-G Financing.
By signing this letter, the Borrower is confirming its willingness to do the following:

- a. Take necessary action, in form and substance prepared by McNees Wallace & Nurick LLC (note counsel for the County), at the Borrower’s regularly-scheduled October meeting or a properly advertised special meeting, to enact a Parameters Ordinance authorizing a note (a “Participant Note”) to be issued in favor of the County, for the Borrower’s pro-rata portion of the DCIB-G Financing (including program fees and costs of issuance).
 - b. Complete the necessary steps and requirements associated with LGUDA; and
 - c. Open an account, which account may only be used for the Loan proceeds. This account must be opened **no later than October 27, 2023**. Once the account has been opened, please send wire instructions to Terry Snyder at tsnyder@mcneeslaw.com. If board approval is required to open an account, please obtain this approval at the Borrower’s regularly scheduled October meeting, or earlier.
 - d. Cooperate with the DCIB-G Advisory Board, the County and McNees Wallace & Nurick LLC in executing the security and closing documents related to the DCIB-G Financing.
2. Complete the Financing Questionnaire attached hereto as **Exhibit B**.
 3. Provide a copy of the 2023 Approved Budget and year-to-date actual revenues and expenditures (if not previously provided in your DCIB-G application).
 4. If applicable, provide updated project schedule including design completion, permits secured, bid date, contract award, construction start and end, and project closeout.
 5. Please provide any additional information that could have an impact on the Borrower’s ability to proceed with the DCIB-G financing offer.

Please provide these items via e-mail to: GConnor@dauphincounty.gov or via mail to George Connor, Executive Director of the Dauphin County Office of Community & Economic Development, 3211 N. Front Street, Suite 301-C, Harrisburg, PA 17110, no later than 5:00PM on October 2, 2023.

McNees Wallace & Nurick LLC will circulate forms of the Parameters Ordinance, Note, Loan Agreement, any documents required by LGUDA and other pertinent documents.

Summary of Sources and Uses of Funds:

Deposit to Construction Fund	\$ 675,000.00
DCIB Program Costs (.50%)	3,500.00
Placement Agent Fee	5,053.08
Financial Advisor Fee	5,053.08
Note Counsel Fee	5,053.08
Bank Fee	445.86
LGUDA and Advertising Fees	1,000.00
Miscellaneous	<u>4,894.90</u>
Total Sources	\$ 700,000.00

Below is the current schedule to close on the financing:

- October** Borrower to consider Parameters Ordinance (*Must be enacted on or before October 27, 2023. McNeese Wallace & Nurick LLC will provide a draft of the Parameters Ordinance and all other necessary documents.*)
- October 2, 2023** Borrower to return this form, signed.
- October 27, 2023** New account information due to McNeese Wallace & Nurick LLC
- November 27, 2023** DCIB-G Pre-Settlement (*All signed documents and other deliverables are due to the County on or before this date, unless stated otherwise.*)
- December 5, 2023** DCIB-G Settlement

Upon receipt, review and approval of the aforementioned items, we will proceed with the loan closing process. **If the Borrower has secured alternative financing or does not wish to proceed with the DCIB-G Loan Offer, please contact George Connor or Doug Brown immediately.** Should you have any questions or concerns, please do not hesitate to contact me at 717-780-6250.

Thank you and we look forward to working with you on this important project!

Sincerely,



George H. Connor
Executive Director, Dauphin County Office of
Community & Economic Development

cc: Scott Shearer, PFM Financial Advisors LLC (electronic)
Erica Wible, McNeese Wallace & Nurick LLC (electronic)

ACCEPTED BY:

**BOROUGH OF HIGHSPIRE, DAUPHIN
COUNTY, PA**

**(Vice) President of
Council**

DATE

Exhibit A

ESTIMATED Debt Service Schedule

COUNTY OF DAUPHIN		Settle	12/13/2023
Series of 2023		Dated	12/13/2023
(Dauphin County Infrastructure Bank)			
Highspire Borough			

1	2	3	4	5	6	7	8
Payment Date	Principal	Rate	Gross Semi-Annual Interest	Gross Semi-Annual Debt Service	Gross Fiscal Year Debt Service	Less: DCIB Subsidy 1.750%	Net Fiscal Year Debt Service
6/1/2024		4.750	15,516.67	15,516.67			
12/1/2024	60,000	4.750	16,625.00	76,625.00	92,141.67	(11,841.67)	80,300.00
6/1/2025		4.750	15,200.00	15,200.00			
12/1/2025	60,000	4.750	15,200.00	75,200.00	90,400.00	(11,200.00)	79,200.00
6/1/2026		4.750	13,775.00	13,775.00			
12/1/2026	65,000	4.750	13,775.00	78,775.00	92,550.00	(10,150.00)	82,400.00
6/1/2027		4.750	12,231.25	12,231.25			
12/1/2027	65,000	4.750	12,231.25	77,231.25	89,462.50	(9,012.50)	80,450.00
6/1/2028		4.750	10,687.50	10,687.50			
12/1/2028	70,000	4.750	10,687.50	80,687.50	91,375.00	(7,875.00)	83,500.00
6/1/2029		4.750	9,025.00	9,025.00			
12/1/2029	70,000	4.750	9,025.00	79,025.00	88,050.00	(6,650.00)	81,400.00
6/1/2030		4.750	7,362.50	7,362.50			
12/1/2030	75,000	4.750	7,362.50	82,362.50	89,725.00	(5,425.00)	84,300.00
6/1/2031		4.750	5,581.25	5,581.25			
12/1/2031	75,000	4.750	5,581.25	80,581.25	86,162.50	(4,112.50)	82,050.00
6/1/2032		4.750	3,800.00	3,800.00			
12/1/2032	80,000	4.750	3,800.00	83,800.00	87,600.00	(2,800.00)	84,800.00
6/1/2033		4.750	1,900.00	1,900.00			
12/1/2033	80,000	4.750	1,900.00	81,900.00	83,800.00	(1,400.00)	82,400.00
TOTALS	700,000		191,266.67	891,266.67	891,266.67	(70,466.67)	820,800.00
Net Yield for Borrower:		3.0000%	DCIB Subsidy Rate:		1.750%		

NOTE: Participants are required to make their debt service payments to the County 30-days prior to the due date.

Exhibit B

FINANCING QUESTIONNAIRE

1. Please list the names, email addresses and telephone numbers of the individual(s) that you would like included on any correspondence relating to the loan documents **and** the person(s) to receive future invoices for your DCIB-G debt service payments:

<u>Name</u>	<u>Email Address</u>	<u>Telephone Number</u>	<u>Indicate Loan Docs and/or Invoice</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2. If *not* already included in your application total, please include the amount of legal fees or other costs of issuance that the Borrower would like added to the Borrower's loan (if any):

<u>Description of Fee/Payee</u>	<u>Fee Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____

3. Please provide a copy of the Sunshine Notice for the Borrower's regular 2023 meetings. This notice should be submitted with the signed letter.
4. Based on the Borrower's meeting calendar, please plan for your Debt Ordinance to be considered at the Borrower's **October 17, 2023 meeting** (the "October Meeting"). A representative from McNeese Wallace & Nurick LLC and PFM, the County's financial advisor, will attend this meeting and be available to provide a brief presentation and answer any questions.

Please confirm that this meeting date is acceptable and that, to the best of your knowledge, the Borrower will have a quorum at this meeting. (*Prior to this meeting, McNeese Wallace & Nurick LLC will provide the Borrower with all necessary documents and to advertise, as required, for this meeting.*)

- Yes, this meeting date is acceptable and the Borrower intends to have a quorum.
- No, the Borrower's preferred meeting date is _____.

5. For purposes of advertising for the Borrower's October Meeting, please provide us with the following information:

Meeting Location: _____

Meeting Time: _____

Address and Hours of Municipal Office: _____

6. Please provide a list of the Borrower's reoccurring revenues for the 2020, 2021 and 2022 fiscal years. If you are unsure of how to calculate this information, please contact Terry Snyder at tsnyder@mcneeslaw.com or 717-237-5379.

2020: _____

2021: _____

2022: _____

If we have any questions regarding these numbers, please provide the name, email address and telephone number of the person that we may contact:

Name: _____

Email Address: _____

Telephone Number: _____

7. Please confirm the project description. If the Borrower has *any* changes, please provide a revised project description.

(1) Design, planning and full depth reconstruction of Lumber Street cartway (between Rosedale and PA Turnpike, including, but not limited to: (a) mill and overlay and base repairs; (b) removal of the guiderail and installation of new guiderail and guiderail end treatments; (c) removal and replacement of traffic/warning signs; (d) removal of stone retaining wall replacing it with a segmental retaining wall and adding wall cap; (e) remove and replace culvert and provide riprap protection; (f) regrade and clean out existing swale; (g) stabilize steep slope; and (h) tree removal; and (2) payment of costs of issuance related to issuance of the Participant Note.

8. What is the useful life of the Borrower's project? (If you are unsure, please consult with your engineer.)

9. Please confirm that the estimated completion date for the Borrower's project is **August 31, 2025**.

Yes, I confirm this is the estimated completion date for the project.

No, the estimated completion date for the project is _____.